



Hampton-Alexander Review

FTSE Women Leaders



Improving gender balance in FTSE Leadership

November 2017



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Leading by Example

When it comes to improving gender diversity, successful organisations recognise the need to implement only a few highly impactful initiatives - and do them well. Here we feature some of the recent innovations and different thinking seen across a variety of industries.

Inclusion by design

BHP In 2016 BHP set an aspirational goal of achieving gender balance globally by 2025. To achieve this, we actively redesigned the nature of the tasks and the qualifications required in specific jobs.

At BHP's Mooka Ore Car Repair Shop in Western Australia, the Mooka team redesigned their processes to reduce the need for specialist technical roles in the maintenance of ore cars. This involved the introduction of automated guided vehicles and a robotic gantry system which avoids the need for rigging licences, and the mechanisation of tasks that formerly required heavy lifting means physical force is no longer required to perform tasks safely. Separating tasks that required a trade-qualified operator from those that don't has enabled participation from a much wider talent pool.

Once these changes were implemented, we were able to adapt our recruitment and assessment processes and reach out to a broader range of candidates.

In one year the team at Mooka has gone from 5% women to 30%; in tandem with other activities to create an inclusive workforce, this initiative is truly transforming the culture of the business and the talent available for the future. BHP continues to look at redesigning roles to eliminate gender bias, which is a critical component of diversity and inclusion policies.

"The biggest thing innovation has done is to create a work environment where anyone can complete the task. It doesn't matter how much you weigh, how big you are or what gender you are."

Adam Johnson, Supervisor Ore Car Maintenance

Getting talented women back into the workforce

 Vodafone is on a progressive journey to be the world's best employer of women by 2025. 28% of Vodafone's management and leadership roles are held by women and it has publicly-declared an ambition to get to 30% and beyond by 2020.

Vodafone was the first company to launch a global maternity programme in 2015, and built on this in 2017 by launching the world's largest recruitment programme for women returning from career breaks.

ReConnect is a global recruitment programme spanning 26 countries, aimed at recruiting female managers back into the workplace from a potential pool of 96 million skilled women on career breaks. Through ReConnect, up to 500 women on career breaks will be recruited into management roles over the next three years, accounting for around 10% of all Vodafone external management hires over that period. In addition, Vodafone will recruit a further 500 women on career breaks into a range of front line positions. Within the first 5 days, Vodafone received 2,400 applications for the Reconnect programme.

"We are committed to ensuring that our employees are drawn from diverse communities and societies. Our ambition to be one of the best employers for women in the world is central to that commitment. Companies often struggle to recruit and retain women in management and leadership roles. Innovations such as our global maternity policy and now our new ReConnect programme can make a real difference to women who work for us today and who will work for us in the future."

Vittorio Colao, Group Chief Executive

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Getting talented women back into the workforce



Virgin Media's "Boomerang" and Virgin Money's "ReCareer" Programmes were both launched earlier this year. They are targeted at experienced individuals, many of whom are talented senior women, who have taken an extended career break or are

looking to update their skills and knowledge to transition into new roles. The programmes run over a 3 month and 6 month paid fixed term period with the possibility of a permanent role at the end. During their time in the business the participants take on commercially significant assignments based on their skills, interests and prior experience. This enables them to develop their skills and build confidence as well as build experience in a different sector. Ongoing support, coaching and access to internal networks are all part of the Returner scheme commitment. Within the ReCareer Programme, one participant was so good she immediately secured a permanent role in Virgin Money's Treasury Team.

"Achieving a better gender balance throughout our business is a strategic imperative. Virgin Money has committed to being 50:50 at every level by the end of 2020. Our ReCareer programme is an important part of our strategy and means we are attracting talented people with diverse backgrounds who welcome our culture of flexibility".

Matt Elliott, People Director Virgin Money

"We are really pleased with the way our Returners programme is working at Virgin Media, since we launched in September and we're looking to build on its success. Not only has Boomerang created an effective bridge for individuals to return to the workplace after an extended career break, but as a business we are genuinely benefiting from the injection of new talent and energy."

Catherine Lynch, Chief People Officer Virgin Media

Meeting the demand for flexibility

LLOYDS BANKING GROUP



In October 2016 Lloyds Banking Group launched a new agile hiring initiative, to help our colleagues and leaders to think more creatively to ensure agility is considered at the point of hire. With new technology, changing customer demands and demographic shifts, employers

need to embrace agility in order to remain competitive.

However, analysis of the UK jobs market highlights that candidates seeking agile working opportunities struggle to find them outside of low-paid roles, with only 8.7% of jobs with salaries above £20k advertised as agile. This is a barrier to job mobility and career progression for all genders but as primary care-givers, the situation can be a particularly pertinent issue for women.

To address this challenge, we have built agile working options into the Group's careers site. This requires hiring managers to consider how specific agile working arrangements - such as job sharing, reduced hours or multi-site locations - can be considered as core to a role.

As a result, 94% of roles at Lloyds Banking Group are now advertised as agile, with currently c.27,000 colleagues working in an agile way. This includes advertising 50% of roles at the highest salary bracket (80k and above) as agile, significantly higher than the national average of 5%. And as of today, 40% of our female Executives work in an agile way, compared to 32% of men.

"Our workforce agility strategy sits at the heart of our plan to create an inclusive environment for all of our colleagues. This forms part of our ambition to becoming the best bank for our customers, colleagues, shareholders and the communities in which we operate, and part of our wider commitment to Helping Britain Prosper. Our recent activities have seen us recruit job-shares right up to director level, and I am delighted that in 2017 we were recognised by Working Families as the Best Company for Flexible Hiring."

Fiona Cannon, Group Director, Responsible Business and Inclusion

Leading by Example

Creating advocacy while mentoring women to success

Sainsbury's At Sainsbury's we're taking purposeful steps to achieve improved gender balance at every level through positive initiatives, such as women's mentoring. Since our CEO launched our women's mentoring programme at the end of 2015, over 2,000 women have put themselves forward for opportunities. Our women's mentoring scheme gives colleagues the confidence that we support their career aspirations and helps them to achieve their potential, demonstrating that their gender is not a barrier to success.

This scheme isn't only a great way of developing women to progress more quickly, but when talented women are paired with senior colleagues, it has provided our leaders (male and female) with a deeper insight into the challenges women in our business may experience, as they move up through the organisation.

We've also had great success through women's mentoring circles, in which we bring together groups of talented individuals and apply an action learning approach. The mentor will facilitate discussion within the group, focussing on common development themes and encouraging everyone to contribute with their advice. This provides each mentee with a broader range of perspectives; encourages peer to peer dialogue; helps develop their ability to influence and engage and provides an excellent network.

"We worked on how I could feel more confident as well as addressing technical areas, so that when an opportunity came up in the Store Support Centre (head office), I went for the role and secured it! Mentoring gave me the confidence to put myself forward, try and ultimately succeed"

Charlotte, Field Team Trainer

"I'm a strong advocate of women's mentoring which has proved really successful in my region. We now run mentoring circles with groups of talented women. I have seen my team grow in confidence and drive gender inclusion across our region. I am also seeing the positive impact this is having on our mentees, with greater numbers of women joining our development cohorts and putting themselves forward for opportunities across the region"

Luke, Regional Operations Manager

Tackling the female pipeline for STEM industries

BAE SYSTEMS INSPIRED WORK Whilst the focus is on driving gender diversity at senior levels, the challenge for some is also at the entry level. There is a perception challenge, particularly in attracting women and girls to careers in STEM industries; the priority now for many organisations is to build the pipeline of talent from the ground up.

At BAE Systems, we have made great progress against our gender targets (30% women graduates and 20% women apprentices by 2020) by implementing a broad range of gender diversity initiatives to get more women and girls interested in careers in engineering, for example, offering engineering taster days and "Girls in Engineering" events.

Working with the Royal Air Force and the Royal Navy, we are delivering a programme of 'theatre in education' roadshows to inspire young people aged 9-13 about the exciting world of STEM. The interactive sessions use physics and maths in a fun and memorable way using real life examples to bring the curriculum to life. Visiting at least 420 schools and covering over 100,000 students the roadshow's mainly female presenters effectively reach out to girls in the audience challenging their perceptions of STEM subjects and careers in engineering.

"Thoroughly enjoyable for all students. Particularly thought it was important that the team mentioned girls can and do have STEM careers. It will have certainly raised aspirations in STEM"

Our Lady's Catholic Primary School, Birmingham

"Promotes girls in engineering/technology which is a huge issue nationwide and within the local area. The pupils loved the technology and were really entertained by a well presented fast moving show which we will recommend and want to see again!"

Winterton Community Academy, Lincolnshire

Leading by Example

Tackling the shortage of women in STEM



As part of our cross company initiative to increase the number of women in senior roles at Sky, we have undertaken to tackle

the difficult issue of a significant lack of gender diversity in the technology industry as a whole. Sky's "Get into Tech" programme aims to provide a unique and supportive environment in which women with little or no previous technical experience can learn some of the skills necessary to begin a career in the ever more important area of software development. Delivered through our Women in Technology Academy, the training courses have been designed by technology training specialists with courses available full time or part time using evening classes. We provide these courses for free, along with all the equipment to take part, as we are keen to make it as easy and inviting as possible for women at all stages of their careers to become involved.

"Our first course was massively over-subscribed showing the need for such a programme and we are pleased to be leading the way in this space for women in the UK who are interested in exploring a career in technology, where they are sorely needed. We are now seeing some of our alumni starting to come through into our apprenticeships programme so we can see it is really starting to make a difference of which we are incredibly proud"

Anna Cook, Sky's Director of Service and company sponsor for Women in Leadership

Harnessing the power of networks



IHG is one of the world's leading hotel companies and more than 350,000 people work across our

hotels and corporate offices. The global nature of our business means that our guests, owners and colleagues are incredibly diverse, and we foster an inclusive culture that reflects this, aligned to our commitment of providing True Hospitality for everyone.

We have made excellent progress in increasing the gender balance of our leadership through local interventions, almost trebling our proportion of senior female leadership in the last five years. Our voluntary colleague-led Employee Resource Groups (ERGs) in the Atlanta-based headquarters of our Americas business, are one of the most impactful examples. Almost half of our 'entry level' female ERG members are being promoted into larger roles in the first 18 months following an ERG being established.

Our ERGs have developed a strong network of partner organisations, including 'Women In Technology' and 'Georgia Women in Lodging', as well as other organisations in the local community, such as Coca-Cola. They have also represented IHG at the Centennial TedEx series. These relationships help inspire career progression through the sharing of ideas and mentoring opportunities, as well as enabling our colleagues to be ambassadors for our brands.

"We believe in executing simple change interventions really well and our Americas Employee Resource Groups are a great example of this. Setting quotas and publicly communicating targets can drive behaviours you may not desire. ERGs are an extremely effective way of helping colleagues to perform at their best, develop and grow."

Ranjay Radhakrishnan, Chief Human Resources Officer, IHG



A Chair's perspective

Charles Berry

Senior PLC is a FTSE 250 international engineering company employing 7500 people with 33 operations in 14 countries. We serve worldwide aerospace, defence, land vehicle and energy markets and operate in an industry often thought not to be a 'natural' one for women leaders.

Our Board today consists of seven directors and includes three women, one Executive Director and two NEDs. In 2013, as part of a typical succession process for two NED positions on our all-male Board, we set out to ensure that at least one was female. The Nominations Committee and Board were clear given that many of the most talented individuals entering engineering today are female and that women also represent an important proportion of our workforce around the world, we wanted to show leadership in harnessing diversity. One very important dimension of that was gender.

The search process brought forward several talented women and concluded with Celia Baxter (then Director of Group HR at Bunzl PLC) joining the Board.

"I joined Senior's Board as I was interested in the business - engineering solutions across a variety of customer sectors and the international spread.

I felt that I would be able to contribute to the board as I had previously worked for similarly decentralised, international businesses going through periods of change due to acquiring companies and organic growth.

I didn't really think about being the only woman on the Board, as I have always worked in industries with a higher proportion of men to women. However, I am really pleased that there is now more diversity on the board as this leads to a wider set of views and therefore hopefully better decision making."

Celia Baxter, NED

Celia's background has been particularly relevant to the ongoing development of the Board and Executive Team, notably in the 2015 CEO succession process, which resulted in the appointment of David Squires. David quickly identified Talent Development as a strategic priority and key to taking this forward was the new role at Executive Committee of Group HR Director. Jane Johnston joined from Pace PLC to take up this role.

"At Senior PLC we are fully committed to a fair and barrier free workplace. It is my firm belief that every individual who works for our company, or who would like to, has the opportunity to be the very best they want and can be.

We have a highly diverse workforce and have made very good progress with improving gender diversity on the Board, Group Executive and now with direct reports to our Executive.

I hope this will prove an inspiration to other women, it is truly important. It may be a cliché but people are our most important asset and we need to develop and have access to the very best talent available."

David Squires, CEO

Through the last two years more talented women leaders have been appointed to senior roles. Notably, Susan Brennan (Chief Operations Officer of Bloom Energy in California) joined as a NED and, after 11 years with the Company, Bindi Foyle was appointed to the Board as Group Finance Director.

"I felt privileged to be joining a well-respected Board at Senior and take on such responsibility for a company I enjoy working at and whose key values are so closely aligned to mine.

When I joined in 2006, I was the only woman of the top 50 senior managers, but we've been through an incredible journey to improve diversity and we now have many more women in senior roles.

I am proud of what I've achieved through hard work and dedication and I look forward to encouraging others to do the same."

Bindi Foyle - Group Finance Director

So gender diversity within Senior PLC has improved significantly over a period of four years through natural succession processes and this has strengthened us. Other aspects of diversity need to be enhanced further but, having built momentum on gender, that will develop too.



A Company Secretary's Perspective

Amanda Mellor

The M&S' Board efforts are geared towards giving our Nomination Committee exposure to the richest and deepest talent pool. We have broadened our horizons to consider candidates from a wider pool; capturing new and different perspectives that can add real value to Boardroom discussions.

This year marks 20 years since M&S appointed its first female Board Director. Dame Stella Rimmington was named as a NED in 1997 and later became Chair of M&S' Remuneration Committee. In 2001, we appointed our first female Executive Director and in the last 20 years we have appointed 5 women to serve in a NED capacity and 5 women as Executive Directors. Fast-forward to today and women account for 30% of our Board and 40% of our Operating Committee.

The reality is, the female perspective runs deep into the M&S brand. Around 60% of our customers are women and over 70% of our total employee base. Within this context, it hasn't been a challenge to convince the Board of the merits of gender balance and the commercial logic of representing the perspective of our key customer and employee groups in the Boardroom.

However, diversity at M&S has never been viewed through the single lens of gender. In an increasingly globalized market, where people are living longer and technology brings competition comes from almost every corner of the world, maintaining competitive advantage means embracing the diversity business case far beyond gender. It means bringing together more backgrounds, skills, cultures, life and professional experiences, than ever before. This combination drives our director strength both individually and collectively as a Board. The different ways of thinking, different experiences and different challenging styles, enrich and add value to any discussion.

This line of thinking led us to publish the first M&S Board Diversity Policy in 2012 and the subsequent update in 2015. Central to this is a commitment for the Board to seek to maintain 30% women's representation, whilst ensuring that diversity in its broadest sense remains the underpinning feature.

The Board has long-recognised the challenge of finding individuals with the requisite skills for NED positions. All Board appointments are based on merit and measured against objective criteria, ensuring the

Nomination Committee has exposure to the richest talent pool. To this end we have several measures in place to deepen the choice available both from an external and internal perspective.

Firstly, a commitment to consider candidates for appointment to NED positions from a wider field, including those with little or no listed company board experience. Secondly, to ensure all long lists of potential NEDs include 50% women candidates. Finally, a pledge to only engage with executive search firms that have signed up to the Voluntary Code of Conduct on gender diversity and best practice.

Our approach also supports the Board's aim to develop an internal pipeline of high calibre candidates by encouraging senior individuals at M&S to take on additional roles and gain valuable Board relevant experience. A good example of this is our Leadership Development Service, set up in 2013 to partner key senior talent in the business – broadening their skill set through mentoring schemes, boardroom exposure and supporting NED and Trustee positions outside of M&S.

As a Board, we have pledged to report annually against our policy objectives, as well as other gender and wider diversity initiatives across M&S. This willingness to hold ourselves to account extends to "Plan A" M&S' eco and ethical plan, where we commit to report beyond our legislative requirements on key diversity metrics – for instance we will extend pay gap reporting to include age, ethnicity and disability (where known) and will take action to close any gaps.

Consistent research shows that more diverse businesses perform better – though innovation, better decision making and employee retention - meaning they are likely to be more financially successful, increase market share and capture new market opportunities. At M&S, we're committed to building a more diverse and truly inclusive business and whilst there is still more to do, our thinking is clear; diversity is not about solving a problem, it's about embracing an opportunity.



A Non-Executive's Perspective

Anne Hyland

Elementis PLC is one of the UK's largest speciality chemicals businesses, employing around 1500 people, with operations world-wide. Elementis operates in markets that have traditionally had few women leaders, none-the-less I was surprised to find myself the first woman appointed to the Board in the Group's 169 years history.

Our Board today consists of eight directors and includes three women NEDs. And with 37% women on the Board, it is one of the more diversified amongst our peers. However, it has taken us some time to get here with the process beginning in 2013 with my own appointment.

Indeed the 2012 Elementis Annual Report stated

"Our Board does not consider the lack of gender diversity has impeded the performance of the Board or its decision making." It also stated "The Group, does not consider targets or quotas to be appropriate for increasing the percentage of women in management positions."

Quixotically, the same report also stated

"Elementis is committed to equality of opportunity and firmly believes that women contribute equally in the workplace at all levels."

At the time of my appointment to the Elementis Board, I was the Group Finance Director of a FTSE pharmaceutical company. I therefore had the necessary experience and credentials, at a time when following the Davies Review, many Boards were looking to improve their gender diversity.

At that time, I met with a small number of Nomination Committees in businesses I was interested in, who were seeking to appoint new NEDs. Most appeared to be going through the motions, rather than embracing the benefits of gender diversity. Elementis by comparison, was a breath of fresh air.

The Board at the time was Chaired by Ian Brindle, formerly Chair of PwC, who along with other members of the Board including the two Executive Directors, did indeed "firmly believe that women contribute equally in the workplace at all levels."

What was most important to them was the right person for the role particularly as it included Chairing the Audit Committee. My gender was not an issue either plus or minus, which appealed. From my

point of view, I wanted a collegiate board where my contribution would be valued, and an interesting business. I always enjoyed Chemistry as a subject, I like the important role it plays in the pharmaceutical industry and the innovation the R&D aspect of the Elementis business brings to satisfying industry and our customer demands.

Andy Duff our Chair since April 2014 has overseen numerous changes to the Board, including the appointment of two new Executives in Paul Waterman as CEO & Ralph Hewins, CFO. It is great to see Paul and Ralph within a year of joining having already made a major investment to expand our personal care business with a \$360m acquisition, as well as increasing the number of women in leadership positions under Paul's stewardship.

In my first year on the Board I visited our various sites, many female employees said to me that they were very pleased to see a woman in the boardroom. Four years on I now find myself the longest serving member of a well-diversified Board. We are delighted our last two Board appointments have been to women that not only bring gender diversity but importantly also some cultural diversity with one being American and one being Austrian.



A Chair's Perspective

Ian Davis

I, and the Board of Rolls-Royce, strongly support the work of the Hampton-Alexander Review. Diversity and Inclusion improve decision-making and enhance an organisation's ability to attract, engage and retain talented people. They also strengthen culture and reduce the risk of silo behaviours.

At Rolls-Royce we have been taking initiatives to remove barriers, create and sustain an inclusive culture, and enable a more diverse workforce where different perspectives are respected and valued. This starts at the top with our Board setting an example and leading the way.

When I joined the Board of Rolls-Royce in 2013 there were 15 members on our board, only two of which were women - the late Dame Helen Alexander, who joined in 2007, followed in 2012 by Jasmin Staiblin who still serves on the board today.

In my first Chairman's Statement the following year I noted:

"We can and need to do more to attract and, particularly, retain exceptional women. The engineering sector has not always been a favoured destination for well-qualified women and there may be cultural and historical reasons for this. For a Group like Rolls-Royce, this should be as much an opportunity as a problem. Purposeful diversity is an important part of our long-term planning."

I am pleased to say in 2017 we have four women NEDs on our Board, in addition to Pamela Coles, our Company Secretary.

Our work within the company to date includes increasing the number of women and under-represented groups in senior roles, although we recognise that we still have a way to go on this.

We are taking a holistic view of D&I, starting with recruitment. We are striving to reduce 'unconscious bias', for example in the interview process, and we have prioritised the development of a diverse talent pipeline.

This year we launched our Board Apprentice Programme, which gives senior manager participants, who are selected with diversity as well as talent in mind, the opportunity to gain Boardroom experience within Rolls-Royce and affiliated companies. This should help prepare them for future Executive and Non-Executive roles.

Our "Employee Champion" Non-executive Director, Irene Dorner, has been discussing diversity with employee Groups and relaying insights back to the Board and management. Our new Global Diversity and Inclusion Council will also help us progress our D&I agenda.

www.ftsewomenleaders.com

 [@HA_review](https://twitter.com/HA_review)

KPMG Connect On Board

KPMG launched Connect On Board to encourage the business community to create greater diversity on boards. Connect On Board is an online platform designed to connect non-executive director (NEDs) candidates from a diverse talent pool with organisations seeking to build better boards. From the outset the vision for Connect On Board has been to help increase the visibility of first class executives who are ready for NED positions. If you are seeking a NED or looking for a NED role, visit www.kpmgconnectonboard.com and register your interest via the home page.

