

Women and Equalities Committee

Oral evidence: Women in executive management,
HC 781

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Written evidence from witnesses:

- Lady Barbara Judge CBE, Chair, Institute of Directors

Watch the meeting – Women in executive management

Members present: Mrs Maria Miller (Chair); Maria Caulfield; Jo Churchill; Angela Crawley; Mims Davies; Mrs Flick Drummond; Ben Howlett; Jess Phillips; Mr Gavin Shuker

Questions 1–32

Witness[es]: **Lady Barbara Judge CBE**, Chair, Institute of Directors, **Sharron Gunn**, Executive Director of Commercial, Institute of Chartered Accountants in England and Wales (ICAEW), gave evidence.

Q1 Chair: Good morning. Thank you both on behalf of the whole Committee for giving your time to give evidence to us this morning. We are incredibly interested in the work that you have both done in this area on women in executive roles. This is a one-off evidence session that we are having in advance of hearing more from the Government on the work that they are going to be doing post the Lord Davies review. You are both probably aware of the procedures that we follow here. Each Member has got questions that they are eager to ask you. We are reasonably informal in our Committee and it is perfectly okay for us to use first names; we tend to operate in that way. We are delighted that you have taken the time to be with us this morning. Before we start with our questions, could I ask you to briefly give your name and the organisation that you represent?

Sharron Gunn: I am Sharron Gunn. I am an Executive Director at the Institute of Chartered Accountants in England and Wales. I run the Commercial and Shared Services divisions. For the last five or six years I have been looking at diversity in the accountancy profession.

Lady Judge: I am Barbara Judge. I am chairman of the Institute of Directors.

Q2 Chair: I have taken the Chair's privilege of asking the first question, so I apologise for that. I was really keen to start our questioning on the Lord Davies review. While it is clear that that review gave us an opportunity to really put pressure on businesses in this country to put more women in place, I wanted to hear more about whether you felt that Lord Davies was

right in saying that a near revolution had taken place in the board room. I am asking that because when you look further at the detail of that report, you see that 45% of FTSE 100 companies did not actually reach his target of 25% of women in boardrooms by 2015. Gloves off—what do you think of the Lord Davies report? Was it successful or not?

Lady Judge: It was important but not definitive. Raising the issue was the most important thing we could do. Having someone from business—he was a trade Minister—raise the issue was very serious and important. Making people in the community—investors, companies—aware of the problem was important. The fact that he put in the word “targets” was important; that there was a threat of quotas around Europe made the targets even more important.

This is where I really believe it is important. Non-executive director jobs are a very nice thing to have; they are very good for the company; they are very important. I have had, over the years, a number of them myself. However, actually, non-executive directors, when sitting on a board, cannot make anything happen. All they can do is stop things. They are a good monitor. They have some role in strategy, but essentially they are above the fray. The real action is at the board table. The real action is being an executive director. That is when you can make things happen. That is when you are actually running a business. That is when you are dealing with the day-to-day stresses and strains or business of business. While I like the idea that we have more women on boards—it is good; it is a role model that says something about where the country is going—we have to deal with the fact that we have very few women at the executive level and that we are bringing very few women through now. What we need to do is be able to deal with the issues at a very young age in order to get women to want to be executives and for their parents to want them to and give them encouragement. Guidance needs to be applied to young women so that they want to be in business.

Q3 Chair: Sharron, representing a sector that has done a great deal to try to get more women to stay within it, and in many ways has led many other sectors in the work that it has done start, what was your reaction to the Davies Report in terms of its success?

Sharron Gunn: If you look back to what corporate Britain looked like five years ago, we are in a very different space today. I do think it has been very effective in setting targets and raising the issue. It has, I believe, met its 25% target, albeit, as Barbara says, mostly in the non-executive space. I totally agree that the problem sits at the executive level below that. My real concern is about the pipeline of how many women are at the right level to be able to step up. The worst thing to do would be to set a quota, set a level, and then not be able to achieve that or to promote people who are not ready or do not have the right skillset. What we really need to do is work on that pipeline. Particularly, we see a very large drop-off of women who go on maternity leave and then do not come back to the profession. Having done years of training, they actually drop out and decide to go and do something else. It is really important to work on encouraging them to come back into the workforce.

Q4 Mrs Drummond: We all know why people leave for maternity things. What we are quite interested in and want to focus on is the barriers for women getting up to executive positions within the workforce. Disregarding the family responsibilities, what are the other barriers in the workforce that are stopping them getting there?

Lady Judge: First of all, I want to make sure it is clear that I think it was a very good thing that Lord Davies did the report and that we raised the issue. I agree with Sharron that corporate Britain looks a lot different. If we had not been talking about it and if Government had not been supporting it, probably not much would have happened.

You are asking what the barriers are other than maternity. When I was young, if a girl was good at maths or science they sent her to be a doctor. That is better than being a nurse, which is what they used to send her to be, but they did not send her to be an engineer. Women rarely get educated with the idea that they should go and be in men's professions. They being taught to look to professions that are with soft skills. They end up in business in staff jobs. They end up in human resources; they end up in strategy, they end up in administration. Essentially they are a cost. What women need to do is to be put on the track where they run a business, where they have a profit and loss statement, where they are responsible for bringing money into the business, not spending it.

I wrote in *The Times* about a month ago that we need to give women maths education. There is a lot of data about the fact that women who do maths earn a third more than women who do not do maths. I was talking to some accountants recently about the fact that women who have financial qualifications can prove to their business that they are in fact literate and a business person, whereas if you go into general management the men think they can do that and do not need you. Early on women have to be taught to take maths. We do have personal finance in the school curriculum, but what we should be doing is putting in basic business finance in the curriculum. We then should encourage the women to do maths and science, particularly as maths is the basis of everything and science is where we have a lot of jobs. We have a huge skills shortage in this country around engineering, and we should be putting our smart women into that subject.

It really takes place very early on. We have to train women to want to be CEOs and then to look to the schools and teachers to put them there. We then have to get employers. If you have a smart woman out of university—and we have more women going to university now than men—the employers have an obligation to put her on a track that leads up to the executive level, that leads to running a division and a business, and is bringing in money to the company. Do not put her in human resources and do not put her in strategy, because those jobs do not go further up. They never get you to the CEO role.

Sharron Gunn: I would agree. As a start point, schools are very important in how people steer their careers. We have been running a business and finance game in schools for the last five years. We have had over 10,000 students through that and it has become very popular. It is very important very early on to show both girls and boys what accountancy is about. It is not sitting there over spreadsheets. It is about how to run and support a business. Getting those messages across is very important. Although I agree that being numerate in maths is important, we take people with any A-level subjects and any degree subjects; we do not specifically look for mathematics students. You just need an O-level, because we are very keen on that diversity in the profession and not having everyone the same.

Certainly in my own experience, when I first qualified, there were no female partners. This is a long time ago, but there were no role models, nobody to look up to and no female partners, so I decided to go into business and move out of the accountancy sector. Even in business, there were very few role models. There are more around now. It is very

important to see someone who has moved up the corporate ladder. We also do a lot of training with men and women, because to be great leaders it is not necessarily about technical skills; it is a whole load of soft skills and very specific skills for women. I would completely agree with you; they do not ask for pay rises and they do not put themselves forward for different roles. It is about encouraging that. As well as mentoring those women, it is important that they have a sponsor. Men have to be involved in this as well. I certainly had not got to my position just off the back of women's networks. I have had men who have sponsored and supported me to get to the board.

Q5 Mrs Drummond: I am glad you mentioned that, because there is a lot of anecdotal evidence, particularly from a lot of people I know who work in the City and elsewhere, that men are coming forward asking for promotions and pay rises but the women never do because they do not think they are up to it. You have mentioned mentoring and role models. Is there anything else we can do to make sure that women do feel confident to go forward? It happens in all walks of life. In Parliament some of us women do not feel confident to do this or do that, but we are perfectly capable, whereas men just feel they are capable whether they are or not.

Ben Howlett: I am not sure about that.

Mrs Drummond: What else can we do to make sure women do push themselves forward?

Lady Judge: They need help. They need sponsors. They need mentors. Mentors talk to you; sponsors talk about you. They need mentors who will talk to them about just what you were saying. You are exactly right. There are 10 qualities that you need to apply for a job. A woman will only apply if she has 10, whereas the man will apply if he has two. She will walk in and say, "This is what I have done" and he will walk in and say, "This is what I can do. This is what my ability is. I can do that job." If she does walk in she will say, "I have nine but I do not have that one." Somebody has got to coach her to walk into the room and say, "This is what my ability is. This is what I can do," just like a man. She needs that kind of coaching and mentoring.

She also needs to be taught to find a sponsor in a business. My experience is that the unwritten rule of the sponsors is, "You look after me and work hard for me and I will take care of you." You have to have somebody in the organisation that says good things about you behind your back. You need to have a few people in the company who will, when the woman is not there, say, "Sharron is really very good. She is very smart. We should give her this opportunity." Women need to look out for and do that unwritten deal, work really hard for a number of people in the organisation so they will go around and be her ambassador. Women are not good at that. Nobody teaches them that they have to find somebody who will look after them in an organisation. We all have a responsibility to talk to young women and explain to them the skills of getting jobs. Investment bankers and business people take presentation courses. Lots of us have been encouraged to have presentation courses. We should be teaching young women how to get jobs, what they should say in interviews, and what they should do in their first weeks. We should be giving them courses. The IoD is trying and all of us have a responsibility. You are exactly right: there are not a lot of role models around now. I was a very lucky girl; I had my mother who worked until she was 88 as the dean of a college. Most people did not have working mothers, so they did not have somebody who told them, "This is going to be

difficult situation training; this is how you might deal with it.” It is a lot about training, presentation skills, mentoring and sponsors.

Sharron Gunn: I have nothing to add to that.

Q6 Mrs Drummond: Did you have role models as well and people who pushed you, or any mentoring?

Sharron Gunn: I had a couple of fantastic sponsors, and I had mentors as well. The mentors I went out and found myself outside of the organisation, as I found that more helpful. They taught me very quickly that I needed sponsors, and it is that sponsorship that made the real difference. To take someone out and say, “I need that support. How do I get here? How do I manage my career?” and to have people backing your corner, talking about you and about what you are doing makes a huge difference. We are now seeing our largest firms, without exception, all running sponsorship programmes as well as mentoring programmes.

Q7 Ben Howlett: I am incredibly encouraged that you want to focus attention on science and maths. Figures show for themselves the problem of that. Where do you see the role of business in working with schools, FE and HE in terms of encouraging girls to go into science and maths? I think business does have a real opportunity to push them in the right direction here.

Lady Judge: As you may know, I have a lot of experience in infrastructure, in the energy business, and there are big energy consultancies and big energy builders in the construction industries. Those are basically considered to be men’s professions. They are trying, because Government and we have raised the issue. Those companies that are very macho in persona have a responsibility to start going into the schools and recruiting young women. When they get young women, their responsibility is to fast-track her. I say this all the time; it is the tone from the top. You have to give her an opportunity to get good, challenging roles and watch out for her along the way. The problem for women in those big engineering and manufacturing companies is that they get lost when they are young. They cannot go out on a site. Some of them will go out on a site with a hard hat, and it is a good thing, but nowadays so much business is done on a computer. The employer has a responsibility to look after their good women and to put them in a position to succeed. Committees like this and Government as a whole are promoting the issue, and looking at employers and asking what they are doing for women. You have got to get the chairman and the chief executive to buy into the process, and then you have got to go down the track and say, “We are going to take this cohort of women, and we are going to put them in specially selected career paths, which will help them get through the bottom.” I go to speak at girls’ schools all the time about how they should do engineering and how there is a real role for women in engineering because that is where the jobs are. You want to go where there is a job. The business has to be vocal and proactive.

Q8 Chair: Just before we move on to the next set of questions, I was particularly interested in raising some research that the Fawcett Society did where they identified one of the major barriers to having more executive women were what they call “barrier bosses”, who were those people who were responsible for recruitment decisions in middle management. Is that something you would recognise or want to comment on?

Lady Judge: That is often where the problem is. At the chairman level, they theoretically are going to be bought into this agenda. 50% of the world's brains are in 100% of the world's women. Everybody knows that we need to get the smartest and best talent, certainly at the top. We hope they are visionary at the top, but there are these middle managers who have grown up in a macho world, in the world that Sharron was talking about, before the recent discussions about women. They have worked hard to get to where they are and they do not want to make concessions for women. They are often more traditional males and they do not see a woman on a construction site. It is not their mind. They see, in their mind, a woman at home cooking and cleaning. We have got to get them with the programme as well. The best thing that happens is they have daughters. Once they have daughters and they see how smart they are, or they are helping them pay for their education, then you can get to them. You can say, "You do not want your daughter to be subject to the same kind of prejudice that you are giving to those three women." To some degree, the middle management are the ones that we do not focus on as Governments or as business leaders. We say all these companies need all these women NEDs, but that is at a high level. We have got to get those middle management to say, "If you hire this smart woman, promote her and give her the time, she will make you look good."

Q9 Chair: Sharron, is that something you would recognise in your industry?

Sharron Gunn: Not necessarily. The real problem we have is the lack of pipeline. We have 43% women coming in at graduate level to train as chartered accountants. We will have a proportion on career breaks at a certain point in their career. It is not that women are being excluded but there are less of them in the marketplace when you are looking at middle manager level. What we are beginning to see is specific programmes put in to make sure that women are coming back after maternity leave, and we are seeing a big focus on a change in workplace culture, because something needs to encourage them to come back and stay in the workforce. We are seeing very widespread part-time working, flexible working, working from home, and we are seeing a real change in the larger firms in culture to not presentee-ism so much. The long-hours culture is one thing that really puts women off.

Q10 Chair: Although the evidence that we are hearing in our gender pay gap review would suggest that that part-time penalty can be something that is a real problem for them.

Sharron Gunn: It absolutely can be, but we are beginning to see men in the profession going part-time as well, which is really positive. One major firm in particular were offering five weeks' holiday, with two weeks extra you can buy, and a month unpaid. That is allowing working parents, both men and women—and the take-up has been 50–50, which is fantastic—to share the childcare burden and school holidays, and that really is, particularly with women, encouraging them back in the workplace, and into a workplace where they feel that they can succeed.

Chair: We would be very interested in any case studies you have in that respect for our gender pay gap inquiry.

Q11 Jo Churchill: In that Fawcett Society report, it did identify that barrier bosses were as likely to be women blocking women as men blocking women, and I just wondered whether you had a line on that, and how important you think work experience is for young women in this whole make-up in order to show them the opportunities that are not necessarily shown to

them within their school environment, due to perhaps a lack of knowledge of what industries are out there that they can go into.

Sharron Gunn: Work experience is absolutely crucial. Most of our firms can offer two-week work placements in the holidays. They tend to be aimed at graduates. I would like to see that at sixth-form level—I have been discussing this with some of them—because you need to change the attitude there. You have more women at university than men, but they tend to be picking humanities subjects and they have screened out in their minds certain career paths by that point. If you could get them into businesses earlier, at 16 or 17 years old, and show them possibilities, that would be really positive.

Q12 Mims Davies: What could the Government do to help businesses, and indeed the public sector pack, increase the number of women in executive and senior roles?

Lady Judge: The Government have already started doing a good job. First of all, they are raising the issue. After all, the Government were the ones who started the Davies report; it came out of BIS. Second of all, the Government are a big employer—they are a huge employer. They have all these public sector bodies, which are arm's-length public sector bodies. They have a lot of other opportunities to give big jobs to women themselves. Government originally started the idea that there needed to be a woman on the shortlist. When I first started in this country there was nothing like that. Government should be putting in these good employment practices. I learnt from the private sector recently that in one of the big banks for internal appointments there always has to be a woman on every panel, in order to make it more fair because, after all, we all hire, theoretically, in our own image, so it is important to have more women on the panel, to have more women in Government jobs, to make a real effort, and to celebrate companies that have women in senior executive positions.

There are a lot of good things the Government do. They get a lot of advice. There are panels, like Lord Adonis's infrastructure panel. We should put women in the advising roles too, so that they are shown in the papers to be the great and the good. You talk about the people who are advising Government, and they are all the chairmen and chief executives of companies. You do not see so many women on those advisory boards. The Government should be looking to put women in high-profile places in their advisory boards, advising Government not just on women's issues but on all issues, so that you have more role models when you read the paper. We ought to get Government to be quoting women in news sources too. I always get distressed when I read news sources and articles and always the quotes are the men, when there are perfectly good women who could quote about the industry or the subject matter. We should be promoting to see women's names everywhere we go, so that it is not unusual to see them as part of these big panels and as part of these advisory groups.

Sharron Gunn: I agree. The Government are doing quite a good job to raise the profile and look at the issues and support the Davies review. You cannot legislate or change workplace culture, but you can work with businesses, look for good sectors and case studies that are out there and share that more broadly and look at how that could be applied to smaller organisations or different industries. There are some really good examples out there of good workplace culture that supports women within the workplace.

Q13 Mims Davies: Just moving on to the new steering body announced by the Government in relation to female executives, do you think this kind of body would be effective?

Sharron Gunn: Yes, in the same way, initially, the Davies review looked at the total target, it is now rolling down, putting a steering body in and looking at the executive level. That is about pipeline. There probably needs to be a clear definition of what executive might mean, so we get some consistency there. What is absolutely crucial to making this a success is that you have to support that pipeline and look at how to bring women through.

Q14 Mims Davies: Should any further review be led by businesses or should the Government continue to take up the mantle?

Lady Judge: The IoD is a business organisation, and we think business should have a leading role but should be totally supported by Government. It should be in tandem because businesses have to buy into it, but somebody once said business cannot mark its own homework, so we need the Government to make sure that business is doing the right thing.

Q15 Mims Davies: Finally, on the “q” word—quotas—do you have any current views on where the Government should be in terms of the pressure on quotas?

Sharron Gunn: Targets are working. I would not be that keen on quotas at this point, particularly because I do not think that pipeline is strong enough. I would rather have targets and support the strength of the pipeline, rather than just put blanket quotas in because people would read them and I am not sure that would be good for business.

Q16 Mims Davies: And it could perhaps lead to tokenism.

Sharron Gunn: Yes.

Lady Judge: Not only that, we have to talk about what the definition of “executive” is. It is much harder to have a quota when it is such an amorphous definition. NED, at least, NED.

Q17 Jess Phillips: Excuse my frustration but the progress seems to be woefully slow to me. 55% of companies not doing it is really not very good. In Mims’s questioning about what could make it better, it seems to me that there is only one thing that makes business do anything, and that is the bottom line and the money and whether it is going to be better or not. Changing the culture seems not to be working. I understand what you have said about quotas, but do you think that there is anything else that the Government could put onto businesses, as we do with environmental targets for example, that would make this better?

Sharron Gunn: The equal pay disclosure that is coming in in April has put a huge focus on an awful lot of organisations, and that goes a long way down the line. Disclosure is very effective. Certainly in my profession, a few people have already published, but they are very seriously looking at every single level—they have targets at every single level—and they are taking this very, very seriously. Disclosure has really accelerated, so I would be interested to see what it looks like in a year’s time, although the definitions of what you have to disclose are quite high-level at this point. That is going to have a real impact.

Q18 Chair: Jess's point is right, is it not? When you actually look at the number of women who have executive committee positions in the FTSE 100, it is appalling. You have got companies who have got no women in executive positions, or one or two, and in the excellent briefing that we had from our Committee Clerks, the maximum is three. Yet we have seen that the best graduates coming out of our best universities for a decade and a half are women. Why are these companies—household names like Sainsbury's, Prudential, Standard Life, Tesco—that rely on women for their business not getting women in to run their companies? You can sense our frustration.

Lady Judge: When I was young I was the first woman executive director of a London merchant bank, and when I arrived at my job in Hong Kong, the man who was going home from Hong Kong to London—therefore I did not take his job—said, "I will never have a woman sit in my chair. I set this office up. Do not tell me she is an executive director." That absolutely happened; can you believe that? You are right; it is difficult. That was a long time ago, but it is still difficult. It is very difficult in the professions. I totally agree with you, but I also agree with Sharron that in order to get them to the executive committee where they must be, we have to get them up the track and give them the opportunities. The reason they are not there is because they have never been given the chance to run a business. They put these very brilliant girls and women in the wrong jobs. We need to make sure that they get into that side of the business that runs towards the executive committee. Today, the most important thing is to get them to run a profit and loss. You are exactly right; the bottom line is all that matters, and if you have a woman who is adding to the bottom line, she is important. If you do not give her a chance to add to the bottom line she will never get there, no matter how smart she is.

Q19 Chair: That is why the accountancy sector is so important, because you are training business people.

Sharron Gunn: Absolutely, but one of the things we did last year was run a MOOC—a massive open online course—for free as a trial, on the importance of finance in business. We had 12,000 people sign up. Everyone needs to be able to read a profit and loss account; everyone needs to understand something about finance in whatever job they are doing, not just to be an accountant. What we are fighting against is history now. If you look at the age profile of our membership, you look at the age of most boards, they are going to be over 50 and maybe even over 55. There are very few women, historically, at that level, so I am not sure you can turn it round very quickly. You have to focus on the younger ones who have the aspiration. There are a lot more of them in the pipeline, but you need to make sure they stay in the profession and aspire to be on those boards.

Lady Judge: It is interesting to think about the IoD for one minute. The IoD has 35,000 members. About 15% of them are women. It is basically an older organisation; most people are over 50. However, we have two young schemes. One is called IoD 99, which is for young people under 35 who are starting their own business. That is 40% women, 60% men. We then have a student scheme to get young people into the IoD to learn about business, just as we were saying. That is 50–50. At the young levels we are doing much better. There is going to be this lag period. There are all these over-50s who did not get the opportunity to learn maths, did not have the role models and did not have the sponsors. Those people are the ones that are in trouble because they do not have the skillset to move

up. People then say they really cannot do that because they do not have the skillset because we did not give them the opportunity.

Q20 Angela Crawley: The point that you have made is a valid one. Often experience is based on age, and more often than not people in senior positions look at the number of years someone has been in service and base that on how much experience they have to take on those roles. Do you think there is more that can be done to encourage people at a younger age or at an earlier stage in their career to take on these positions as well?

Sharron Gunn: You need a certain level of experience and to have moved around different organisations, which you will not necessarily have at a young age. There are certain industries that are full of young people. If you look at social media now, that is a really important strategy for most organisations. It is definitely not something you can ignore. Digital is actually becoming a key requirement on boards. If there were certain roles in digital and social media marketing, there might be sectors that are much easier to get on a board much younger, and you are much more relevant at a younger age.

Lady Judge: Sadly, the tech sector is not very good for women. Industry is changing, but the tech sector is not doing so well.

Q21 Jo Churchill: I would just like to put on record that I have met many men, even men in senior positions, who cannot read a profit and loss account properly as well. The fact they think they can is one thing, but they cannot always. I feel I am about to unleash something, because I am interested in that definition area. It is all very muddled: senior, executive, executive level, executive position. When we actually get reports through, what are we looking at? Is it apples and pears? If so, it does not tell us anything. How would you both define “executive” and, more specifically, “executive level”?

Lady Judge: You are right. The definitional problem is very difficult, because what is an executive? Within that there is senior executive, senior executive executives. Years ago, in the banking business, they were trying to give everyone a feeling that they were doing well so everybody was vice president. You would go to Citibank and everybody you would meet was a vice president. You can only tell how senior they were by how much money they made because they are wearing the same title. Do you remember I told you I was an executive director at Samuel Montagu? I did not know what that was when I took the job, because it is not the same title in America. You would have been a vice president or you would have been a senior vice president. If we want to start to look at numbers in companies, we are going to have to try to define it. Is the executive committee the C-suite? Is it the people who run departments? Is it the people who have a certain budget? Is it people who run a certain number of people? There are very many factors in a business.

In a partnership—I am a lawyer—you know, if you make partner, that is a senior job. In an accounting firm, if you make partner, that is a senior job, but in a big company it is a question of how much decision-making power you have, the size of the budget that you have, what the manpower decisions that you have are. It is not going to be as easy as saying, “We need this many non-executive directors”. We cannot act in haste by saying, “We want so many women executives per company”, because we will dilute the definition of executives. Sooner or later executives will be like vice presidents. Everyone will be one. There is a lot of thought that has to go around about how we get women up the

pipeline, and how we make companies keep their feet to the fire to get those women up the pipeline, because it may be too easy to game the system if we just put a label on people.

Sharron Gunn: You also need to look at company size. We may very easily be able to look at and compare the FTSE 350; you may even be able to compare AIM companies by using job titles and levels, but if you go into the smaller SME businesses, company sectors that employ an awful lot of people, at that point it means something entirely different. It is difficult. You could certainly extend beyond the FTSE 350 and AIM companies and have a definition and you might be somewhere there, but I am not sure that would translate into smaller businesses.

Q22 Jo Churchill: Your definition is revolving around the big boys; what about SMEs? I wonder whether there would be any ability for Government—and I would be interested in your views on this—to influence a better cross-transferral of people between SMEs and larger corporations and so on, particularly now we are having longer working lives and more chameleon careers where we change things, and whether that provides an opportunity for executives, if there was a better definition, to take skills that are more moveable?

Sharron Gunn: That is difficult. What you traditionally saw in large corporates—I am not sure it is so much the case anymore—was people retiring at 55 or 58 and then moving into smaller organisations. They either go down the NED route or set up their own businesses. People want to give something back. More often now, we see people moving back the other way to a smaller business, having worked in a large one. That is not thousands of people; it is more in the hundreds, but it will be interesting to see in future whether that becomes more common. Certainly a lot of people do not want to stop work at 55 or 60—and it is getting older and older. We have members who are not retiring now; they carry on working.

Lady Judge: We are trying to do something at the IoD, which is my idea personally because I think “retirement” is a dirty word. It is not healthy; people are going to live to 80 or 90 or 100, and if they do not keep their brain in gear we are going to have to deal with a lot of Alzheimer’s and dementia, which I am personally very concerned about. My mother has it. The day she stopped working at 88, as a dean in a college, she got dementia. Now she is in a wheelchair because she forgot how to walk, but she was okay while she was working. What I would like to do in the IoD is take these people who Sharron is talking about, who have to retire at 55 or 60 but have lots of skills. There are all these small companies of young people, some university graduates, some not, who are setting up businesses and who would love to have a marketing director or an FD full time or even part time but cannot afford it. Here are all these retired marketing directors and FDs who are sitting at home. For goodness sake, how much golf can you play? We need to have them putting something back into society.

I want to get those older people to work with younger people. My idea is not that they just do it for free. We pay them a small amount because people value when they get paid. These people will pay attention because they are paying, and these people will feel like they are valued because they are being paid. Even if it is a small amount you get this cross-transfer. We were calling it an executive alumni. There are a lot of different ways; there is another name in the IoD and a code name. We are trying to get a programme together to harness the ability, the talent and the time of these people and give it to the people who are young and need it. If we can do it—if it is possible—we will be doing a

huge public service not just to the young ones, but to all the older ones who are dying to work. They do not want to sit at home but society does not value them. There are also case studies about McDonald's and B&Q particularly. Some McDonald's in the north of England started hiring older people and their profits went up, because the older people were happy for work, they were thrilled, and the younger people were more respectful, because they were like their parents. In B&Q they say they have to hire older people because no young person knows how to do DIY today. The point is when they hire the older people, they have been finding the profits go up, but you have to get the mindset around it.

Q23 Mims Davies: I was very interested in the definition of executive roles and how that works with aspiration. Actually, Lady Barbara, you just explained that. How do you inspire a pipeline when people do not really know what jobs people have done and stepped away from? The world has probably changed so much that maybe younger people do not know why it is worth being an executive, why you would take on that responsibility and what the benefits are. Is there part of an aspiration problem here and a communication about why it is worth taking on those responsible roles, whether you are male or female.

Lady Judge: So much is about mentoring. So much is about having role models coming into the schools. It is really about talking to those young women early on, before they get stereotyped and before in their minds they are stereotyped. I want a girl to say to her parents, when they ask her what she wants to do when she grows up, that she wants to be a chief executive. However, we have to tell her that she wants to be a chief executive. We have to tell her that she has the opportunity to be one. I want her to say, "I want to run a power plant". I want her to say, "I am going to be building a bridge. I want to look out there and say that is the building that I built." We do not tell them that.

Q24 Mims Davies: Why do you think the parents are not telling them that?

Lady Judge: Remember there is this generational lag. The parents grew up with their parents telling them that there are traditional roles: the father goes to work and the mother stays home and takes care of the children. Frankly, we have a lot of educating to do, because when a mother does go to work, a lot of stay-at-home mothers make her feel bad and make her feel like she is not doing her job and her child is going to be in trouble. Other mothers, as well as men, make you feel bad if you are going out to work. We have to make it okay for women to go to work.

Q25 Mims Davies: So less judging? Because men do not do that.

Lady Judge: People used to say that my son would be stunted in his intellectual growth because his mother went to work, because I was letting somebody else teach him how to swim. I called my mother and said, "Everybody thinks I am a bad mother because I am letting the childcare lady teach him to swim." My mother said, "You keep your job. A good job is very important and you could not teach him to swim anyway, Barbara, if you were home, so why bother?" The point is there are a lot of people making you feel like you are a bad person if you go to work. We have to change the mindset of the community to make you think it is a good thing to go to work, to give your daughter opportunity to see that there is something else in life. We have to open their minds.

Sharron Gunn: There is a different generation coming through now who have been more used to both parents working. There are very few households who can afford not to have two parents going out to work. Certainly, the younger people we work with have very different aspirations to what we grew up with. They are not so keen on the long-work-hours culture; they are very keen on work-life balance. Although they want to get on in their careers, there are other things in life. There is a generation coming through, certainly different from my generation, where they are used to both parents working. They will be much better role models going forward, I hope.

Q26 Jess Phillips: I just wondered if there were any particular companies that were doing well, and what exactly they were doing that was working, since the Davies review or previous to it, in terms of having increased the number of women executives and women on boards.

Sharron Gunn: Certainly in the accountancy profession, our firms are beginning to really shift the number of women who are made partners. At every level in the pipeline most of them have set themselves targets up to 2030. They are completely changing the way they recruit people as well. They are having blind recruitment, so no names on CVs; they have taken away A-level grades, universities and UCAS points. Most of the major firms have devised their own system to take out any kind of bias in any way. They are really changing their culture. What the firms are doing is very progressive. At every single level they are looking at the pipeline and every shortlist has to have a proportionate percentage of females on it, versus their workforce, and you are beginning to see the numbers shifting.

Lady Judge: I am not going to be able to point to a specific company, except I do know the accounting firms are doing a good job. The law firms are not doing as good a job as the accounting firms are, I have to say, partly because innately lawyers have to work a long time if they are on a deal. We should be able to change things because people can work remotely. The world is so changed. You do not even know where someone is when they are on the phone or they are sending you an email, so you ought to be able to take your work home, put your child to bed, and then get back on your computer.

I want to talk about the IoD, because we are changing. We have flexible working hours, lots of people work part-time, and people do job shares. We have very senior women in our executive—if you can say that—committee and on our board, and we give a lot of opportunity for young women to be front and centre in our policy unit. We are, as an organisation, trying to do the right thing.

I also wanted to say something about Government. It is not in answer to your question, but there are a lot more women in Parliament, which is really terrific. Someone once told me that there used to be more men named John in Government than there were women altogether.

Jess Phillips: In the Cabinet under Margaret Thatcher there were more men called John than there were women in Parliament.

Barbara Judge: I heard that and I thought that was so interesting, whereas now, I understand from somebody that you have converted a bar into a crèche, which is really good. My question to you is: what about unsocial working hours? I worry about how you get a woman to come back to vote at nine o'clock at night.

Ben Howlett: That is not just an issue for women; trust me.

Barbara Judge: When I came here I did not understand that. People would be leaving all the time to go and vote.

Q27 Chair: Following this up with a supplementary, because it really feeds into the other inquiry we are doing around the gender pay gap, while there is an argument to be made that there is a generational change going on, I worry from the other evidence we have seen that many women are still going to suffer from a part-time working penalty, because in fact part-time working is now much easier than it was 20 years ago when I had my first child. Therefore, you end up with a cohort of women who have been encouraged to take up an employment behaviour that is going to penalise them in the future. That worries me.

Sharron Gunn: As I said earlier, what we are seeing within the firms is equal pay at the right level and conditions where you can work from home or you can work from a regional hub if you want to be more local to where you are living. There is more flexibility around holiday.

Q28 Chair: So you are actually arguing that you can stay full-time working and be flexible, rather than take on part-time working to make your job flexible.

Sharron Gunn: Yes, but appraisals have to be results-driven, not hours-driven. We have to change that presentee culture over to a results culture. Sometimes I work in different countries, I am on my iPad, I go home at sensible times but I may do some work in the evening or I work on the train or I can be anywhere. Technology enables that now. I do not need to be sitting in an office.

Chair: So agile working, not part-time working.

Barbara Judge: It really depends on the sector. In some sectors that works. I rather like job sharing. Job sharing is part-time but you have the full-time salary. If you could make job-sharing work then you pay two people properly and when they can come back to work they have not really gotten off that salary scale, so it is different to paying part-time. I like that idea. The other thing I like the idea of is that when you want to work part time, do not get a part-time job. You have to talk with the professions because it is harder in industry. In the professions you say, "I am going to work four days a week and I will take four-fifths of the salary." Now in actual fact women will work the fifth day and only get paid four days a week, but that is keeping your salary at the right level. I agree with you that if we tell people they can take these part-time jobs, which are less work but are less pay, you will never get up there. It is better to take a proportion of the full pay and work the proportional amount.

Q29 Angela Crawley: Can you summarise what you think this Committee could do to most effectively scrutinise the progress on increasing the number of women in roles and whether you have any advice for the Committee that we could take forward?

Sharron Gunn: The recent review of the Davies report and the new targets they have set is a positive. That is beginning to focus on executive roles, not just non-executive, and it has pushed it down to FTSE 350, but I would encourage you to keep making things public, keep getting newspaper articles, keep getting disclosure, but start looking for some good

role models of companies that do this really well because they are out there. We would certainly be happy to share some case studies with you.

Barbara Judge: I certainly agree. The Davies report was a very good start. A lot of things happened, a lot of publicity was given, and the discussion about executives has begun. We have said here that there are no easy answers. You cannot actually say there should be a target or a quota for a number of executives in the same way as non-executives, but just to have the conversation is very important. If Government do not stand behind it though, it is not going to happen. Business has to lead it but Government have to be right behind it. Over the years, we have wanted to have the first women partners in law firms or the first women partners in accounting firms, and it happened for a while. It then went right down again when people stopped talking about it. When I became a partner many years ago, I thought that was the beginning of a great amount of women partners in law firms, but it did not happen. It is not much different from when I was there then. We need to keep the pressure on.

Also, we need to engage the men. The men have to be engaged, because they are corporate leaders and because they are fathers. A baby is not just a mother's; a baby is a mother's and a father's. The men have to be engaged and we have to think it is okay for men to stay at home and help them take an equal share with respect to the child, and as role models men have to say that is okay. We need to have role models for the women to learn that what they need to do is have an opportunity to get to the executive level, and role models for men to say, "Support your wife. Help her to go back to work. You can take care of this child for a bit." Men have a very important role to play in women ascending the corporate ladder. We have got to get to them as well.

Q30 Mr Shuker: What relevance does this issue have to the vast majority of women who, by definition, are not going to be working at the executive level?

Barbara Judge: They have got to tell their daughter that she has the opportunity. Mothers have to instil in their daughters the fact that everything is open to them, that they are not typecast when they are born. They have to know. The relevance is that everybody has to tell those young girls that they can be anything they want to be.

Q31 Mr Shuker: So just to summarise, for you the significance of this issue is about opportunity for the next generation and a change of culture in terms of people coming through at an executive level.

Barbara Judge: I would like to help this generation as well; I would like to help all those people who are out there, but we cannot keep doing what we have been doing since the 1980s. We have to get everybody focused on telling that young smart girl to go for it and that she can get it if she gets there.

Sharron Gunn: Every woman has a right to a fulfilling career, not just a job. That does not necessarily have to be at executive level or board level, but whatever you do at that level will cascade down. Everyone has a right to fulfil their own ambition. Not everyone is ever going to get to board level, but actually there should be opportunities at every level to progress.

Q32 Mr Shuker: Is there evidence that it changes the culture of companies at a lower-down level regarding normative outcomes for women who work within the organisation?

Sharron Gunn: Yes. I was interestingly asked the other day at a staff breakfast: what is our policy on diversity? Because people in lower-level jobs want to be inspired that they can get somewhere. I have worked my way up from the bottom of the organisation to the top. That is a good role model for people to see that. I started many years ago in the organisation that I am in now. People like to see that and be inspired that they could get there themselves.

Chair: There is a debate in this place this afternoon on retail pricing and the different prices that are charged for male products and female products, even though the products are identical. Maybe if there were one or two more women running the companies involved, that would have been something that would have been seen beforehand. Probably, there are some bigger wins there as well in having more women involved in the running of the largest companies in this country.

Thank you very much indeed for your time, your thoughts and your very informed input into our discussions here. We really appreciate it. This is a one-off evidence session for us. We are waiting with great expectation to see what happens post 'Davies review. We very much value your input today and it will help inform the way we move forward. Thank you for your time. I know you are both incredibly busy and we appreciate the opportunity to talk to you.

Barbara Judge: Thank you. We feel very privileged to be here and to be amongst so many people who care about the issue. It is so important to us.