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**Progress two years after the Lord Davies  
report**

**Fundamental change could take ‘at least a  
generation’**

February 20, 2013

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In the spotlight: Lord Davies's report raised the issue of gender diversity to a point where the lack of women cannot be ignored

Two years ago, Lord Davies of Abersoch published a report on the lack of women in UK boardrooms – and it looked ambitious. Just 12.5 per cent of non-executive directors in FTSE 100 companies were female; in the FTSE 250 it was worse – 7.8 per cent. Lord Davies set a target of 25 per cent by 2015.

[Has there been progress?](#) Figures from November 2012 show 17.3 per cent of FTSE 100 non-executives are female, and 12 per cent in FTSE 250 companies. They also show that 38 per cent of board appointments made since March 1 last year were women in the FTSE 100; 36 per cent in the FTSE 250.

BoardWatch, a professional boards forum, is about to update its figures on gender balance and notes there have been some female appointments on what were staunchly all-male boards.

Each such appointment is publicised on Twitter by BoardWatch and dutifully “re-tweeted” by Helena Morrissey, founder of the [30% Club](#), a gender campaigning group. The most recent appointment publicised in this way is that of Mary Waldner, who will

join the previously all-male board of FTSE 250 company Ultra Electronics Holdings as a non-executive director. The list of “appointment tweets” since November 2012 suggests there will be further room for cheer when the latest figures come out.

But, as Ms Morrissey says: “Two years after the Davies Report, it isn’t so much about the numbers, it is about spotlighting the issues. Whether or not the whole thing has been a charade, at least it is ‘in our faces’ in a way it has never been before, and the lack of women cannot be ignored.

“You couldn’t have had much faster progress than we have had if you believe in merit – but somewhere along the way it became apparent that the problem was on the executive side.”

Many agree. Lord Davies’s report has successfully made diversity an issue to be discussed every day. But this focus has also pushed up the levels of frustration: some women who used to abhor the notion of [gender quotas](#) have moved to sit on the fence, or even come out in favour of quotas for want of action.

The UK’s business secretary Vince Cable recently sent a letter to seven FTSE 100 companies with resolutely all-male boards [to give them a prod](#). But he maintains a broadly arms-length stance: “This is about long-lasting cultural change and creating a fairer society for all. It is not something that the government is dictating to business and we have always said it should be business-led.

“The onus is on companies to recognise the importance of this challenge and tackle the issue head on.”

Fiona Hotston Moore, a senior partner at Reeves, a City accountant, responds: “Vince Cable is saying the right things, but words are not enough. To think he will get a huge increase in the number of women on FTSE 100 boards by 2015 without action is ludicrous and naive.”

Ms Hotston Moore says: “All we have is tokenism at the moment – companies want to be seen to comply so they are appointing non-executives. The only way we are going to see progress is quotas – everywhere – public sector and private companies as well.” But it has also become apparent that the real ambition for better diversity lies well beyond the boardroom – it lies in building an executive pipeline of capable and willing women, which needs action on many levels.

Helen Pitcher, chief executive and chairman of board consultancy Iddas, says: “It will probably take until 2050 before we see 50 per cent women on boards.

“We have made a fair bit of progress on the non-executive front, but it’s very slow on the executive side because there just aren’t enough women in the pipeline. If we want more female executives coming through we will have to start a lot earlier.”

It is a global problem. Sheryl Sandberg, Facebook's chief operating officer, writes in her book *Lean In: Women, Work and the Will to Lead*, which is due to be published next month: "Women rarely make one big decision to leave the workforce. Instead, they make a lot of small decisions along the way, making accommodations and sacrifices that they believe are required to have a family some day. Of all the ways women hold themselves back, perhaps the most pervasive is that they leave before they leave."

The focus on "numbers" that began with the Davies Report carries on being debated in countless women's groups, as would-be candidates for the boardroom hope to network with the "right people" who might get them there.

But that trend has been overtaken by another, as women and men in business themselves become more involved in instigating the cultural change required from both sexes to achieve the larger ambition of "better business".

Ruby McGregor-Smith, chief executive of Mitie, the outsourcing company, says: "The remit of Lord Davies's report was very small, and it has been fantastic at highlighting the challenge of the pipeline (of women in business). But the ongoing discussion of the level of non-executives misses the point – it involves a very limited number of jobs and should be decided on talent not gender."

Improving the pipeline of talent she says is "about going all the way back to school, to aspirations, to the choices young girls make and the support they get making them. We need to start early, and also help the young talented women who have children.

"Women find it very hard – and I include myself in this – when they have young children. The prohibitive cost of childcare is part of the problem. If you're serious about addressing issues of pipeline, you need tax breaks for childcare to get women back quickly to allow their confidence to develop," says Ms McGregor-Smith.

The verdict on the Davies Report after two years might be: it was great as far as it went, but it revealed a need to instigate serious change. Ms Pitcher says: "Huge societal change is required and attitudinal changes among women as well because they opt out – and yes, some of it is generational, and that change will come."

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