

# Balancing Gender at the Top

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THERE are few women in top positions in either the public or the private sector in Britain. Despite vocal commitments to transparent selection on merit, despite the outlawing of unfair discrimination, despite the assertion by most major institutions of commitment to equality and diversity, there are few exceptions to the ubiquitous pattern of male dominance. Such jobs entail power, money and influence. While employment in Britain has become more diverse since the middle of the twentieth century, this is not reflected in the most senior decision-making positions. While government has the resources to bring about change, it is reluctant to act decisively. Good practice in much of the government itself has yet to be realised, which provides a clear message to reluctant chairmen of boards that the government is not serious about its commitment to gender equality. I have looked at some examples of the most publicised top appointments to see what happens in practice.

Appointments to major public bodies are regulated by the newly reconstructed Civil Service Commission, which also regulates appointments to the Civil Service. The chairman of a company board is responsible for the selection of non-executive directors. The numbers of women on boards is an issue of current debate. In 2010, the coalition government asked Lord Davies to review the position of women on the boards of major companies. No similar review has been undertaken for political appointments.<sup>1</sup>

These appointments matter. The people appointed have a significant role in the public life of the United Kingdom. They are involved in the management of major companies, they take part in the discussions and decisions of government and they run the large number of public organisations where senior appointments are designated as 'public appointments'. There is a continual process of selection as new organisations are created, people retire, end their contracts or die, or

elections sweep out long-serving or marginal candidates and replace them. Between 60 and 90 per cent of such positions are held by men.

## Company boards

In the private sector, appointments to the most senior posts often do not involve a formal, transparent process. The numbers of women directors on the boards of Britain's major companies has been monitored by the International Centre at Cranfield for over a decade. In October 2011, 14.2 per cent of directors on the main boards of the FTSE 100 companies were women. By March 2012 the figure was 15.6 per cent. In 2012 twenty women (6.6 per cent) were executive directors in FTSE 100 companies, which is a significant indicator of how limited are the career opportunities available to senior women in business.

Company boards are under pressure to appoint more women. There is increasing evidence of better performance by those companies with more diverse boards. Published in February 2011, Lord Davies's report *Women on Boards* argued that 'the more diverse your team the better it performs'. He recommended that companies should aim to have 25 per cent of women on their boards by 2015, more than doubling the 2010 figure of 12 per cent. FTSE 100 boards might just make it. FTSE 250 boards are still trailing well behind.

## Public appointments

The range of public appointments covers public institutions, non-departmental public bodies (NDPBs) and executive agencies, as well as the Civil Service. Senior public appointments to major public sector bodies have been regulated for some years by the Civil Service Commission and the Civil Service Appointments Commission, which are now sensibly combined with a single chair. After years of appointments with undefined

criteria of merit, tighter rules and procedures are now applied and can be overridden only with difficulty. The Commission has a target of equal numbers of women and men in new appointments by 2015. These appointments are also governed by the law on equal pay and equal treatment.

There is some good news. The new Civil Service Commission was appointed in April 2012 with seven women and five men as Commissioners. In 2012, 37 per cent of holders of public appointments were women, but wide variations between organisations within the overall figures remain. Although it is presumably designed to increase the proportion of women in public appointments, the government's gender target can be misleading. While 50 per cent of new appointments should be women, improvement in the gender balance in the short term will depend on whether women or men are being replaced.

### Senior Civil Service

The Senior Civil Service is a professional body with a long history and as great a reluctance to accept changes to its own working environment as any other. A number of years ago, in the face of demands for greater diversity, the definition of the 'Senior Civil Service' was changed to include more junior grades, avoiding the serious steps necessary to improve the opportunities for women at the top. There are now signs of change. There are more women in the most senior grades, although there are concerns about the number of women just below the top, at director general level.

In 2011, for the first time there was a balance of 50 per cent of women and men in new appointments to the most senior grade of permanent secretary—an increase in the percentage of women in charge of departments to 25 per cent. However, there are still departments with a dense cluster of men at the top—notably the Cabinet Office, which has four permanent secretaries who are men and four ministers, also all men. The new permanent secretary appointments were driven with determination by Sir Gus O'Donnell, the last Cabinet Secretary. His departure must not lead to any diminution of pressure. The Chairman of the Civil Service Commission now has the powers to ensure that improve-

ments in the opportunities for women are sustained.

### The Honours List

While the Honours List is not about appointments to employment, it is still regarded as a powerful indicator of value, recognition and, in a non-financial sense, reward. If this is how a nation demonstrates its recognition, then the detail of the Honours List will tell us a lot about what matters. Honours are controlled by a process entirely internal to government. The public are now urged by Downing Street to make nominations for honours, but there appears to be little visible link between the nomination and the outcome.<sup>2</sup> Moreover, the structure, the awards and the titles are still anachronistic labels which bear no relation to what is being rewarded. The weighting at the top of the List, which is strictly hierarchical, still reflects the 'great and the good'. It seems astonishingly old fashioned in the twenty-first century.

The most recent New Year Honours List (2012) demonstrated the current approach to recognition and value. There were 28 knights at the top; the eight dames make their first appearance down below several other grandiose orders. Then came 96 CBEs, of which 21 were for women. The CB (for reaching a specific level in the Civil Service and directly related to employment) was awarded to three men and three women. The OBE was awarded to 243 men and 92 women. The Cabinet Office claimed on its website that in this list '47 per cent of honours went to women', but women were disproportionately awarded the MBE, which is the lowest level in the honours structure. The top awards are dominated by men.

### House of Lords

The House of Lords Appointments Commission selects politically independent members and vets political party nominees. Most appointments to the House of Lords are made from lists supplied by the political parties. Very few are made independent of political parties or following nominations by the public. The Appointments Commission has an open and structured selection process set out on its website. Since it began work in

1991, 35 per cent of its recommendations for appointment have been for women compared to 22 per cent of women in the House of Lords as a whole. In 2011 it made four out of a total of 45 appointments to life peerages—all of them men.

### What does this mean?

Leadership positions in the United Kingdom continue to be dominated by men, yet the evidence shows that where a commitment exists and processes are reorganised accordingly, able women are easily recruited. One political party has substantially increased its numbers of women, the other two have not. One system of appointments to the Lords improves the gender balance, the other system does not. Public appointments have improved their diversity, private companies have not. Of course these figures do not tell the whole story, but they are sufficiently interesting to raise the question of why some of those who claim to be committed to equality are apparently unable to achieve it within their own organisations.

The government bears a substantial responsibility here. Any government's approach to top appointments is influential. Whether it is public appointments, permanent secretaries or life peers, it is a member of the government who has the final say—either by commendation or formal appointment. The influence of a ministerial view is substantial: no public sector chief executive or permanent secretary can operate without the support and consent of the minister to whom he or she is responsible. The message that the government's actions gives is as powerful as the actions themselves. If there are few or no women in a department or among a ministerial team, the message is that all male organisations are perfectly acceptable.

Government intervention can be compelling beyond the public sector. It has been the government-sponsored report by Lord Davies which has jerked company chairman into action, not the evidence of better performance from diverse boards or the faster movement to diversity with the use or threat of quotas evident in other European countries. Government can also take action beyond the public sector. It has the necessary resources. It can use legislation to require quotas and monitor-

ing. It can publicise unsatisfactory performances and penalise the recalcitrant.

At present, the government's record on its own direct appointments must give comfort to those reluctant to change. The approach to diversity demonstrated in its Honours List sends a similar signal. Opaque appointments, secretive processes and personal control are often operating where women are absent or in a small minority. The reason frequently given for the lack of diversity is 'the difficulty of finding' members of the excluded group. Where there has been determined pressure from senior levels and reasonably open and formal selection processes, the results have been rapid. The excluded group is found remarkably quickly.

The powerful regulatory role of the newly restructured Civil Service Commission provides the capacity to produce appointments with the rigour of an open and fully monitored process. The government should improve its target for new appointments. It is to be hoped that other areas of public appointments, such as the National Health Service, will also benefit from the oxygen of publicity in their senior appointments. In the Civil Service, a combination of leadership from the last head of the Service, good candidates and effective appointment procedures below the top have produced a diverse and interesting group of senior officials.

With political will and determination gender balance can be achieved remarkably quickly. Implementation of equality targets requires effective leadership. It must be driven from the top of the system, by party leaders, the prime minister and the cabinet and senior officials or by the chairman and chief executive of a company board. There has been no serious suggestion that these changes take place at the expense of the quality of those selected. Experience elsewhere shows that changes can be sustained, but do need constant attention. It can take time to adjust a culture which has tolerated discrimination to one which welcomes diversity.

My experience is that reluctance to make a reality of diversity stems as much from a lazy preference for the comfort of the familiar, a reluctance to admit to discrimination and uncertainty about how to change. Those who have spent their lives in a relatively static environment, surrounded by people of the

same social group, find moving out into a more diverse world difficult and threatening. They often rely on personal contacts rather than transparent tests of competence and merit. Such timidity does not produce the best appointments as the evidence from company performance suggests.

Failure to act is costly not only in terms of wasted talent and the pain and despair that discrimination visits on its victims, it is also costly in financial terms. Without real change the serious question of why, in such important areas of public life, those in control appear content with a result they claim not to want and which they urge others to change will

become ever more insistent. Pressure will build for the introduction of quotas, sooner or later, in politics, government and business. And the reason will be that quotas now appear to be the only way to deal with the reluctance of too many organisations to appoint women to their top jobs.

## Notes

- 1 Davies Report, *Women on Boards*, February 2011, <http://www.bis.gov.uk/assets/biscore/business-law/docs/w/11-745-women>
- 2 [http://www.number10.gov.uk/takepart>nominate](http://www.number10.gov.uk/takepart/nominate)