



THE FEMALE FTSE BOARD REPORT 2018

BUSY GOING NOWHERE WITH
THE FEMALE EXECUTIVE PIPELINE

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SPONSOR'S FOREWORD

Progress is not inevitable. There is positive news in this year's report but also some cautionary signs.

Those who want to see more diversity at all levels of the workplace will be encouraged by the continuing trend for more women on boards at FTSE 100 companies. Yet the fact that the FTSE 250 is not keeping up and in some respects is in fact falling behind suggests that there has not yet been a fundamental shift in the way UK companies work. There is clearly more still to do.

The analysis in this valuable report once again shows how important it is to have comprehensive data. We need the numbers behind the headline figures so that we can really understand what is going on beneath the surface. By including the insight contained in the case studies, this report both makes a strong case for increased effort, and provides an indication of how that effort should be focused.

We cannot take it for granted that the incremental improvements will continue. We cannot assume that just because the biggest companies are improving that others will follow fast enough. And we should not be satisfied with the current rate of change.

At Aviva we understand that diversity is important for our business as well as for society, and that it needs to extend to all levels of our organisation. Many other businesses share that view and we are moving in the right direction. The challenge for us all is to do more, and do it faster, so that we can consolidate the gains we have already achieved and rather than be satisfied, use them as a foundation for even greater ambition in the future.



A handwritten signature in black ink that reads "Adrian Montague". The signature is written in a cursive, slightly slanted style.

Sir Adrian Montague, CBE

Aviva Chairman

WOMEN'S BUSINESS COUNCIL FOREWORD

To compete successfully, businesses need to maximise all of the resources available. One of the greatest shifts I have seen over the last few years, has been the increased awareness that greater gender diversity at senior decision-making positions is not just the right thing to do; it also makes clear financial sense.

The business case for greater gender diversity has only increased the imperative for transformation at the top. Over the past three years, the diversity dividend for large organisations has increased. McKinsey's 2018 *Delivering through Diversity* report highlighted that large companies in the top quartile for gender diversity in their executive teams were 21% more likely to have above-average profitability than companies in the bottom quartile. That is a 6% increase from the 15% dividend cited in their 2015 *Why Diversity Matters* report.

The recent Gender Pay Gap reporting has highlighted the requirement for all organisations to develop action plans. These are crucial to create the substantive change needed to ensure that women access and progress through the executive pipeline at the same rate as their male colleagues. I am delighted to be included alongside fellow Women's Business Council member's organisation GlaxoSmithKline, as a leading organisation on female representation on boards. With over 22,000 people working across our business, we believe in championing diversity and are committed to creating an inclusive workplace where everyone feels valued and empowered to fulfil their potential. Over recent years, we have grown our talent pipeline with women now accounting for almost half of our management positions. Women also account for 43% of our Board whilst GSK and Diageo have 45% and 55% respectively with gender pay gaps of 2.8% and 4.1%.

Addressing blockages in the talent pipeline requires a comprehensive approach, based on evidence of what has worked for organisations. The Women's Business Council has highlighted the importance of tackling the barriers women may disproportionately experience as they progress up the talent pipeline. Their Pipeline Effect toolkit notes the importance of embedded flexible working practices, relatable role models and mentors and supportive line management for women transitioning beyond middle management positions.

Just as organisations, HR departments and line managers in feeder roles have a role to play in embedding inclusive workplaces across the organisation, so too do those at the very top. It is vital for senior male business leaders to step up alongside prominent female business leaders to generate the cultural and behavioural change in business needed to achieve better gender balance. That is why I have supported the work of the Men As Change Agents and encourage other CEOs and senior business leaders to personally commit to taking responsibility to implement the changes needed. As the authors of this report evidenced through their interviews with functional heads on FTSE 100 Executive Committees, growth-oriented, inclusive organisational cultures and sponsors are critical to nurturing leadership aspiration and supporting women's executive careers.

Ensuring a more equal representation of women and men at senior levels is vital for business performance, national profitability and a clear social and ethical imperative. We will all need to work together to deliver real progress.



A handwritten signature in black ink that reads "R Whiteside".

Roger Whiteside

CEO Greggs and Member of the Women's Business Council

SIR PETER GREGSON'S FOREWORD

For the last 20 years, Cranfield's 'women in leadership' research has opened up a debate, at the highest levels, about the number of women on boards of both the FTSE 100 and FTSE 250. This has resulted in meaningful change.

This year's report again provides a vital piece of analysis that demonstrates the challenges that women still face to reach the higher echelons of business leadership. Progress continues to be made on the FTSE 100, and that is welcome, but the pace of change is still far too slow when it comes to women being appointed into executive roles.

At Cranfield, as a University with an Athena Swan Bronze Award, we have made diversity a priority for the organisation. However, like many others, we are aware that we too need to make more progress in order to benefit from the widest possible pool of talent.

As Sue Vinnicombe and her colleagues' research has illustrated, organisations that embrace diversity thrive by creating an environment where the best talent is recruited and rewarded, regardless of gender. Sadly, there are still too many environments where women are not given the chance to succeed and I share the frustrations of many that progress is not at the pace that we would like.

I'm pleased, however, that thanks to Cranfield research, the spotlight continues to be shone on this issue and scrutiny applied to companies across the FTSE, so that they can work towards creating the change all of us want to see.



A handwritten signature in black ink, appearing to read 'Peter Gregson', with a long horizontal flourish extending to the right.

Sir Peter Gregson

Vice-Chancellor and Chief Executive
Cranfield University

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EXECUTIVE SUMMARY

This year we see two different pictures emerging in terms of women's representation on FTSE 100 and FTSE 250 corporate boards. Since October 2017 the percentage of women on FTSE 100 boards has increased from 27.7% to 29%, meaning that if the current pace continues it is possible to reach the targeted 33% by the end of 2020. In total 264 women hold 305 directorships on FTSE 100 boards. The percentage of female Non-Executive Director (NED) positions is at the all-time high of 35.4%, whilst the percentage of female executive positions has flatlined at 9.7%. On a positive note, seven women hold a Chair position and 18 hold Senior Independent Directorships. A further 85 women hold 95 Chair roles on the various committees across FTSE 100 boards. In contrast, the percentage of women on FTSE 250 boards has only increased marginally from 22.8% in October 2017 to 23.7%, the percentage of female executive directorships has dropped from 7.7% to 6.4% and the number of all male boards has increased to ten. These present challenging conditions for meeting the 33% target in 2020.

June 2018	FTSE 100	FTSE 250
Female held directorships	305 (29.0%)	462 (23.7%)
Female executive directorships	25 (9.7%)	30 (6.4%)
Female non-executive directorships	280 (35.4%)	432 (29.1%)
Companies with female executive directors	22 (22.0%)	29 (11.6%)
Companies with at least one female director	100 (100.0%)	240 (96.0%)
Companies with at least 33% female directors	32 (32.0%)	59 (23.6%)

FTSE 100 Companies with Female Directors

At present 32 companies have already reached the target of 33% women on their boards required by the end of 2020. Diageo holds top position with 55% women on their board, followed by Whitbread and Hargreaves Lansdown with 50% and GlaxoSmithKline and Royal Dutch Shell with 45% women on their boards.

There are still 25 women holding executive roles in 22 companies, the same as in 2017, with seven women CEOs and ten women CFO/FDs. Clearly more effort needs to be invested in developing the top end of the female executive pipeline.

Better progress is evident this year for women NEDs. Not only are their numbers up, but also there are more women in Chair and Senior Independent Director (SID) positions. In an effort to understand more clearly the roles played by women on the boards we have identified the Chairs of all the committees across the FTSE 100 boards and are pleased to report that 85 women chair 95 committees, compared to 253 men who chair 293 committees. The majority of women (43) chair Remuneration and a further 23 chair Audit/Risk committees. Hopefully these are stepping stones to board Chair roles.

We examined the relationship between the best and worst companies in terms of women on their boards and the gender pay gap. The top ten companies had a slightly lower average gender pay gap than the bottom ten companies (four of the bottom ten companies did not report on their gender pay gap). The two best companies are Diageo and GlaxoSmithKline with 55% and 45% women on their boards and a gender pay gap of 4.1% and 2.8% respectively. Both companies have a substantial percentage of women at all four levels/quartiles, which undoubtedly has a positive impact on their low gender pay gaps.

FTSE 250 Companies with Female Directors

There has been disappointing progress on the FTSE 250 boards. The percentage of women on the boards has risen from 22.8% to 23.7% and the number of companies with at least 33% women on their boards has increased from 53 in 2017 to 59 this year. The number of women in executive directorships has dropped from 38 to 30, with a current figure of 6.4%. This is even lower than the 9.7% on FTSE 100 boards. There are only five

women holding CEO positions and 19 holding CFO/FD positions. If we see FTSE 250 as the pipeline for FTSE 100 then this picture is not encouraging. It is imperative that FTSE 250 companies examine their female talent pipeline, identify the challenges and commit to improving this woeful situation.

Career Trajectories and Leadership Lessons from Functional Heads on FTSE 100 Executive Committees

As the most senior management rank below boards, Executive Committees provide oversight of the company's strategic, financial, reputational and commercial affairs. Executive Committee directors are effectively in charge of the daily direction and control of the business. Recognising that they represent a significant pool of executive talent, we examined the career experiences and leadership journeys of 19 functional heads (11 female and 8 male) holding roles as Human Resources Director, General Counsel, and Communications Director on FTSE 100 Executive Committees. Informed by our interviews, we put forward the following findings and recommendations:

1. While the added value of functional heads is increasingly recognised by strategic CEOs, certain preconceptions persist and the structure of Executive Committees is shaped by both deliberate organisational design and CEO preference and bias. **Future corporate governance guidelines should address best practice in designing Executive Committees.**
2. Shattering some preconceptions, functional heads had substantial operational experience and were able to make broader contributions to Executive Committees beyond their functional specialism. They also used subtle influencing and political skills to add value to executive decision-making. **Such commercial acumen and influencing skills demonstrate that functional heads are an important – but sometimes overlooked – pool of board talent.**
3. Male and female functional heads approached their careers and leadership journeys with different mindsets and strategies: on balance, men were more strategic and deliberate in pursuing senior roles, while women were more focused on the content and meaning of work itself. Significant others (sponsors, mentors, bosses, coaches) were vital in affirming these individuals as senior leaders. Growth-oriented organisational cultures and formal talent processes emerged as more important in nurturing leadership aspiration and providing developmental opportunities for women. Male and female leaders also provided different explanations for the lack of gender balance in executive ranks: women emphasised gender bias and unequal access to developmental opportunities and sponsors, while men saw maternity breaks, confidence and lack of flexible cultures as the main culprits. Taken together, these perspectives suggest that organisations should recognise and respond to gender differences in expressing leadership aspiration and in the experiences that develop leadership acumen for men and women. **Relational validation from others, organisational cultures and talent processes are vital in nurturing leadership talent, so organisations should ensure that their context enables all capable individuals to step up to such roles.**

Section 1

INTRODUCTION

INTRODUCTION

2018 has been a momentous year for women. It is 100 years since (some) women won the right to vote. We have seen the rise of the ‘#Me Too’ and ‘Time’s Up’ initiatives and this past April we witnessed the mandating of Gender Pay Gap reporting in the UK, in which all organisations with 250 or more employees have to report their gaps in both pay and, in a pioneering move, bonuses, across male and female employees.

At Cranfield we are also celebrating an anniversary – this is our 20th FTSE Women on Boards Report. In 1999 we produced the Female FTSE Index showing the percentage of women across the FTSE 100 boards. It was 6.7% in that opening year. The composition of boards was very different then, with an equal balance of Executive and Non-Executive Directors. The percentage of women in Executive Director positions was only 2%. Jumping forward to 2018 we see almost a fivefold increase in both of those percentages – 29% women on FTSE 100 boards and 9.7% women Executive Directors.

This year’s report has mixed news. Across FTSE 100 companies, progress continues to be made in both the increase in the percentage of women on boards and the number of women holding senior positions in terms of SID and Chair. This year we have dived deeper into the data to reveal the leadership roles played by women through chairmanship of the various board committees. The results have been encouraging showing that 95 committees are chaired by 85 women NEDs, compared to 293 committees chaired by 253 men NEDs. On the other hand, there is only slight progress in the percentage of women across FTSE 250 boards, the number of all male boards has increased to ten and the number of women holding Executive Director positions has also gone down. This is disappointing since it should be easier to achieve progress at the FTSE 250 level than at the FTSE 100 level.

How do we explain this consistent lack of progress across FTSE 350 companies in terms of women executive directors? Despite all the efforts, and in many cases this is considerable, the top team is not holding managers accountable for reaching the targets set for them. Until gender diversity is treated as seriously as sales, risk management and innovation in the business, then nothing will change. Rolling out women’s leadership programmes and Unconscious Bias training is not sufficient. Our qualitative study on the career trajectories and leadership experiences of male and female functional heads on FTSE 100 Executive Committees provides some insight into how companies could better support senior women’s executive careers. Interviews pointed to the importance of growth-oriented organisational cultures, where sponsors are ready to ‘take a chance’ on high potential women and provide them with genuine developmental opportunities. Relational validation from bosses, sponsors, mentors or coaches was also critical in nurturing women’s leadership aspiration and validating them as leaders. Interestingly, male and female functional heads had slightly different explanations for the lack of senior women at the top – perhaps reflective of their different career journeys. Organisations should ask themselves if and how their context provides the relational validation and developmental opportunities for female leadership to flourish.



Anne Francke
Chief Executive
Chartered
Management Institute

Bravo that the percentage of non-execs in the FTSE 100 is a record 35% and progress in female chair roles is being made. But let’s not gloss over the glaring fact that flies in the face of all the efforts and evidence to date: Executive Director positions for females are still stagnating at less than 10% for the FTSE 100 - and worse - regressing in the FTSE 250.

Gender balance in executive teams is one of the top productivity drivers for the UK economy, worth about 100 B per year. This is far more than any other initiative on the table - even Brexit - so companies need to get stuck in and tackle the female pipeline issue urgently, sustainably and seriously. ‘No deal’ is not an option here - and it’s within businesses’ power to deliver it.

Section 2

METHODOLOGY

METHODOLOGY

The main data from the FTSE 100 and FTSE 250 listings and the figures in this report were taken from BoardEx on 1st June 2018.

The interviews with the Directors on the FTSE 100 Executive Committees were set up with the help of a number of senior Chairmen and Board Directors and with the support of the Government Equalities Office. We are very grateful to them all and to the Directors who kindly gave their time to us over the past three months.

Our grateful thanks go to Dr Valentina Batista for her time and efforts in collating the FTSE data.



Andrew Ninian
Director of
Stewardship and
Corporate Governance
Investment
Association

We are continuing to see positive movement when it comes to greater diversity on company boards, though it is clear that we need to keep up the momentum. There needs to be continued focus on increasing the number of female executive directors so that FTSE100 companies hit the target of having at least a third of their board being women by 2020. It is clear that we need to see a gear-change among the FTSE250 to ensure that they can hit their target, and truly put diversity at the heart of their business.

Investors have a key role to play in this, and we are increasingly seeing diversity as an issue that is front and centre of their minds. The evidence shows that firms with a diverse management team and pipeline make better decisions, so this is a business-critical issue and companies should expect to feel greater pressure from shareholders if they are not taking Board diversity seriously.



Brenda Trenowden, CBE
Head of FIG Europe
Australia and New Zealand Banking Group Ltd
Global Chair, 30% Club

I'm pleased to see that we are on track to reach our Board target for the FTSE 100, but there is clearly much more to do for Executive Directorships and FTSE 250 Board roles. The push for gender balance in business has got more momentum than ever before and we really need to capitalise on this to achieve long-term sustainable change. This is a business issue that affects everyone.

Section 3

FTSE 100 COMPANIES

3.1 FTSE 100 COMPANIES WITH FEMALE DIRECTORS

We are pleased to report improvements on key indicators of progress of women on boards. As of 1st June 2018, there are 305 female held directorships across the FTSE 100 boardrooms. The percentage of women on FTSE 100 boards has increased to 29%, up from 27.7% in October 2017 (please note eight months, not a full year).

The percentage of female Non-Executive Directors (NEDs) has increased to 35.4% and that of the Executive Directors (EDs) has remained at 9.7%; 264 women now hold 305 FTSE 100 directorships.

TABLE 1: FTSE 100 DIRECTORSHIPS 2014-2018

FTSE 100 Directorship 2018	2018	2017	2016	2015	2014
Female held directorships	305 (29.0%)	294 (27.7%)	279 (26.0%)	263 (23.5%)	231 (20.7%)
Female executive directorships	25 (9.7%)	25 (9.8%)	26 (9.7%)	24 (8.6%)	20 (6.9%)
Female non-executive directorships	280 (35.4%)	269 (33.3%)	253 (31.4%)	239 (28.5%)	211 (25.5%)
Total female directors (NED & ED)*	264	259	244	233	205
Companies with female executives	22	21	20	22	18
Companies with at least one female director	100	100	100	100	98
Companies with at least 33% female directors	32	28	19	-	-

* The total number of female directors is lower than the number of female-held directorship because some women hold more than one directorship.

At present 32 companies have already reached the target of 33% women on their boards required by 2020. Diageo holds top position with 55% women on their board, followed by Whitbread and Hargreaves Lansdown with 50% and GlaxoSmithKline and Royal Dutch Shell with 45% women on their boards.

3.1.1 FTSE 100 Companies with Women in Executive Roles

The percentage of women in executive directorships has flatlined for a fourth consecutive year at 9.7%. There are still 25 women holding executive roles in 22 companies. Three companies have two women in executive roles. They are Whitbread, Kingfisher and Next. In terms of the specific roles that the women have, seven are CEOs and ten are CFO/GFD. The remainder are in Human Resources, Sales, Talent and Communications, Operations and Regional/Divisional MD. Moya Greene steps down from her CEO role at Royal Mail this summer but will stay on until September to ensure an 'orderly handover' to Rico Black, leaving just six women CEOs across FTSE 100 companies.

TABLE 2: THE 22 FTSE 100 COMPANIES WITH FEMALE EXECUTIVE DIRECTORS

Rank	Company	Female Board %	No. Female Directors	No. Fem. Eds	Executive Roles	Sector	Women in Executive Roles
1	DIAGEO PLC	55%	6	1	CFO	Beverages	Kathryn (Kathy) A Mikells
2	WHITBREAD PLC	50%	4	2	Group HR Director, Chief Executive	Leisure & Hotels	Louise Helen Smalley, Alison Jane Brittain

Rank	Company	Female Board %	No. Female Directors	No. Fem. Eds	Executive Roles	Sector	Women in Executive Roles
4	GLAXOSMITHKLINE PLC	45%	5	1	CEO	Pharmaceuticals & Biotechnology	Emma Natasha Walmsley
4	ROYAL DUTCH SHELL PLC	45%	5	1	CFO	Oil & Gas	Jessica Rodgers Uhl
6	BARRATT DEVELOPMENTS PLC	44%	4	1	CFO	Construction & Building Materials	Jessica White
6	KINGFISHER PLC	44%	4	2	CEO, CFO/FD	General Retailers	Véronique Laury-Deroubaix, Karen Witts
6	NEXT PLC	44%	4	2	GFD, Group Director - Sales/Mktg	General Retailers	Amanda James, Jane Margaret Shields
9	BURBERRY GROUP PLC	42%	5	1	Chief Operating & Financial Officer	General Retailers	Julie Belita Brown
11	HALMA PLC	40%	4	1	Group Talent & Comms Director	Engineering & Machinery	Jennifer Suzanne Ward
11	ITV PLC	40%	4	1	CEO	Media & Entertainment	Dame Carolyn Julia McCall
11	TAYLOR WIMPEY PLC	40%	4	1	Group Operations Director	Construction & Building Materials	Jennie Daly
17	SEVERN TRENT PLC	38%	3	1	CEO	Utilities - Other	Olivia (Liv) Ruth Garfield
20	DIRECT LINE INSURANCE GROUP PLC	36%	4	1	CFO	Insurance	Penelope (Penny) Jane James
20	LAND SECURITIES GROUP PLC	36%	4	1	Division MD	Real Estate	Colette O'Shea
20	OLD MUTUAL PLC	36%	4	1	GFD	Life Assurance	Ingrid Gail Johnson
27	JOHNSON MATTHEY PLC	33%	3	1	CFO	Chemicals	Anna Olive Manz
27	NATIONAL GRID PLC	33%	4	1	ED	Electricity	Lucy Nicola Shaw
27	ROYAL MAIL PLC	33%	3	1	CEO	Transport	Moya Marguerite Greene
33	TUI AG	31%	8	1	HR Director	Leisure & Hotels	Dr Elke Eller-Braatz
37	IMPERIAL BRANDS PLC	30%	3	1	CEO	Tobacco	Alison Jane Cooper
56	3I GROUP PLC	25%	2	1	GFD	Private Equity	Julia Susan Wilson
97	PRUDENTIAL PLC	13%	2	1	Division Deputy CEO	Life Assurance	Dr Anne Helen Richards

3.1.2 Women in Senior Non-Executive Roles

Last year we revealed in our ten year analysis of women on boards that, whilst there had been a tremendous increase in the number of women on FTSE 100 boards, the percentage of women NEDs being appointed into senior roles had not progressed at the same rate, i.e. the percentage of women NEDs has increased from 15% in 2007 to 33% in 2017 but the percentage of women moving into senior NED roles (Chair and SID) has increased by only 2% from 6% in 2007 to 8% in 2017.

We are pleased, therefore, to report more encouraging progress this year. The number of women holding Chair roles has increased by one to seven:

Deanna Watson Oppenheimer,
Hargreaves Lansdown plc

Susan Saltzbarb Kilsby,
Shire plc

Fiona Catherine McBain,
Scottish Mortgage Investment Trust

Anita Margaret Frew,
Croda International plc

Dame Alison Jane Carnwath,
Land Securities Group plc

Sarah Catherine Bates,
St James's Place plc

Annette Elizabeth Court,
Admiral Group plc

And the number of women holding SID roles has increased by four to eighteen:

Shirley Jill Garrood,
Hargreaves Lansdown plc

Baroness Shriti Vinodkant Vadera,
BHP Billiton

Mary Elaine Harris,
ITV plc

Julia Susan Wilson,
Legal & General Group plc

Karen Slatford,
Micro Focus International plc

Dr Vivienne Cox,
Pearson plc

Dame Katherine (Kate) Mary Barker,
Taylor Wimpey plc

Isabel Frances Hudson,
RSA Insurance Group plc

Orna Gabrielle NiChionna,
Royal Mail plc

Lady Susan Ilene Rice,
Sainsbury's plc

Valerie (Val) Frances Gooding,
Vodafone Group plc

Nicole K Seligman,
WPP plc

Christine Mary Hodgson,
Standard Chartered plc

Deanna Watson Oppenheimer,
Tesco plc

Vanda Murray,
Bunzl plc

Ann Frances Godbehere,
Rio Tinto plc

Anita Margaret Frew
Lloyds Banking Group plc

Professor Youngme Moon
Unilever plc

Sir Philip Hampton suggested that we look deeper into the leadership roles on boards by analysing the various committees. In total 85 women NEDs hold 95 Chair roles of board committees (24%) compared to 253 men NEDs who chair 293 board committees. It is common for the Chair of the board to chair the Nomination committee and this is the case in terms of the seven women who hold Chair roles of their FTSE 100 boards. In terms of the remaining Chair roles, the majority (43) chair Remuneration, 23 chair Audit/Risk/Compliance and 12 chair Corporate Responsibility/Sustainability. Two women NEDs chair Investments and Brand Values. These are encouraging findings and we hope that these women who chair committees continue to develop their NED careers on boards.

FIGURE 1: CHAIR OF FTSE 100 BOARD COMMITTEES

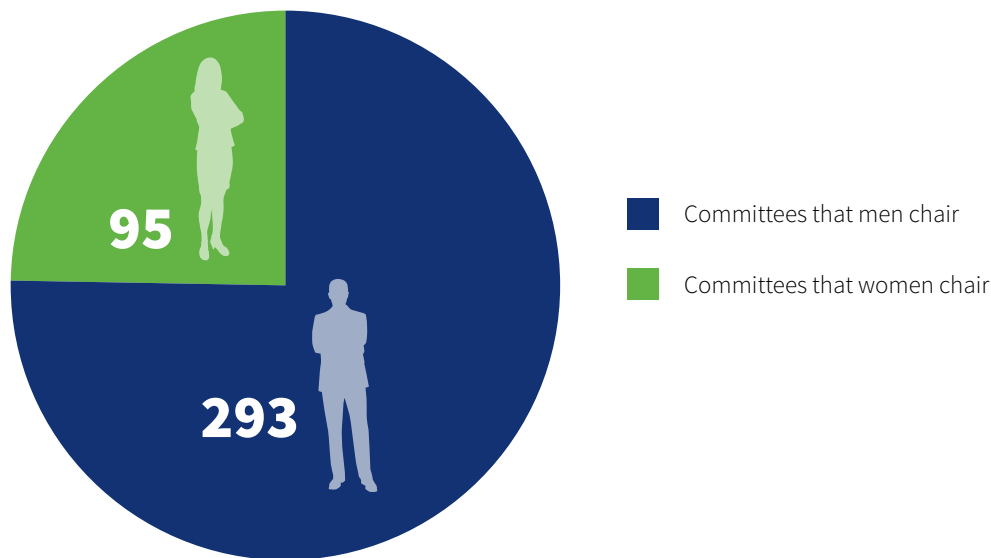


TABLE 3: WOMEN WHO CHAIR COMMITTEES IN THE FTSE 100

Rank	Organisation Name	Sector	Committee	Individual Name
2	HARGREAVES LANSDOWN PLC	Speciality & Other Finance	Nomination	Deanna Watson Oppenheimer
			Remuneration	Fiona Jane Clutterbuck
			Investments	Jayne Elizabeth Styles
			Risk	Shirley Jill Garrod
2	WHITBREAD PLC	Leisure & Hotels	Remuneration	Deanna Watson Oppenheimer
4	GLAXOSMITHKLINE PLC	Pharmaceuticals & Biotechnology	Audit and Risk	Judy Carol Lewent
			Corporate Responsibility	Lynn Laverty Elsenhans
6	KINGFISHER PLC	General Retailers	Remuneration	Clare Moira Chapman
6	NEXT PLC	General Retailers	Remuneration	Caroline Mary Goodall
9	BURBERRY GROUP PLC	General Retailers	Remuneration	Orna Gabrielle NiChionna
11	FERGUSON PLC	Construction & Building Materials	Remuneration	Jacky Simmonds

Rank	Organisation Name	Sector	Committee	Individual Name
11	HALMA PLC	Engineering & Machinery	Audit	Carole Cran
11	ITV PLC	Media & Entertainment	Audit and Risk	Margaret Ewing
			Remuneration	Mary Elaine Harris
11	MICRO FOCUS INTERNATIONAL PLC	Software & Computer Services	Remuneration	Amanda Victoria Brown
			Nomination	Karen Slatford
11	SCOTTISH MORTGAGE INVESTMENT TRUST PLC	Investment Companies	Nomination	Fiona Catherine McBain
11	TAYLOR WIMPEY PLC	Construction & Building Materials	Remuneration	Dame Katharine (Kate) Mary Barker
17	SEVERN TRENT PLC	Utilities - Other	Corporate Responsibility	Dame Angela Rosemary Strank
20	BAE SYSTEMS PLC	Aerospace & Defence	Remuneration	Paula Rosput Reynolds
20	DIRECT LINE INSURANCE GROUP PLC	Insurance	Remuneration	Danuta Gray
		Insurance	Board Risk	Jane Carolyn Hanson
20	HSBC HOLDINGS PLC	Banks	Group Remuneration	Pauline F van der Meer Mohr
20	INTERCONTINENTAL HOTELS GROUP PLC	Leisure & Hotels	Corporate Responsibility	Gillian (Jill) Clare McDonald
			Remuneration Committee	Jo Nell Harlow
20	LAND SECURITIES GROUP PLC	Real Estate	Nomination	Dame Alison Jane Carnwath
20	OLD MUTUAL PLC	Life Assurance	Remuneration	Danuta Gray
27	ADMIRAL GROUP PLC	Insurance	Nomination and Governance	Annette Elizabeth Court
			Group Risk	Jean Craig Park
27	INTERTEK GROUP PLC	Business Services	Remuneration	Dr Gillian (Gill) Ann Rider
27	NATIONAL GRID PLC	Electricity	Finance	Therese Marie Esperdy
27	RENTOKIL INITIAL PLC	Business Services	Audit	Julie Helen Southern
27	ROYAL MAIL PLC	Transport	Remuneration	Orna Gabrielle NiChionna
27	VODAFONE GROUP PLC	Telecommunication Services	Remuneration	Valerie (Val) Frances Gooding
33	BP PLC	Oil & Gas	Remuneration	Paula Rosput Reynolds
33	ROLLS-ROYCE HOLDINGS PLC	Aerospace & Defence	Remuneration	Linda Ruth Cairnie
33	STANDARD CHARTERED PLC	Banks	Remuneration	Christine Mary Hodgson
			Financial Crime Risk	Gay Huey Evans
			Brand, Values and Conduct	Jasmine Mary Whitbread
37	DCC PLC	Business Services	Audit	Jane Ann Lodge
37	IMPERIAL BRANDS PLC	Tobacco	Audit	Karen Witts

Rank	Organisation Name	Sector	Committee	Individual Name
37	LEGAL & GENERAL GROUP PLC	Life Assurance	Remuneration	Lesley Mary Knox
37	PEARSON PLC	Media & Entertainment	Nomination and Governance	Dr Vivienne Cox
			Remuneration	Elizabeth Pauline Corley
			Reputation and Responsibility	Linda Koch Lorimer
37	RSA INSURANCE GROUP PLC	Insurance	Group Remuneration	Kathleen (Kath) Mary Cates
37	SAINSBURY(J) PLC	Food & Drug Retailers	Corporate Responsibility & Sustainability	Jean Veronica Tomlin
			Remuneration	Lady (Susan Ilene) Rice
37	SHIRE PLC	Pharmaceuticals and Biotechnology	Audit Risk and Compliance	Sara Mathew
			Nomination and Governance	Susan Saltzbart Kilsby
37	UNITED UTILITIES GROUP PLC	Utilities - Other	Remuneration	Sara Vivienne Weller
47	PERSIMMON PLC	Construction & Building Materials	Corporate Responsibility	Marion Jane Sears
			Remuneration	Marion Jane Sears
			Audit	Rachel Elizabeth Kentleton
48	BT GROUP PLC	Telecommunication Services	Pensions	Isabel Frances Hudson
48	NMC HEALTH PLC	Health	Clinical Governance	Dr Ayesha Mohammed Abdullah
48	SCHRODERS PLC	Speciality & Other Finance	Remuneration	Nichola Pease
			Audit and Risk	Rhian Lynn Davies
48	SKY PLC	Media & Entertainment	Audit	Adine Grate Axén
			Remuneration	Tracy Jayne Clarke
56	3I GROUP PLC	Private Equity	Audit and Compliance	Caroline Janet Banzsky
56	ASSOCIATED BRITISH FOODS PLC	Food Producers & Processors	Remuneration	Linda Ruth Cairnie
56	AVIVA PLC	Life Assurance	Governance	Claudia Isobel Arney
			Remuneration	Patricia Anne Cross
56	COCA-COLA HBC AG	Beverages	Remuneration	Alexandra Papalexopoulou-Benopoulou
56	CRODA INTERNATIONAL PLC	Chemicals	Nomination	Anita Margaret Frew
			Remuneration	Helena Louise Ganczakowski
56	DS SMITH PLC	Containers & Packaging	Remuneration	Kathleen Anne O'Donovan
56	EASYJET PLC	Leisure & Hotels	Audit	Adèle Helen Anderson

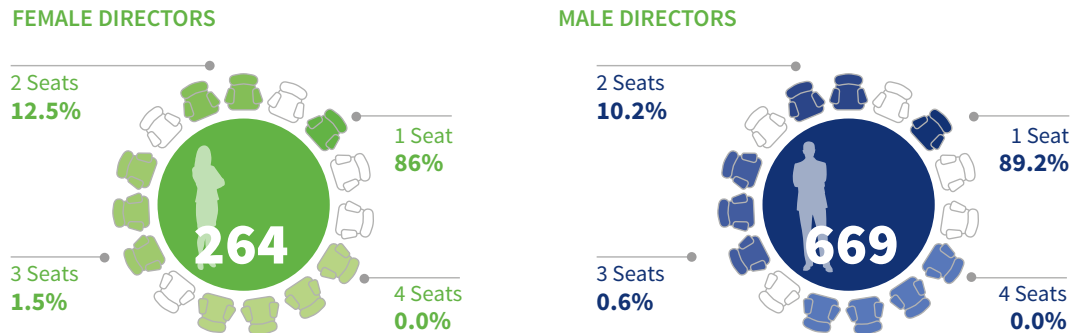
Rank	Organisation Name	Sector	Committee	Individual Name
56	EXPERIAN PLC	Business Services	Audit	Deirdre Ann Mahlan
56	LLOYDS BANKING GROUP PLC	Banks	Remuneration	Anita Margaret Frew
			Responsible Business	Sara Vivienne Weller
56	MEDICLINIC INTERNATIONAL PLC	Health	Clinical Performance & Sustainability	Dr Felicity Ann Harvey
56	MONDI PLC	Forestry & Paper	Sustainable Development	Dominique Reiniche
			Remuneration	Tanya Dianne Fratto
56	RECKITT BENCKISER GROUP PLC	Household Products	Corporate Responsibility, Sustainability, Ethics and Compliance	Dr Pamela (Pam) Josephine Kirby
			Remuneration	Mary Elaine Harris
56	ROYAL BANK OF SCOTLAND GROUP PLC	Banks	Innovation & Technology	Alison Davis
			Board Risk	The Rt. Hon. Baroness Sheila Valerie Noakes
56	SMITH & NEPHEW PLC	Health	Remuneration	Angela (Angie) Susan Risley
75	TESCO PLC	Food & Drug Retailers	Remuneration	Deanna Watson Oppenheimer
77	ASHTREAD GROUP PLC	Business Services	Remuneration	Lucinda Jane Riches
77	BUNZL PLC	Business Services	Remuneration	Vanda Murray
77	COMPASS GROUP PLC	Leisure & Hotels	Remuneration	Carol Ann Arrowsmith
77	JUST EAT PLC	Consumer Services	Remuneration	Gwyneth (Gwyn) Victoria Burr
77	PADDY POWER BETFAIR PLC	Leisure & Hotels	Risk	Zillah Ellen Byng-Thorne
77	ST JAMES'S PLACE PLC	Life Assurance	Nomination	Sarah Catherine Bates
77	WM MORRISON SUPERMARKETS PLC	Food & Drug Retailers	Audit	Belinda Jane Richards
88	BARCLAYS PLC	Banks	Reputation	Mary Elizabeth Francis
89	SMITHS GROUP PLC	Engineering & Machinery	Remuneration	Anne Cecille Quinn
91	ANTOFAGASTA PLC	Mining	Sustainability and Stakeholder Management	Vivianne Amelia Blanlot Soza
91	CENTRICA PLC	Utilities - Other	Audit	Margherita Della Valle
94	SMURFIT KAPPA GROUP PLC	Containers & Packaging	Audit	Carol Ann Fairweather
97	EVRAZ PLC	Steel & Other Metals	Audit	Deborah Jane Gudgeon
97	MELROSE INDUSTRIES PLC	Engineering & Machinery	Audit	Elizabeth (Liz) Anne Hewitt

3.2 The Characteristics of Female Directors

3.2.1 Multiple Directorships

In Figure 2 we see that the number of female directors is 264, an increase of five since November 2017, whilst the number of male directors is 669, a decrease of four since 2017. Slightly fewer women hold multiple directorships this year with 12.5% holding two (compared to 14.2% in 2017) and 1.5% holding three (compared to 9.7% in 2017).

FIGURE 2: MULTIPLE DIRECTORSHIPS



3.2.2 Age and Tenure

Similarly to previous years, the average age of female directors is approximately two years younger than the male directors at 57.4 years compared to 59.2 years. The gap is slightly larger in NEDs compared to EDs.

Women's tenure, as in previous years, is less than men's for both EDs and NEDs. We question why women's tenure as NEDs is so much lower than men's and wonder whether women are being rolled off boards at a faster rate than the men. Over the past few years we have been drawing attention to the number of NEDs who have held their roles for more than nine years (the maximum tenure recommended by the governance codes). The numbers have fallen to an all-time low this year to five women and four men. Alison Carnwath has already announced that she will stand down as Chair of Land Securities later this year, thus reducing the number of FTSE 100 chairs held by women back down to six.

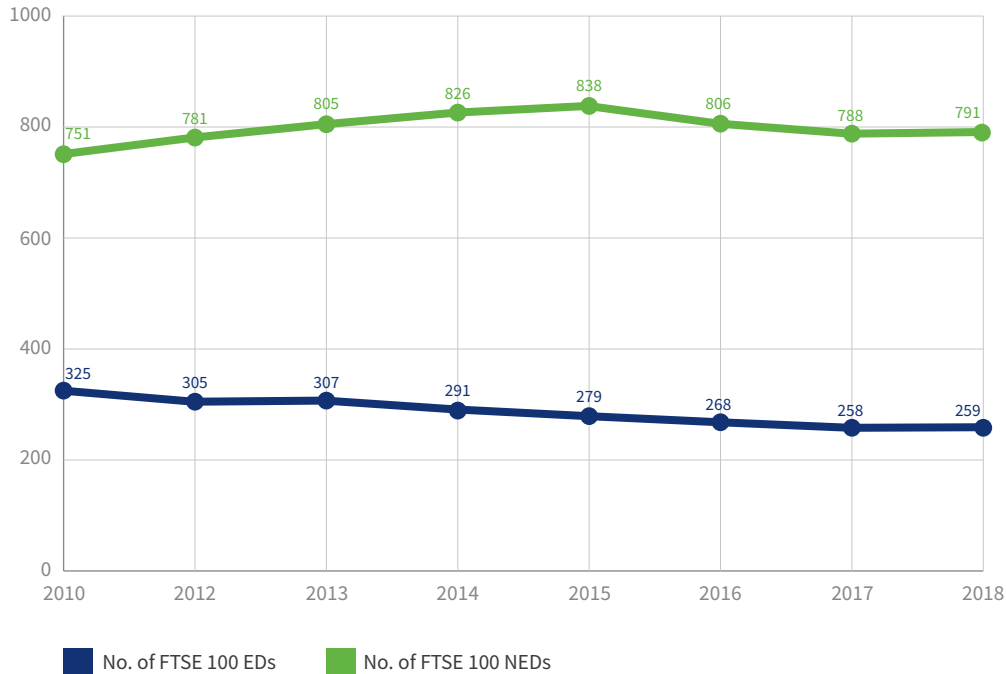
TABLE 4: FTSE 100 DIRECTORSHIPS BY AGE AND TENURE

Directors	Age			Tenure		
	All	EDs	NEDs	All	EDs	NEDs
Men	59.2	53.9	61.7	5.4	6.1	5.1
Women	57.4	51.1	58.0	3.7	3.0	3.8

3.3 Trends in Board Composition

In total there are 1050 FTSE 100 Directorships of which 259 are EDs and 791 are NEDs. There has been little change in these numbers from last year.

FIGURE 3: FTSE 100 BOARD COMPOSITION 2010-2018



*There was no Female FTSE Board Report 2011 in order to align with the Davies Report



Carolyn Fairbairn
CBI Director-General

More women are taking their place in FTSE boardrooms, but the truth is it's not happening fast enough. If the Hampton-Alexander target is to be met, much more needs to be done right now - particularly at senior levels below the executive team. This isn't just about fairness. The evidence is crystal clear - diverse and inclusive boards are more effective and make better decisions.

It's time for barriers to female progression in the workplace to be smashed. We need more women rising through the ranks and leading our largest companies. In 2018, there really is no excuse for all-male boards or complacency when it comes to changing corporate culture.

3.4 Women on Boards and the Gender Pay Gap

From April 2017 The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 legally requires all organisations with 250 or more employees to publish their annual gender pay gap. This includes the difference between the mean and median pay of men and women, the differences in the bonuses they receive and the proportion of each gender receiving a bonus. In this section we examine if there is a relationship between the percentage of women on the FTSE 100 boards and the gender pay gap. We decided against doing a correlational analysis since even if there is a positive relationship this does not mean that one causes the other. Instead, we have examined the gender pay gap in the top ten and bottom ten FTSE 100 companies in terms of the percentage of women on their boards.

TABLE 5: TOP 10 FTSE 100 COMPANIES

Rank	Organisation Name	Sector	% WoB	% Difference in Mean GPG
1	DIAGEO PLC	Beverages	55%	4.1%
2	HARGREAVES LANSDOWN PLC	Speciality & Other Finance	50%	28.8%
2	WHITBREAD PLC	Leisure & Hotels	50%	12.6%
4	GLAXOSMITHKLINE PLC	Pharmaceuticals and Biotechnology	45%	2.8%
4	ROYAL DUTCH SHELL PLC	Oil & Gas	45%	22.2%
6	BARRATT DEVELOPMENTS PLC	Construction & Building Materials	44%	51.5%
6	KINGFISHER PLC	General Retailers	44%	17.8%
6	NEXT PLC	General Retailers	44%	15.5%
9	ASTRAZENECA PLC	Pharmaceuticals and Biotechnology	42%	14.3%
9	BURBERRY GROUP PLC	General Retailers	42%	25.9%

As can be seen, the mean gender pay gap varies from 2.8% to 51.5% with an average of 16.3%. The two stars are GSK and Diageo. GSK has a female CEO which probably accounts for some of the low difference in the mean hourly rate, but interestingly the difference in the median hourly rate is even lower at 0.34%. GSK distinguish themselves as showing very little difference in the percentage of women in the four quartiles – 46% women in the lowest quartile, 38% in the lower middle, 42% in the upper middle and 42% in the top quartile. Compared to the majority of organisations that have equal numbers of men and women at entry level and then tail off to a majority of men at the top, GSK has managed not to lose increasing numbers of women up the hierarchy. The situation at Diageo is similar – the different median hourly rate being -9.8, hence in favour of women. The percentage of women in the four quartiles varies from 39% at the bottom to 56%, to 55.9% to 42.7% at the top. Diageo has actually reversed the typical gendered pipeline effect. Barratt Developments plc stands in sharp contrast to GSK and Diageo. The percentage of women in the four quartiles varies from 61% at the bottom, to 42% to 30% to 22% at the top, thus mirroring the problem in most organisations. It is easier to achieve gender balance on the board than it is in the talent pipeline.

TABLE 6: BOTTOM 10 FTSE 100 COMPANIES

Rank	Organisation Name	Sector	% WoB	% Difference in Mean GPG
91	ANTOFAGASTA PLC	Mining	18%	-
91	CENTRICA PLC	Utilities - Other	18%	16.6%
91	LONDON STOCK EXCHANGE GROUP PLC	Speciality & Other Finance	18%	22.4%
94	SMURFIT KAPPA GROUP PLC	Containers & Packaging	17%	13.4%
95	STANDARD LIFE ABERDEEN PLC	Life Assurance	15%	-
96	MARKS & SPENCER GROUP PLC	General Retailers	14%	12.3%
97	EVRAZ PLC	Steel & Other Metals	13%	-
97	MELROSE INDUSTRIES PLC	Engineering & Machinery	13%	11.9%
97	PRUDENTIAL PLC	Life Assurance	13%	30.7%
100	SEGRO PLC	Real Estate	10%	-

Only six of the bottom ten companies have reported on their gender pay gaps. The latter vary from 11.9% to 30.7% with an average of 17.8%, so not very different from the top ten companies. Marks & Spencer offer an interesting case as they have a majority of women in all four quartiles – 74.7% in the bottom, to 75.4% to 71.9% to 66.3% at the top and no female EDs. This suggests that they should examine why women are not being promoted at a better rate than these figures suggest. Melrose Industries, the best company in this group, have few women at all levels – 11% at the bottom, 4%, 4% and then 7% at the top. This prompts the general learning point from this analysis, which is that it is important for each company to be clear on why they have a gender pay gap and how they can address it appropriately.



Fiona Hathorn
 Managing Director
 Women on Boards
 UK Ltd

This report shows that corporate UK needs to do more to change its underlying culture to ensure that companies are more inclusive and collaborative so that those with new ideas, and differing views, have the opportunity to speak and to prove their value, to get promoted. Research shows that for teams to ‘fight then unite’ they need to have a trusting and open environment. Performing teams rarely happen by accident. Strong teams are usually led by effective leaders who know how to listen, engage, disagree, conclude and then task. With the number of executive women actually falling in the FTSE 250 it is clear to me that there is very little effective and collaborative leadership happening in the UK regardless of the number of women on the board.

Section 4

FTSE 250 COMPANIES

FTSE 250 COMPANIES

There has been disappointing progress in the number of women on FTSE 250 boards. Since November 2017 the percentage of women on FTSE 250 boards has risen slightly from 22.8% to 23.7%, but the number of all male boards has risen to ten and the number of companies with female EDs has dropped from 37 to 29.

4.1 FTSE 250 Companies with Female Directors

TABLE 7: FTSE 250 DIRECTORSHIPS 2014-2018

June 2018	2018	2017	2016	2015	2014
Female held directorships	462 (23.7%)	453 (22.8%)	406 (20.4%)	365 (18.0%)	310 (15.6%)
Female executive directorships	30 (6.4%)	38 (7.7%)	29 (5.6%)	25 (4.6%)	29 (5.3%)
Female non-executive directorships	432 (29.1%)	415 (27.8%)	371 (25.7%)	340 (23.0%)	281 (19.6%)
Companies with female executive directors	29 (11.6%)	37 (14.8%)	26 (10.4%)	23 (9.2%)	27 (10.8%)
Companies with at least one female director	240 (96.0%)	242 (96.8%)	235 (94.0%)	227 (90.8%)	202 (80.1%)
Companies with at least 33% female directors	59 (23.6%)	53 (21.2%)	39 (15.6%)	-	-

There are ten FTSE 250 companies with no women on the boards. They are:

BAILLIE GIFFORD JAPAN TRUST PLC (THE)	*PURECIRCLE LTD
DAEJAN HOLDINGS PLC	SPORTS DIRECT INTERNATIONAL PLC
HERALD INVESTMENT TRUST PLC	STOBART GROUP LTD
JPMORGAN JAPANESE INVESTMENT TRUST PLC	TBC BANK GROUP PLC
ON THE BEACH GROUP PLC	TI FLUID SYSTEMS PLC

**PureCircle Ltd fell out of the FTSE 250 on 18 June 2018 to be replaced by IntegraFin Holdings Plc, another all male board.*

4.1.2 FTSE 250 Companies with Women in Executive Roles

The number of women in executive roles has dropped from 38 last year to 30 this year. Grainger stands out with two women, Helen Gordon and Vanessa Simms as CEO and CFO respectively.

Five women hold the CEO position and 19 women hold the CFO/FD position.

TABLE 8: THE 29 FTSE 250 COMPANIES WITH FEMALE EXECUTIVE DIRECTORS

Rank	Organisation Name	Female Board %	No. Female Directors	No. Fem. EDs	Executive Roles	Current Sector	Women in Executive Roles
1	ASCENTIAL PLC	57%	4	1	CFO	Media & Entertainment	Amanda (Mandy) Jane Gradden
2	VIRGIN MONEY HOLDINGS (UK) PLC	50%	5	1	CEO	Speciality & Other Finance	Jayne-Anne Gadhia
2	MERLIN ENTERTAINMENTS PLC	50%	4	1	CFO	Leisure & Hotels	Anne-Francoise Nesmes
2	RIGHTMOVE PLC	50%	4	1	FD	Media & Entertainment	Robyn Perriss
2	COUNTRYSIDE PROPERTIES PLC	50%	3	1	Group CFO	Construction & Building Materials	Rebecca (Becky) Jane Worthington
11	JUPITER FUND MANAGEMENT PLC	44%	4	1	CFO	Speciality & Other Finance	Charlotte Jones
14	REDROW PLC	43%	3	1	GFD	Construction & Building Materials	Barbara Mary Richmond
14	SENIOR PLC	43%	3	1	GFD	Aerospace & Defence	Bindi Jayantilal Foyle
19	GAMES WORKSHOP GROUP PLC	40%	2	1	GFD/ Company Secretary	Leisure Goods	Rachel Frances Tongue
30	CLOSE BROTHERS GROUP PLC	38%	3	1	Head of Legal Affairs/ General Counsel	Speciality & Other Finance	Elizabeth Anne Lee
30	ONESAVINGS BANK PLC	38%	3	1	CFO	Banks	April Carolyn Talintyre
30	WETHERSPOON(J.D.) PLC	38%	3	1	ED - Legal/ Personnel	Leisure & Hotels	Susan (Su) Alina Cacioppo
40	UBM PLC	33%	3	1	CFO	Media & Entertainment	Marina May Wyatt
40	ALFA FINANCIAL SOFTWARE HOLDINGS PLC	33%	2	1	CFO	Software & Computer Services	Vivienne (Viv) Maclachlan
40	ASSURA PLC	33%	2	1	CFO	Real Estate	Jayne Cottam
40	PENNON GROUP PLC	33%	2	1	CFO	Utilities - Other	Susan Jane Davy
67	CARD FACTORY PLC	29%	2	1	Group CEO	General Retailers	Karen Rachael Hubbard

Rank	Organisation Name	Female Board %	No. Female Directors	No. Fem. EDs	Executive Roles	Current Sector	Women in Executive Roles
67	GRAINGER PLC	29%	2	2	CEO, CFO	Real Estate	Helen Christine Gordon, Vanessa Simms
67	LANCASHIRE HOLDINGS LTD	29%	2	1	Group CFO	Insurance	Elaine Whelan
87	BTG PLC	27%	3	1	CEO	Pharmaceuticals & Biotechnology	Dame Pamela Louise Makin
93	CYBG PLC	25%	3	1	Group COO	Banks	Deborah (Debbie) Anne Crosbie
93	DOMINO'S PIZZA GROUP PLC	25%	2	1	CFO	Leisure & Hotels	Rachel Claire Osborne
93	NEX GROUP PLC	25%	2	1	Group CFO/COO	Speciality & Other Finance	Samantha (Sam) Anne Wren
93	WILLIAM HILL PLC	25%	2	1	CFO	Leisure & Hotels	Ruth Catherine Prior
120	FDM GROUP (HOLDINGS) PLC	22%	2	1	COO	Software & Computer Services	Sheila May Flavell
120	MCCARTHY & STONE PLC	22%	2	1	Group CFO	Construction & Building Materials	Rowan Baker
141	TALKTALK TELECOM GROUP PLC	20%	2	1	CEO	Telecommunication Services	Tristia Adele Harrison
170	BCA MARKETPLACE PLC	17%	1	1	Chairman (Executive)	Business Services	Avril Palmer-Baunack
195	SSP GROUP PLC	14%	1	1	CEO	Food Producers & Processors	Kathryn (Kate) Elizabeth Swann

Section 5

FUNCTIONAL HEADS ON FTSE 100 EXECUTIVE COMMITTEES: CAREER TRAJECTORIES AND LEADERSHIP LESSONS

FUNCTIONAL HEADS ON FTSE 100 EXECUTIVE COMMITTEES: CAREER TRAJECTORIES AND LEADERSHIP LESSONS

The Executive Committee (also known as the Leadership Executive, Group Management Board, Operating Board, Senior Executive Team, or similar names) is the most senior management rank below board level; its main remit is to provide oversight of the company's strategic, financial, reputational and commercial affairs. Executive Committee members have significant authority within their respective remits and are effectively the most senior executives in charge of the daily direction and control of the business. Thus, Executive Committee directors represent an important pipeline of board talent. Our previous research found that women are under-represented across Executive Committee roles¹, and are less likely to be internally promoted at this level compared to men². For this year's report, we set out to examine the career experiences of senior leaders holding functional roles.

We carried out in-depth interviews with 19 Executive Committee members (11 women and 8 men) holding FTSE 100 Executive Committees roles as Functional Heads, as HR Director / Chief People Officer, General Counsel, and Communications Director. The size of the 14 Executive Committees these leaders sit on ranges from 6 to 15, with a gender balance ranging from 12.5% to 50% of women. We chose these functions in particular because despite being female-dominated at entry levels, they are still male-dominated at the top. Our 2016 Female FTSE report found that women hold only 33% of these Executive Committee functional roles. During interviews we explored these individuals' career stories, particularly experiences that have enabled them to establish an identity and a reputation as a senior leader and to progress into their current roles as functional heads. Their stories provide insights into the structure and dynamics of Executive Committees, personal leadership aspirations and approaches to career management. Importantly, these accounts reveal how organisations can better nurture (female) leadership talent internally. We discuss these themes below.

We would like to thank the senior leaders who shared their inspiring career stories with us for the purposes of this research. They hold Executive Committee roles as functional heads (HR Director / Chief People Officer, General Counsel or Communications Director) in the following organisations: Aviva, BAE, BT, Centrica, Diageo, GSK, Hammerson, Kingfisher, Legal and General, Lloyds, Sainsbury's, Severn Trent, Shire, and Tesco.

5.1 The Added Value of Functional Roles on Executive Committees

Our interviews indicated that whether or not certain functions are represented on Executive Committees is not always a result of deliberate organisational design, but rather a reflection of CEO preference. Given that the perceived value of the role itself and the individual holding it are a result of each CEO's experience, this is also open to bias.

If nobody's looked at proper organisational design for a while, many structures are sitting like that. I think it is CEO preference, and I have a firm quite close to me where the CEO [...] doesn't know what really good can look like, he's never had a brilliant person. If they've not had access to that, what it could be like, they don't know what they're missing. (P12, female, HR Director)

The expanded legal, HR and communication functions were seen as increasingly important for good corporate governance, in view of the added focus on regulations and governance, corporate social responsibility, the strategic importance of talent, and the expansion of communications and corporate affairs to broader corporate reputation management.

I think it's idiotic not to have the HR function represented on top teams with access to the CEO. It depends on the history of how the industry looks at the HR function – many still have that transactional 'hire and fire' view of HR because they haven't experienced more strategic HR. But most progressive CEOs and boards nowadays really understand that and seek the opinion of HR directors. I really think in 10-20 years it will be exceptionally unusual not to have the HR function sitting on that top team. (P8, female, HR Director)

¹ Sealy, Doldor & Vinnicombe (2016) The Female FTSE Report 2016: Women on boards, taking stock of where we are, Cranfield University, Cranfield, UK.

² Sealy & Vinnicombe (2013) The Female FTSE Board Report 2013: False dawn of progress for women on boards, Cranfield University, Cranfield, UK.

All interviewees considered that having commercial acumen and understanding the drivers of their business were fundamental to maximising their contribution to the Executive Committee. Importantly, through the course of their careers, these leaders had acquired significant operational profit and loss (P&L) experience in sectors such as investment banking, consulting, retail, creative industries, telecoms, beverages, consumer goods, automotive, oil and gas. Several of them had up to 10 years of prior commercial experience and some had P&L responsibilities embedded in their current functional head roles. These career trajectories shatter the myth and persistent stereotype – sometimes embraced by CEOs, Chairmen, and headhunters – that functional leaders lack operational experience and business acumen. These profiles need to be more seriously considered as a viable pipeline of board talent than they often are.

I think you need to do both [operational and functional experience] to do this job, I don't think it works at all well if you haven't done both. If you don't understand how businesses are run, how they make money, and how customers drive value, then it's very difficult to do this job at the executive level. You can't sit around a board table if you haven't understood the business. (P12, female, HR Director)

As well as the value of the operational experience itself, some interviewees explained how, when in P&L roles, it was good to be 'out of their comfort zone' and unable to be the technical specialist. This forced them to take a more strategic role and to learn about relationship management. A number of the interviewees emphasised the benefit of this experience to those more junior than themselves.

5.2 Leadership Aspirations and Approach to Managing their Careers

We asked interviewees to reflect on their career journey to the top. All of them shared a desire to excel in what they did, had a keen interest in ongoing development, and a constant need for challenging work. Yet male and female leaders exhibited broadly different approaches to managing their careers. For many, careers unfolded as a result of both deliberate planning and chance. More often, male leaders described how their career moves had been driven by an explicit desire to hold a top role and have a seat at the decision-making table, though there was some evidence of this also amongst the women.

From the outset of my career, I had a plan and I had targets and goals. So my goal was to be the General Counsel of a large multinational quoted company by the time I was 40 years old, which at that time would have been a world record, because on average people are in their early fifties when they made this role. But I set out with that goal, and I set out right from the start doing international work, because I knew that if I wanted to be a General Counsel of a multinational company, I needed to have global experience. (P17, male, General Counsel)

I decided to do that when I could have done some other things because it was more of a leadership role. So it came with a seat on the board, and that was a conscious decision not because I particularly wanted to do human resources management; to me it wasn't just a leadership functional thing but it was a leadership role. (P3, male, HR Director)

I would die a sad and frustrated person if I wasn't given the opportunity to be General Counsel one day. (P15, female, General Counsel)

In contrast, accounts of less strategic career moves came more frequently from women, who were primarily focused on doing a good job in whatever role they held and driven by meaningful work. For instance, a global Head of HR described herself as "remarkably passive in terms of career management":

I never coveted any of the top jobs. I just took one job at a time and worked for good companies. I never thought of the next move, never thought that's what I wanted to be, just ended up here by focusing on the job at hand. (P8, female, HR Director)

However, for most there was a definite sense of wanting to learn, grow and achieve, but this was not necessarily with the top job in mind.

I think what's important for me is to continue to grow and develop, and feel challenged, and learn, and all the rest of it. (P4, female, General Counsel)

This less strategic approach can often lead to taking whatever next role is offered. One interviewee explained this through her loyalty to the company, assuming it to be in her best interest. As further discussed below, for some interviewees, the role of sponsors in pointing out their potential was key in honing their aspiration. This then encouraged female interviewees to take the risk of turning down roles in order to wait for the right one to take them towards that functional head job.

At the point of understanding their own ambition, it was still often driven by a desire to have a positive impact, utilise their capacity for strategic thinking, and to influence positively the direction of the company, rather than the title or role per se.

I wanted to be on an Executive Committee and I wanted to deal more with boards [...] it's a different way of looking at a company. (P11, female, Communications Director)

Some women described how they had been 'naïve' early on in their careers:

I always thought if you were doing a really good job, people would respect that and you would be given the opportunities on the back of it. (P13, female, General Counsel)

But their approach to career management changed following negative experiences, such as being overlooked for a role they felt they deserved:

I definitely was not going to be overlooked again for this role, so I very much claimed it. (P13, female, General Counsel)

With regard to leadership aspirations, several participants raised the issue of gender differences in confidence. While occasional self-doubt at certain turning points of their career was not uncommon among male participants, most women described having to relentlessly grapple with imposter syndrome. Some men viewed taking on a senior leadership job as an opportunity to challenge and test themselves:

Pushing myself to say: "prove it, prove you can". So I don't think it's... it doesn't come from a big sense of self-belief in that way, it comes more from a sense of self-test. (P1, male, HR Director)

Some participants believed that *"women have to be competent in order to be confident"* and aspire to top roles (P10, female, HR Director), while some men did not understand why women *"obsess about the 35% part of the job"* they cannot yet do when pursuing a more senior job (P3, male, General Counsel). This framing of leadership opportunities in terms of self-test (more frequent among men) versus self-confidence (more frequent among women) is significant. It is easy to attribute this alleged confidence gap in leadership aspiration to women themselves; yet, our findings demonstrate that other people played a key role in spotting these high performing women and instilling aspiration for the top role in their mid-careers.

When we merged [he] said would you like to come down to London and run the group team? I asked why aren't you asking the people who were leading the team at the time? He said, because I don't want them, I want you. So he very much sponsored me early on, which was great. (P13, female, General Counsel)

For those men who did not particularly strategise to obtain top leadership jobs, there was a sense that they progressed into such roles naturally or that these were obvious choices:

I don't feel as though I had to think about it [making it to senior leadership], I just kind of felt naturally comfortable talking to people at senior level, and fascinated by the increasing feeling of significance of the stuff that I was getting into. So I've always enjoyed being right in the heart of things. [...] It never felt to me that particularly I had to claim that space; it never felt to me as though it was a battle, it just... I've been fortunate, a bit of career development planning and being in the right place at the right time has helped me to assume functional leadership. (P3, male, General Counsel)

5.3 Career Propelling Factors: Critical Experiences, Relationships, and Organisational Cultures and Processes

All interviewees considered global experience and some major organisational disruption/transformation critical to establishing themselves as senior leaders with potential to be functional heads – e.g. a number had been involved with mergers and acquisitions (M&As). M&As provided unique opportunities to manage uncertainty, to become involved in strategic decision-making and to ultimately test oneself as a leader:

It was a bit like being in the Arctic and you don't know whether you're going to fall down an iceberg or something. You just have to provide a level of "let's just keep going, let's keep walking, we'll be fine". And those conversations with my boss or peers, when they are letting off their total existential crisis to you, and you're thinking "yes, but I have the same, but you're asking me because somehow I'm giving you this sense of confidence or certainty"... I think it was probably one of the moments of feeling, actually I could probably do anything; if I can get through this, then I can probably get through anything else. (P1, male, HR Director)

Some found M&As validating because they were chosen as functional heads:

The fact that I was chosen and I was the more junior of the two, yes, there was probably something in me that evening when I went home and I thought, somebody must think I'm okay, somebody must think I'm not doing too badly. (P3, male, HR Director)

There were more senior people than me involved and I managed to survive, so this signalled that I was worth taking a chance on. (P8, female, HR Director)

The requirement for global experience was put forward by a number of interviewees as a potentially gendered barrier to women's career progression, and yet all the women interviewed had had global experience. There were one or two examples of women not being considered for roles, unknown to them at the time, where assumptions regarding travel may have played a part.

Sometimes there may be a question from CEO or whatever that "is the woman going to have the stamina to deal with all of that?" The truth is, come on, we have children and they [CEOs] are babies compared to who we are in terms of stamina! (P15, female, General Counsel)

I commuted every day from Paris to London. I left my family in Paris and for one year I went every morning at 6.23 in the train, and I came back at 11.00 in the evening every single day for one year. Just to prove to them women are worth it, we can do this, so don't tell me it's not possible. (P10, female, HR Director)

One woman, returning to work after maternity leave, determined that she would role model a reduction in the amount of travel undertaken, believing much of it to be unnecessary.

As highlighted above, unique in women's career stories were a set of gendered experiences when they had to overcome gender stereotypes and to systematically disprove low expectations. When individuals embark on their leadership journey from a defensive place, assumptions (whether one's own or others') about the limited possibility and likelihood of success will often affect an individual's self-efficacy.

I asked him [my boss] on several occasions what I needed to do in order to progress and one time he told me to cut my hair. Another time he said, you've got to be more like this [chest banging], and I thought, how do I translate that? (P14, female, General Counsel)

I was the first woman being a first line manager in the country. I did not have the right technical background of the product because I only did eight months of it and not years of this knowledge and, who is this woman anyway? She has no clue, she will not survive. They openly, in front of me, had a whiteboard up [...] and were putting a bet against me how long I would last in the location. Everybody was putting a mark, and putting money on it, and betting how long I would last. That was my first week arriving. (P10, female, HR Director)

In [former company's] 200 year history, they've never had a female board director. (P15, female, General Counsel)

Another very interesting point was raised by one interviewee considering the difference between having male and female mentors within the business, in terms of career advice and guidance. She spoke of how male mentors were more likely to give direct advice 'why not go for it', if they believed the competence was there, 'just do it'. Advice from female mentors, however, was more likely to be couched in more cautious terms, focusing on framing, positioning, proving before putting oneself forward. This possibly illustrates men's more straightforward experience of careers, versus "the baggage senior women have experienced", which unsurprisingly affects the advice they give, coming from a more defensive perspective. These differing delivery styles signal different messages to the individual regarding their capabilities.

We asked participants to identify critical experiences that helped them feel validated as an emerging or established leader. A striking common theme was the critical role of others – mentors, bosses, coaches and sponsors – in signalling perceived leadership potential or acknowledging established leadership acumen. This relational validation took many forms. At mid-career points, it was about being asked to consider an ambitious career objective. In the example below a senior male who was leaving the company volunteered a coaching conversation with a mid-career female:

[He] asked me how was I thinking about my career. It was just quite striking. I was saying yes, I'll do this role and then hopefully I'll do X role afterwards or something like that. Whereas he was saying no, I want you to say these words: "I am the global HR Director for [my organisation]". And say that out loud and see what that feels like because that's probably the size of your potential. (P9, female, HR Director)

Several years later, in the decision process to take the Global HR Director job, the first reason mentioned by this individual was that "people believed I could do it" (P9, female, HR Director).

Being given 'a break' or 'stretch assignments' also signalled to participants that others had confidence in their leadership, but some participants commented that 'taking a chance on someone' was generally more difficult when that someone was a woman. Our prior research on inclusive talent management³ has shown that men are more likely to be judged on 'potential', whereas women need to have proved their capability. This is particularly relevant to obtaining a role on the Executive Committee as interviewees pointed out that the demands of these roles are qualitatively different, where previous promotions had often been to roles which were 'the same but bigger'.

It's much more from 10,000 feet, and it's almost an intellectual exchange between C-suite leaders in an organisation about the overall direction of the company and large-scale decisions that are made, rather than specific tactical decisions. I'm expected to know all the tactical details, but that's not part of the conversation at this level. (P7, male, General Counsel)

Until someone takes a chance on you, you do need people who are not going to wait for you to be fully fledged. I often get very concerned in succession planning meetings, where people talk about... it's not always about women, but it's often women: she's probably about 80% there; and you think, well, 80% is absolutely good enough. (P11, female, Communications Director)

³ Vinnicombe, Doldor & Turner (2014) The Female FTSE Board Report 2014: Crossing the Finish Line, Cranfield University, Cranfield, UK.

Some participants recalled explicit positive feedback and public acknowledgement by more senior leaders as being critical validating incidents. However, such validation became subtler for most leaders as they moved into increasingly senior roles, where affirming experiences typically entailed being given bigger pieces of work and being asked for advice by more senior people. Many examples were given of more senior colleagues having a significant impact on our interviewees. Interestingly, the most impactful of these tended to be at least 'two layers' above the interviewee or not in their direct line.

It's better if your sponsor is not your direct boss, but two layers up so they're more courageous and more willing to take a chance on you. My immediate boss was against me being promoted as Europe HR lead when I was only 29; he said: "It's too soon, she's not ready yet". It was his boss who advocated for me. People two levels up can give you bigger breaks. (P8, female, HR Director)

I've had a lot of very senior men in the company who supported my development. (P9, female, HR Director)

The new Finance Director at the time supported me going into that job, overruled HR and said we've looked at the external candidates but I think that this is the best person for the job. So I think there is a bit about trying to position yourself and claim that; I don't think women are good at that. (P13, female, General Counsel)

Finally, it was also obvious from our interviews that organisational processes and cultures played a critical role in developing and validating these individuals as leaders. It was particularly interesting that several men did not see formal HR or talent processes as relevant to their career progression into leadership, but rather key relationships. In contrast, women often attributed much of their career success to growth-oriented developmental organisational cultures, with specific diversity and inclusion policies and processes.

Formal leadership programmes and executive education experiences at prestigious universities were mentioned as very important by many female interviewees, and particularly appreciated in functional roles, as this was considered unusual. This was then interpreted as a measure of worth.

It really, really, opened my eyes... in those days, here anyway, legal was seen as a very specialist function and it was very unusual to get the chance. (P14, female, General Counsel)

I also was put on a leadership programme when I wasn't technically in the right grade to be on that programme. The functional head at the time made a decision. I do think that helped accelerate my profile and my development as well. (P9, female, HR Director)

Female interviewees also stressed the importance of a culture of development that did not feature in male accounts, and the importance of support alongside development.

People mention developing others in their leaving speeches as key achievements they're proud of. (P8, female, HR Director)

[My former organisation] was a company that's clearly focused on diversity and inclusion, and without that, I'm sure half of the chances I wouldn't have got because, as I said, you're not as loud as some of your male counterparts. But because they're focused on it, they did give it a little bit more attention at certain points. It's very important that there is something in place and that people understand we have to look out for women. They might not understand why they have to do it and they might not like it, but the tone was very clear from the top and they even had objectives with a percentage of the women. [...] I'm 100% certain if this wasn't the case, I would not be where I am today. I'm 100% certain. It's very important. (P10, female, HR Director)

[Sometimes] women are being promoted because of a genuine desire to see more women in senior management, but without the understanding of the support mechanisms that need to be around them. Then

you get this horrible glass cliff thing, where women get put into positions of seniority – we've had that in our own organisation – and fail; all the failures of the business are then put at their door, the woman leaves the organisation, and you're almost two steps back then, because people's confidence in the ability of female leaders is shaken. (P11, female, Communications Director)

We invest a lot in talent development, coaching, people getting a perspective on their leadership style. (P9, female, HR Director)

5.4 Being an Effective Executive Committee Director: Contributing beyond Functional Specialism and using Subtle Influencing Skills

Our interviews provided rare insights into what it takes to be an effective Executive Committee member for functional heads. First and foremost, all interviewees stressed the importance of being able to make a contribution to organisational decision-making that goes beyond one's narrow functional specialism. For many leaders, this required leveraging and sharpening their commercial acumen, developing a new type of confidence, and learning to contribute selectively in meetings. In discussing her involvement in a number of organisations driving transformational change, restructure, strategic growth and acquisition, one HR Director explained her role as:

...a Commercial Director first, so that you know how to pull the performance levers of a company, you know what a balance sheet looks like. When you think of reward for instance, it's a very strategic function and long-term incentives or short-term bonuses, they're driving performance or if they're structured right they should be. (P5, female, HR Director)

Going on to the [Executive Committee] with a little bit of trepidation, thinking, okay... In all the [other] interactions, I did have the functional expertise that I could always fall back on; whereas going into the [Executive Committee] in a broader capacity, it was quite a challenge. You need to be able to express some kind of thoughts or view in relation to, what is our logistics network strategy going to be? Frankly that isn't an obvious... that's quite a long way removed. (P3, male, General Counsel)

I think my successes are partly due to my understanding of how business works, and having a strong financial and commercial acumen, which is a really important part of communications and corporate affairs. [...] I think [not having this] automatically puts any functional lead actually at a disadvantage, because ultimately it's a business, and you have to be able to understand the commercial drivers and financial drivers of the business to have an effective functional strategy, not least to influence the overall strategy. (P11, female, Communications Director)

I think anyone who's going to show up at that table and just talk about their area or tries to drive the company forward based on their functional expertise, they will end up being second-class citizens. So I think the same applies to legal. (P15, female, General Counsel)

These accounts indicate that becoming an Executive Committee member is qualitatively different from other promotions, which typically present leaders with a wider scope of responsibility that still draws on their functional specialism. Having to step outside their functional area of expertise was a challenge all functional heads took seriously, but one that some felt could be more problematic for women. Offering a 'broader contribution' requires the confidence to provide input without having full expertise in all issues. As one interviewee put it, *"a lot of women are only confident once they're competent"*; several others commented on the notorious anecdote of women not feeling entitled to pursue certain roles because of the 10% of the job they cannot yet do, despite being able to do 90% of it. Furthermore, the potential to make a broader contribution and the contribution itself need to be acknowledged by others. Several interviewees opined that it is more difficult for people to take a chance on women, and that women were not afforded automatic authority and respect in leadership roles, but instead had to earn it. Possibly adding to the challenge is what some interviewees described as a paucity of positive feedback in these senior leadership spaces:

I think what happens when you get into this job is, you definitely don't get much of that [feedback] at all, and CEOs very rarely do it. What you do get is either invited back to certain things, or asked to take responsibility for pieces of work. You have to learn to live with a much more bland congratulatory feedback, you really do. Do I think [my CEO] thinks I do a good job? Yes, I think he thinks I do a brilliant job. I can count on one hand the number of times he has said anything even remotely like that. [...] It's a lot greyer, a lot subtler, and that is very difficult for a lot of women, because you're already going into it with impostor syndrome most of the time. I certainly came to this job with impostor syndrome, so did many of my female colleagues around me, and then nobody tells you whether you're screwing it up. That's quite hard. (P12, female, HR Director)

Both male and female functional heads spoke about redefining their role and having to build credibility for the function itself within the organisation. There were several examples of considerable job crafting, where these leaders had substantially expanded the scope of their role.

I knew that the strategic value we could add went beyond that. My strategy was broader, engaging with other functions and partnering with them. It's really about peer recognition as well, and being given permission to be involved in broader parts of the business, because otherwise if you're kept in a box, your ability to actually influence beyond that is very constrained. (P11, female, Communications Director)

When we recently made a fairly major acquisition that was a fantastic opportunity for me to go in there and really show that I could contribute in quite an experienced way to that. So I pushed myself into a number of meetings and was quite vocal on points that I felt were important to take account of. So that was really helpful. I've used other opportunities to say, actually things ought to be presented by a lawyer, or, this is such a key legal issue that I think I or one of my team need to speak about it. So some of it has been about building the profile of legal and the role of legal within the organisation, as well as building my own profile. I probably feel more comfortable with the former than the latter. (P14, female, General Counsel)

Finally, subtle influence and political skills were deemed crucial for functional heads in this senior leadership space. These skills included: acting as a trusted advisor to the CEO (and to the Chairman in the case of General Counsels), being able to provide constructive challenges during executive committee meetings while still being seen as part of the team, pre-socialising and lobbying for certain decisions before actual meetings took place, and gaining the respect of peers in addition to building a strong relationship with the CEO (which some felt was more difficult due to the more competitive dynamics among peers).

What you're learning is to listen and to read between the lines, and working at an Executive Committee level is not about being the loudest in the team. It's much more about how do you give quality input and also understand the viewpoints of others, which I think is quite critical to have a successful Executive Committee. (P11, female, Communications Director)

I will make sure that if we are going into a meeting where there's a decision to be taken around something to do with people, that I've done a lot of socialisation before we get into the conversation. I would say the biggest lesson I've learnt is to imagine that a decision is actually going to get made in a meeting... it's all about what you do first. (P19, female, HR Director)

If you maintain a very calm disposition, if you become a welcome sounding board... you're acting as a sort of confessor to leaders within the organisation, they know they can come to you and just spill their guts and ask for advice; you can quickly develop a leadership capacity at this level. (P7, male, General Counsel)

5.5 Gender Diversity in Senior Leadership: Different Perspectives on Causes and Solutions

In discussing the reasons and possible solutions for unequal gender representation in the leadership ranks of their profession, male and female interviewees shared broadly different perspectives. Male leaders offered

a set of explanations focused on: (a) career breaks due to maternity leave and family responsibilities, (b) a perceived gender gap in confidence and self-promotion, and (c) a lack of flexible cultures, particularly in senior jobs. Beyond these points, one male commented on masculine cultures among senior male leaders of a certain generation, another one acknowledged the deep gender bias leading to women being valued differently, and a third one spoke about the importance of creating developmental opportunities for women in his team. In contrast, female leaders focused mostly on (a) having to overcome tokenism, entrenched gender bias, and masculine models of leadership, (b) the benefits of growth-oriented organisational cultures that deliberately nurture female talent, and (c) the importance of sponsors, mentors, and coaches.

Every time you show up as a woman in a new place, they go, oh dear. It's either; "she's going to be super aggressive and she's this harsh one"; or "she is weak but the company had to move her there just to tick the box". So you already have this pre-perception before you arrive. (P10, female, HR Director)

I do think a clear organisational framework is critical. [...] You have to have a commitment from the organisation to promote talent internally, to invest in it both in terms of resource and in terms of time. Without that, I'm not sure that it's really going to work. (P14, female, General Counsel)

A few years back two Executives made a commitment to have more senior women. Informal mentoring is part of the DNA of the company... ensuring a network of supporters. So I've started to introduce a much more rigorous approach to how we assess talent and potential, and certainly with the lens of broader diversity. It's not about capability, but a commitment made to change the way the appointment process works. (P9, female, HR Director)

While all these explanations arguably address challenges related to women's under-representation in senior leadership, it is worth noticing that they tend to focus on different sets of factors: individual ones (maternity breaks, self-confidence) versus systemic ones (developmental organisational cultures and relationships). This could be reflective of the different journeys undertaken by male and female leaders to the top. As illustrated in section 3 of this study, many women's career-defining experiences stemmed from masculine organisational cultures; and women experienced inclusive organisational cultures and talent processes as career accelerating. How an individual experiences their own career is likely to shape how they frame these challenges and what they focus on in their approach to implementing diversity and inclusion on the ground.

However, we should also note that some men were very much aware of their privilege and made a deliberate effort to nurture senior female talent in their profession. For instance, after building a successful career, one male senior leader realised that *"some of my career experiences and choices weren't readily available to women"* and sought to pioneer job sharing for senior roles and experiential activities, such as short bursts of international assignments, that enabled his team (particularly women) to accumulate the type of experiences required for promotion:

You've got to artificially... and this sounds bad, but there is a game to be played in building careers. My job as a leader is to have my players be able to play the game, tick the boxes, meet the profiles, sometimes even though some of them are not playing with the same number of degrees of freedom. (P17, male, General Counsel)

5.6 Looking Forward: Redesigning Senior Leadership Roles

Many of the stories above necessarily focus on how things were in the past. Pivotal points in our participants' careers were in many cases from 10-15 years ago. Several interviewees pointed out how much the world of work has changed since – for example in terms of flexible work patterns, which are breaking down the culture of presenteeism. Women's choices about having a family are being made in a different environment in corporates, which for the most part are trying hard to encourage returners and take into account their different work patterns. Being vocal about the non-work parts of one's life is much more accepted and the desire of fathers to be more involved in parenting roles is also driving this change. Commenting on the

importance of role modelling different working practices as a leader, one leader explained:

I think men can do that too. I go home and eat with my kids every night, because that's the only chance I get to see them during the day. If my team can see that that's okay for me, I think they recognise it's okay for them as well. (P1, male, HR Director)

Most leaders emphasised the importance of changing the way senior jobs are done, rather than asking women to fit the mould. As put by one participant, people should not feel that they are doing senior jobs “*as a detriment to themselves, but as their whole self*”:

If you've just got white, private school educated, 60-year-old blokes putting token women on boards and then making them behave like they do, that's not going to help us. (P1, male, HR Director)

Future-focused companies are encouraging new ways of working, for example job shares. One interviewee explained how an executive role was done on a job-share basis – initially out of necessity, then out of choice. Another of our participant companies is leading the way in this, with two fathers job-sharing a major Director role. A few other companies mentioned using smaller subsidiary boards as a training ground to develop female executive talent.

Finally, although we did not specifically ask about it, opinions were given on the use of diversity targets, mostly expressing a change from opposition to proposition.

I was dead against them but I'm absolutely for them because we weren't making enough progress. I looked at the data here and [we] had about 30% of women at senior level about ten years ago but it's about the same today. So we've set ourselves a 40% target by 2021. (P5, female, HR Director)

We're going to need to establish a quota – which I support by the way; I think that in our situation, we don't have a choice, we have to do that. Just saying: we just need to give women more mentors and the contacts and the networks to help them succeed; we need to make sure that we don't prejudice them if they decide to take time off to have a family. All of those things are good but I don't think they're going to solve the problem. (P7, male, General Counsel)

One interviewees' company had operated in a country where there is a quota for women on boards, and that experience changed her previously vehement opposition:

“Had there not been a quota at [Company], they would never have taken women onto the board because all the recruitment was in their own image type of thing. But to meet the quota they brought women on, and the couple of women that they have on their board are amazing, are much more, I would say, engaged and committed than a lot of the men around the table.” (P15, female, General Counsel)

Therefore, all these senior leaders believed that organisations could prepare themselves for a more gender-balanced future only by radically and creatively reshaping their working and leadership practices.

5.7 Conclusions and Recommendations

Our study offers rare insights into the career journeys and leadership experiences of functional heads on FTSE 100 Executive Committees. We put forward five recommendations informed by the key findings of our study.

1. The added value of functional heads on Executive Committees is increasingly recognised, although the structure of these committees appears to be shaped by both deliberate organisational design and CEO preference and bias. **Future corporate governance guidelines should address best practice in designing Executive Committees.**

2. Shattering some preconceptions, the functional heads that contributed to our study had substantial P&L operational experience and were able to make broader contributions to their Executive Committees, beyond their functional expertise. Some of them were viable CEO profiles. **Functional heads represent an important pipeline of executive and non-executive board talent.**
3. Male and female functional heads reported relatively different approaches to managing their careers and embracing leadership: men were on balance more strategic and deliberate in pursuing senior roles, while women were on balance more focused on the content and meaning of the work itself and the next career move, rather than a final career goal. For those men who did not explicitly aspire to senior leadership jobs, progression in such spaces seemed natural and an obvious choice. This often unintentionally blinkers them to the added challenges that women or other non-typical individuals may face. **Organisations seeking to support women's careers should recognise and respond to these gender differences in forming and expressing leadership aspiration by not relying exclusively on those who 'naturally' claim leadership roles, but by ensuring that the context enables other capable individuals to step up to such roles.**
4. Our participants became functional heads not only as a result of hard work, talent, and drive to assert themselves as leaders, but also because significant others signalled that they saw leadership potential in them and acknowledged established leadership acumen. Growth-oriented organisational cultures and formal talent processes emerged as more important in nurturing leadership aspiration for women. **Leadership talent does not emerge in a vacuum – significant others (sponsors, mentors, bosses and coaches), organisational cultures and talent processes, are vital in forming and affirming leaders.**
5. Executive Committees are unique senior leadership spaces. Operating on Executive Committees as a functional head calls for a broader contribution besides functional specialism and subtle influencing and political skills. **These broader commercial acumen and influencing skills are fundamental in contributing to boards as an Executive or Non-Executive Director, demonstrating that functional heads are an important – and perhaps insufficiently explored – pool of board talent.**



Julie Goldstein
Chair, International
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The International Women's Forum is an organisation dedicated to advancing women's leadership locally and globally and it concerns us that there are so few women in the executive pipeline, as evidenced in this research. The challenges facing senior women resonate with many of our members and as women leaders, we need to continue to support each other to increase women's representation at the board level. It is crucial that men step up to the task too, not just with words but with action that has real impact.

Section 6

CONCLUDING REMARKS

CONCLUDING REMARKS

Our 2018 report contains some good news but also raises a number of issues of concern. The good news is that FTSE 100 boards continue to maintain the momentum needed to hit the target of 33% women by 2020. Last year we identified the worrying trend that whilst women were being appointed to FTSE 100 boards they were not moving into senior roles. This year we see a slight improvement in the number of women in Chair and SID roles, but also in chairing the various board committees. Our recommendation is that search consultants and Chairs must actively support women in their NED careers, otherwise we will not achieve full gender balance on boards.

Turning to FTSE 250 boards, it is disappointing to see a slowing of pace in appointing women to boards, together with a slight increase of all male boards to ten. This must be addressed urgently and again calls for renewed efforts from Chairs and search firms. In theory it should be easier to appoint to FTSE 250 boards than to FTSE 100 boards; they should be seen as the gateway to the top boards as they are smaller companies.

The greatest concern raised in this report is the complete lack of progress in developing the female executive pipeline hence the title “Busy going nowhere”. There is no doubt that there is a tremendous amount of activity around gender diversity in many of the FTSE 350 companies – beautiful websites, great policies, innovative women’s leadership programmes and Unconscious Bias training available to all employees. Yet these count for nothing unless targets are truly embedded in the organisation. We see that countries with mandated quotas make change happen; we need to apply the same lesson inside companies and penalise managers who do not meet their internal targets for hiring and promoting women. Gender diversity is a serious business issue.

Our qualitative study on the career trajectories and leadership experiences of male and female functional heads on FTSE 100 Executive Committees provides some insight into how companies can better develop their female executive pipeline. Growth-oriented organisational cultures were essential, where sponsors are ready to ‘take a chance’ on high potential women and provide them with genuine developmental opportunities. Relational validation from bosses, sponsors, mentors or coaches was also critical in nurturing women’s leadership aspiration and validating them as leaders. Thus, organisations should ask themselves if and how their context provides the relational validation and developmental opportunities for female leadership to flourish. Perhaps reflective of their different career journeys, male and female functional heads had slightly different explanations for the lack of senior women at the top. This is significant as different views on the causes of and possible solutions for gender inequality in leadership might obstruct focused collective efforts to eradicate it. More broadly, our interviews indicated that corporate governance guidelines should address best practice in the composition of Executive Committees, as this is currently shaped by both deliberate organisational design and CEO bias. While the added value of functional heads is sometimes misunderstood, the career stories we gathered revealed these leaders’ substantial P&L operational experience, commercial acumen and subtle influencing skills in the context of Executive Committee decision-making. Functional heads are thus an important pool of board talent.



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Susan has been elected as Fellow of the British Academy of Management and has been presented with the British Academy of Management Richard Whipp Lifetime Achievement Award in 2017. She has been identified as one of the top ten most influential people in Human Resources in the UK in both 2016 and 2017. Susan has also been honoured by The International Alliance of Women (TIAW), who awarded her the TIAW World of Difference 100 Award in 2013, which recognises those who have made a significant contribution to the economic empowerment of women. Susan was a member of the Davies Steering Committee and is now a member of the Advisory Board of Sir Philip Hampton/Dame Helen Alexander's review on the lack of women in the executive pipeline and that of Sir John Parker's Review of the lack of ethnicity on FTSE 100 boards. Susan is Vice Patron of the charity Working Families. Susan was awarded an OBE in the Queen's New Year's Honours List in 2005 and a CBE in the Queen's Birthday Honours List in 2014 for services to gender equality.

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The Female FTSE Board Report 2018: Busy going nowhere with the female executive pipeline

Vinnicombe, Susan

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