

Women and Equalities Committee

Oral evidence: [Women in Executive Management](#),
HC 92

Tuesday 28 June 2016

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[Watch the meeting](#)

Members present: Mrs Maria Miller (Chair); Ruth Cadbury; Maria Caulfield; Jo Churchill; Angela Crawley; Mims Davies, Ben Howlett: Mr Gavin Shuker

Questions 33-82

Witnesses

I: Fiona Cannon OBE, Director of Diversity and Inclusion, Lloyds Banking Group, Vivian Hunt, Director, McKinsey UK, Helena Morrissey, Chief Executive Officer, Newton Investor Management, Founder, 30% Club, Melanie Richards, Vice Chair and Board Member, KPMG.

II: Melanie Dawes, Civil Service Gender Champion and Permanent Secretary, Department for Communities and Local Government, Dr Penny Newman, Faculty of Medical Leadership and Management and independent researcher, Sara Thornton, Chair, National Police Chiefs' Council.

Written evidence from witnesses:

- [30% Club](#)
- [KPMG](#)
- [Faculty of Medical Leadership and Management](#)

Examination of Witnesses

Witnesses: Fiona Cannon OBE, Vivian Hunt, Helena Morrissey and Melanie Richards.

Q33 **Chair:** Good morning. Can I start by thanking you all for taking time out of what I know are incredibly busy diaries to be with us here today? I know how much time it takes to prepare for a session like this, so on behalf of the whole Committee can I thank you for coming along? You will probably know the way we run evidence sessions; my colleagues have got a number of questions that they are really keen to ask you. Perhaps before we go into that, could you each just give your name and the organisation you represent, and then we will move into the questioning session.

Fiona Cannon: Good morning. My name is Fiona Cannon. I am the Director of Inclusion and Diversity at Lloyds Banking Group, and also Director of an organisation called the Agile Future Forum.

Vivian Hunt: Morning. My name is Vivian Hunt. I am Senior Partner at McKinsey and Company. I lead our office here in the UK and Ireland, and am one of the co-authors of our research on women and diversity.

Melanie Richards: Good morning, I am Melanie Richards and I am Vice-Chair of KPMG in the UK. I have board responsibility for inclusion. I am a founding member of the 30% Club steering committee, and I also have been responsible for a number of pieces of research in association with both the 30% Club and KPMG.

Helena Morrissey: Good morning. My name is Helena Morrissey. I am Chief Executive of Newton Investment Management, Chair of the Investment Association, Founder of the 30% Club and I also chaired the gender equality campaign for Business in the Community.

Q34 **Chair:** Thank you very much for that. Just before I invite Mims to ask the first question, could I just ask from you a very quick update on any work that you are doing around the Hampton Alexander report? That was the group that was set up by the Prime Minister following on from the success of the Lord Davies report. I just wondered whether they have reached out to you and whether you are working with them in any way. Obviously that was launched in February and we are keen to know of any work that they are doing.

Helena Morrissey: Brenda Trenowden, who now runs the 30% Club, is involved with the review, and also they reached out to the Investment Association, and have a member on the governance side of companies who is part of the group there. The 30% Club has also set an explicit goal of 30% women on executive committees in this country by 2020.

Melanie Richards: KPMG has actually sponsored the female FTSE report, the last closing report and Davies Review, and we are continuing with that sponsorship and working with the new committee.



Vivian Hunt: We are in the midst of publishing a Power of Parity report, looking at gender parity in the UK economy. We will be publishing that in the fall, both with the McKinsey FT conference and also working in collaboration with the Hampton Alexander report. We generally make all of our research and data available to the public for use wherever it is helpful.

Fiona Cannon: We are looking forward to contributing to the review.

Chair: So you are feeling that you are plugged into what is going on there; that is brilliant.

Q35 **Mims Davies:** I just wondered if we could start on the definitions of senior manager versus executive that you use for monitoring purposes.

Fiona Cannon: We have set a public goal in terms of increasing the number of women into our senior management positions, so we focus very much on the senior management population, which is the top 8,000 of our organisation. There are four grades within that, and the most senior executives would account for about 400, and then going down to about 100. We typically talk about senior management rather than senior executives at this point, because we are looking to develop our pipeline that would eventually go through to senior executives.

Vivian Hunt: If we think about the leadership cadre, obviously senior decision-making leadership is typically at the CEO and CEO minus one or two level. However when you are thinking about access and progression for women and towards gender balance, you need to look at talent at lower levels, which is typically where women get stuck or face challenges around slower progression. It relates more to passing through middle management. As Fiona mentioned, we tend to define it as a leadership team and more broadly—people who would be within two or three roles or steps away from a senior leadership position. Most of our clients are defining it more broadly than simply CEO or CEO minus one.

Melanie Richards: I would split it into two parts. I will talk a little bit about what KPMG is doing in terms of its definition, but then I will talk a little bit about the research we have done and some of the challenges we faced in that definition. As an organisation we have been very public with our targets and we have taken it all the way through our organisation at particular levels. We are a different structure from a corporate, because we have a big partnership and we have a board, so all of those things apply to us. Those targets were being very visible at all levels because we believe that in order to drive behaviours you have to have a pipeline of people coming through, which is really what Vivian was referencing. In order to do that you need to know what is happening at all levels in the organisation.

As far as targets go, and in terms of definitions of “senior manager”, when we did the Cracking the Code research with the 30% Club, one of the biggest challenges we had was that, when we were trying to compare



data across organisations, people define things in different ways. What we chose to do was to define “board”, “executive committee” and then, as my colleagues have alluded to, one and two levels below executive committee, in order to get some sort of consistency. If you use titles, the problem is everybody has a different perception of what a senior manager is or what a senior executive is. For us, it is the Executive Committee and one to two levels below.

Helena Morrissey: Echoing Melanie, individual companies need a measure to create the right ecosystem to encourage female talent to thrive. They need to measure at every single level but if the Government or a group was looking to report, then it should be that executive committee minus one or minus two. It is quite important not to let companies come up with this, “It is all too difficult to identify and we all have a different measurement”, because when BIS consulted on narrative reporting in 2011, companies came back and said, “We cannot really define who our senior leaders are”, which obviously does not make any sense at all because individual companies can. They were really objecting to the idea of a very strict definition as some companies are very hierarchical and others are much less so and their definitions would not be comparable.

It is really important not to confuse what individual companies should do to measure and to monitor how they are doing against their own targets. There is not really a lot of data on even executive committees; you have to go through each company, pick it all out, and there certainly is not on direct reports. We are missing that. In Australia, the corporate governance requirements set out a template that goes through all of that data. That is what the 30% Club argued would be right in this country, and we do not even have that at this stage.

Q36 **Mims Davies:** You are almost answering the next question, which is to what level you believe that we should be looking at the layers within companies. Do you think other countries are doing this better?

Helena Morrissey: The legitimate arguments against completely adopting the Australia model, which was a very detailed template, was that it would lead to a lot of bureaucracy and a sense of resentment, potentially, around this issue that we all want companies to be really aligned on: trying to encourage more women through. I would strike a bit of a balance and say actually, if we can get the executive committee and their direct reports published and transparent as data, so that investors and other stakeholders can see what gets measured gets managed, to cite a McKinsey expression, that will then yield a focus on levels below that. Australia has done a good job but it is not necessarily exactly replicable in this country, given our slightly different expectation of companies getting on with it themselves.

Vivian Hunt: It is not just about the numbers either. You have to dig deeper and think about what behaviours you are going to drive by the publication of data. I am with Helena; I am all for transparency and all



for clarity about what that looks like, but if we make it too complicated and too detailed we run the risk of driving the wrong behaviours in organisations.

Melanie Richards: We could take perhaps three messages away from the comments. One is about the move towards transparency. When you think about 50% of the working population and a parity mind set, transparency throughout the organisation is probably a healthy starting point. Different organisations will have different areas of focus. We have started with senior management roles and leadership positions, which are applicable both to the private and the public sector, which I know the Committee will talk about over the course of the day. There is pipeline and retention during the mid-tenure career part, where transparency and different initiatives will help, and there is also recruiting and retention at the early pipeline.

Transparency on the full pipeline is a terrific starting point, but different companies and different contexts may focus on different areas. The nice thing about the senior transparency—CEO minus one, CEO minus four—is that it is the most comparable point. Board, CEO and the top four levels are probably most comparable across countries, companies and indeed private and public sector. Transparency at the senior level alone will not be enough to genuinely move executive pipeline for what the vast majority of employees are, which is working on teams in middle and distributive roles in organisations. Senior management teams by definition are small, and so what we want to try to do is figure out how we can unlock more talent participation right across the workforce.

Fiona Cannon: I would agree with two points. Transparency is absolutely vital. We have seen that through the Davies Review and the work that has been going on already on the Think, Act, Report activity coming out of the Government, which has been very helpful around the transparency issue. The other issue, which is really important, is simplicity for organisations. The less detail the better. It will be tricky to come up with something that works for everybody but a group executive committee and one or two levels below is something that most organisations will be able to report on. As Vivian said, and where I started, you have to go much further back in the organisation to really drive that change at those levels. As long as it does not become so fixated on that group of people that it does not actually effect change further down then that will be the important piece.

Q37 **Mims Davies:** Just to conclude, Chair, the current definition of senior management suggested by the Financial Reporting Council has been criticised because of that lack of clarity. Do you think that if it were changed, it would allow for some fairer comparisons of progress that is being made?

Fiona Cannon: We do not have a problem with the definition from the FRC because it relates to the work that we are doing anyway. In that sense we are fairly comfortable with that.



Helena Morrissey: That was the point I was trying to make on the narrative reporting exercise. Companies said, "We do not all subscribe to the same definition". While Lloyds is exemplary and is absolutely fine with that, other companies have hidden behind that a bit. Companies obviously have an executive committee and then the members of that executive committee have direct reports. That has the same transportable definition. It would be better to spell it out.

Melanie Richards: All I would add is that being clear is always beneficial to everybody. Lloyds has been exemplary in many ways and clearly, if there are those that think it is unclear, then let's create some more clarity.

Q38 **Maria Caulfield:** To dig a little bit deeper into transparency, the Equality and Human Rights Commission had their report looking at the FTSE 350 companies, and actually criticised the transparency of many of them in how they appoint to boards and that there is still quite a personal, informal network as to how people are appointed. Do you think that criticism is fair? If so, how widespread do you think that problem is?

Helena Morrissey: It is clearly a more opaque process than many executive roles, which would tend to go out to a search in a very transparent way, and would often be advertised and so forth. We have been on an evolutionary path; it maybe has not been revolutionary enough for some, but we have been on a path whereby most companies would have a matrix of capabilities and expertise and experiences with which they are trying to plug gaps. Certainly within the 30% Club, we have had some chairmen very clearly articulate a very thoughtful process now.

I have some sympathy with the chairmen who say that actually advertising might mean that they end up being besieged by not necessarily qualified candidates, but there is still some way further to go. The executive search community has played a useful role in changing their mind set as well, from always fishing in the same pool and unsurprisingly catching the same fish. Talking to women, in particular, they still find it difficult to get that foot in the door. For example, some women have run huge charities, had big public sector roles or run big schools that are more like mini-businesses, and they have said they still cannot even get an interview. We should still keep the pressure up to encourage more transparency, which ultimately might lead to equivalence with other roles. For now, we have to acknowledge the progress made.

Melanie Richards: There is only one thing I would add to that, which is to ask what the definition of what a good board member looks like is? One of the challenges is in terms of not the identification of talent but where what pool people are fishing in has been driven by the definition of what a good board member looks like. The work that Helena referred to that many leading chairmen have been doing has been to look at what that definition is and to try to make sure that the skills on their board are broader. The more that we see of that, the more progress we will see.



Like Helena, I think this is a work in progress. One of the benefits of the way in which this has been done through a voluntary business-led approach has been that there are real hearts and minds behind this in those companies that have adopted it. There are those that need to do more, but we can make more progress with a voluntary business-led approach than we will by creating adverts and processes and procedures that go against the very heart of what good board membership looks like.

Vivian Hunt: We also have to be cautious not to create distraction if most companies have a robust process around board selection and making that transparent. It is about education and a proactive role around skills, gender, ethnicity, all types of diversity to build diverse board profiles, and having search firms committed to that as well as the professional advisors in that area, but also not confusing more transparency around process with actual progress in appointments.

We would not want to contribute to any froth or distraction for companies that genuinely are trying to do the right thing. That is about making good quality and more diverse appointments, leading to better decisions and outcomes for their businesses. I would do enough of that to make sure that the playing field feels more level and there are more good candidates brought forward. However, significant measures beyond what is already happening in the best case examples would not really move the needle in terms of appointments and progress.

Finally, there are many good examples, such as the 30% Club, the AFF and some of the Women Matter work from McKinsey, that give wonderful case studies of innovative practices in different boards. Peer references really celebrating the companies that have been most creative about creating diverse qualified lists could be another lever that we could use.

Fiona Cannon: I would agree with colleagues in the sense that there is always more that can be done, but if you look at the evolution that Helena talked about, you now have a constituency group of chairmen and chairwomen who are really interested in this issue and who are actively looking for more diversity. The number of activities around the mentoring foundation, for example, where chairmen mentor women looking to become NEDs, creating a pool of women and a broader pool, has really started to show some real progress.

As Melanie said, the business-to-business voluntary approach in this sense has really worked and created its own momentum. That is really where, in all of these things in this space, we find businesses are learning from other businesses, and that is where you make the most progress.

Q39 **Maria Caulfield:** I think Vivian touched on the issue in her reply to Mims about the talent pipeline, because in the report a lot of the companies used that as a reason why there were not so many women in executive positions. Are there enough women in the talent pipeline? If there are not, what can be done about that to address it?



Fiona Cannon: The short answer is there are not enough women in the executive pipeline. That is one of the issues that we know we face at the most senior levels of the organisation. There are clearly enough women who can go onto boards but you want to build that pipeline so that that actually keeps fulfilling itself and building along. There are clearly a range of activities. The most important thing from our perspective at Lloyds is to get women into executive roles and focus there, rather than focusing on non-executive roles. That then creates women in positions of power who can then go on, if they choose to, to be in non-executive positions.

Melanie Richards: I mentioned the question around the definition of what good looks like in executive positions, and I agree with Fiona that there is an element of needing to build a pipeline further down to make sure there is a bigger pool of talent to choose from. I do think there are things that businesses can do in the executive selection processes, which means that they look at the definition of what good looks like in a leadership role. Sometimes there have been occasions where women are overlooked. The other thing I would say is that women also have a part to play in this. By the way, this is not a "fix the women" speech, because I am very anti the idea of us saying that it is a women's problem, but we do need women who want to step up into those roles more proactively. That is partially around making our organisations more attractive to them from a leadership perspective.

Q40 **Maria Caulfield:** In previous evidence sessions we have heard that very often, because women come through an organisation in roles that are not necessarily related to profit and loss, they are often then overlooked for executive positions. Do you think that is an issue that women are often coming through maybe HR routes and that sort of thing? Do you think we need to be encouraging more women into the profit and loss sector of an organisation? If so, how can we again encourage women to take up those roles?

Helena Morrissey: It is a bit bizarre, in a world where we know that talent is going to drive the success of companies, that HR is a poor relation to profit and loss. One of the things, echoing what Melanie said about the definition of what good looks like, is that a lot of companies have built what they think are good models or processes for assessing talent and drawing people up, but actually they are based on pretty antiquated working practices and antiquated business models. We are obviously seeing the world in a huge transformation and yet working practices and the approach around what good looks like, what talent looks like and the skills needed to succeed are still very stuck in a quarter of a century ago. I do not want to over-generalise but we know that some qualities are associated more with feminine qualities. We do tend to be more collaborative and to work in a network-type world, which is increasingly important in today's environment. It comes back to the culture of companies and some of the softer aspects around performance management and promotion paths.



Vivian Hunt: It is clear, when you look at the data from the 30% Club and other reports like Women Matter, ambition amongst female talent in companies is not the problem. Most women, when they leave a company, leave for another job. What they typically are solving are the constraints and flexibility and agility of that role, in addition to an exciting professional development opportunity. Secondly, the vast majority of women in the world, and indeed in the UK, need to work. They want and need to work, so finding something that is a good fit with their professional skills and ambitions, with their family and life stage, with their personal circumstances, is an important and urgent issue. Ambition is not the challenge.

The talent pipeline is there. Women are 37% of the economy yet they are 50% of the population. If we simply closed that gap and moved towards participation parity at any skill level—senior executive, mid-skilled or low-skilled jobs—it would be a significant boost to the economy and would provide lots of options for women to have different paths and roles that were the right fit with their choices. Why we cannot close that gap has more to do with the structure of the roles: for example, saying that every senior executive role has to have had these three or four functions, lived in two or three countries and ticked this set of criteria boxes; it might be a set of skills demonstrated as opposed to a set of roles. There is a number of ways in which roles can be more agile and more flexible in how they are delivered.

Finally, there are also policies about childcare and how unpaid work is structured that also can help women participate in the workforce, if they want to. We have to be careful when accepting the status quo, when a lot of the things we assume are consistent can change and make it easier for women to participate.

Q41 **Ruth Cadbury:** Are there examples of either sectors or specific organisations that have embedded long-term the various initiatives, policies and practices over a significant enough period to have made an embedded difference? My concern is that we creep forward and then fall back when the pressure comes off. I just wondered if there are examples and how those are being shared.

Melanie Richards: When we did some of the Cracking the Code research, the standout companies were in the consumer goods sector. That may have been driven by their own desire or there being a commercial imperative in terms of them understanding their customer bases. Even they would say that they still feel that they have more to do and this continues to be work in progress for all of us.

Certainly, consumer goods has set itself apart in terms of the representation across their organisations and some of the things that Vivian referenced, such as looking at it in terms of promotion processes. Just to be very clear, there is talent at a level and men are four and a half times more likely to be promoted than women into senior-level positions. That by definition must mean that an organisation's processes



are not quite working properly. If I were to single out one group, it would be consumer goods.

Q42 **Ruth Cadbury:** Or specific companies?

Melanie Richards: Unilever, Diageo, Vodafone, Marks and Spencer. There are many companies in that sector who have all done fantastic work and are all working very hard on it. That would be to detract from the very hard work other companies are doing in other sectors and starting from a very different base.

Fiona Cannon: I would agree, certainly in terms of Diageo and Unilever, which have long-term talent processes that are starting to come through. If you look at the issue around agility, which is one of the big issues around flexible working that we know really impacts on women, it is one of the issues around why women may choose to go down certain paths and not other paths, because they look at some business roles and think that they would never be able to do that because they have to combine work and home. Some of that is about busting some myths, because people do work in different ways and we have got a programme at Lloyds that is absolutely about busting those myths.

There are lots of organisations now, which we have case studies on through the Agile Future Forum, that are really starting to look at this issue that Vivian referenced about most organisations being based on a 19th century model of 9.00 to 5.00, five days a week, start work at 16 and retire at 60, linear career. That goes for even the best organisations already. That model does not work.

Chair: You are moving into our next area of questioning. Could I just pause you there, because Gavin wants to come onto some of those issues around the structure of the workplace?

Q43 **Mr Shuker:** Our colleagues on the Treasury Select Committee produced a report that was very helpful on women in the City. One of the things that they established was that the culture of long hours was a particular barrier or a hindrance. My question is this: is the reality of a senior role in most businesses or organisations that it is going to come with long hours as well?

Helena Morrissey: I will jump in there, as I am Chief Executive of a fund management company. I get my job done by using technology. I was in America last week; life goes on back at the office. There was the little thing of the referendum. You do not need to be sitting at your desk to contribute. Presenteeism is probably a big problem still, in terms of perceptions of how hard people are working. We need to move to more output-based assessments, going back to the revolution of what good looks like. Most City institutions still focus on, "Are you in the office? Are you seen to be there? Are you seen to be saying yes to everything?" rather than "What are the actual results that you are generating?"



Fiona Cannon: I would agree. I feel very strongly that this is the shift that needs to happen if we are really going to make a difference, not just to women but to anybody that is looking to work in a different way. Our organisations are not fit for purpose in the 21st century. In fact what is happening, the technology that we are so used to in our personal lives is often not used in our work lives. There is this complete disconnect. Technology does allow us to start looking at working in a different way. It is not about reducing hours necessarily, but it is about working differently. There are a large number of organisations that are starting to move into that space now.

The problem that we have had traditionally with flexible working is that it has been very much seen as an employee benefit rather than a benefit to the business, and therefore it is about individual arrangements. In a sense what we have been doing is trying to fit women into a pattern that actually was based on an area where you had somebody at home and somebody in the workplace. Actually, we need to change our structures fundamentally. As Vivian was saying, that goes for things like how you performance-manage someone who is not in the office in the same way as someone else.

There are really fundamental questions that need to be asked that go to this issue about how you really drive talent through an organisation, and not just women. Even if you look at the fact that we are all living and working longer, how do you help at that end of the process as well as the millennials who are coming in who are just not going to put up with the status quo?

Q44 **Mr Shuker:** Let me just draw down into that and widen it out. My question was around the culture of long hours and the response is one that we would identify as really important, which is flexibility in how you do those long hours. Have you got examples in your own organisations of people that do reduced hours, perhaps part-time working, at senior levels? Because there is a particular issue about long hours that has been identified.

Helena Morrissey: Fund management is a very specific area within financial services but obviously it is ultimately to do with performance. 12 or 14 years ago, when the markets were weak—it was nothing to do with gender diversity—I introduced a four-day voluntary working week for people. It was literally four days and you save 20% of the salary bill rather than make redundancies. To my surprise, as many senior men as any women took it. To this day, some of our most senior fund managers at Newton are still working a four-day week. It broke the stigma, going back to this idea that you are not trying to squeeze women into existing practices. I asked one of the male fund managers what he did on his fifth day and he said, “I read; I exercise; I think,” and I thought I should make it compulsory. It is a results-based business. Clients are happy; I asked one if they knew he only worked four days a week and they said,



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"How long has he been doing that for?" I said, "Since 2002", so it is thinking a bit more laterally and not just adapting slightly.

Melanie Richards: We did something similar during a previous downturn, and similarly we got a response from men and women, so we do know that is possible. I would also pick up on the point that Fiona made that we see as much pressure from millennials now around the working practices that we have, and so we make all sorts of flexible working practices available to our people.

The more important question you ask is whether they get promoted and whether they see themselves getting through the organisation. Yes, they do, and there are lists that are produced of people who are agile working—I cannot remember what the list is called—and we have people on that list and we are very proud of them. If I am honest with you, do I think that more could be done to make sure that our people that work agilely are progressing through the organisation? It needs much more conscious talent-mapping. It needs much more conscious focus on the point that Helena made, which is about output rather than input. Yes, we are doing all of that.

Vivian Hunt: Our experience has been similar at McKinsey. We have a global initiative called All In, and it is deliberately inclusive of all of our employees, male and female, diversity of all different types, but the approach that we are using gets quite specific. First, it is upgraded flexible arrangements for all employees. That ranges from something as simple as part-time to more flexible time, so, for example, you are being paid instead of for four days a week you might say 90% and then you can manage how and when you take the 10% off. Again, we found not just parity of enrolment but more men than women were interested in having more planned, more purposeful control of their schedules and time off.

We also have an initiative, specifically when people do have to take breaks or have interruptions in their career, be it related to family, older parents, illness, where colleagues can ramp off and ramp on, and we deliberately have them focus on our client impact and client service initiatives but allow them to focus on fewer activities and to really make sure their exit and integration is successful. We measure ourselves on how many colleagues and how many women successfully ramp back on. So far in our pipeline, the numbers appear to be not only holding up but strengthening. 36% of our manager level—so people who have been at McKinsey for just four or five years—are women and our most recent promotion had 70% women, which is a high point for us. It suggests that the pipeline and retention is getting better with more flexibility.

Fiona Cannon: I would echo everything that has been said here. You ask the question about whether senior executive jobs are big. They are; there is no question about that. One of the things that we have been finding that works quite successfully is job-sharing at senior executive



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level. We have got quite a number of job shares that are men and women job-sharing as well as women job-sharing. The interesting thing here is about agile hiring. It is easier if you are in an organisation if you are being promoted to work something.

The bigger issue is hiring in an agile way. We have just appointed our first agile job share from the outside labour market, so two people who came as a job share to us. That is the space that organisations need to be looking at more in terms of creating that sense that you can do it. One of the big issues here, as we have been hearing, is about role-modelling. We have a programme called Inspirational People that is absolutely about sharing how you can do it but recognising that senior executive roles are big roles.

Q45 **Mr Shuker:** Briefly, what was the level of seniority of that?

Fiona Cannon: It is GEC and two levels, so it is one of the most senior roles. We also have a role in the level that directly report to the GEC as well, which is a job share. They are senior roles.

Q46 **Mr Shuker:** Again briefly, what kind of monitoring do you do within your own organisations about flexible, part-time, agile working? Do you have any targets, given the obvious benefits that all of you would extol of different and more creative ways of working?

Fiona Cannon: We monitor on a monthly basis in terms of the numbers of people who are applying for agile working, what the numbers are looking like, all the declines and acceptances, etc, so we are monitoring it monthly to see where it is going. We do not have a specific target in terms of what we would expect the numbers to be, because it is also partly about individual choice as well. That may well be something that we look at as we move into it more closely. At the moment we have got about a third of our organisation working in an agile way.

Vivian Hunt: We certainly do tracking and monitoring on a regular basis, not simply within our UK and Ireland organisations but also globally. We have incorporated onto the performance and health dialogues for anyone who is managing a team of our consultants. They have a number of diversity initiatives that they are tracking. Women is a global goal. Others are more tailored to the social and local circumstances. We have given it global sponsorship and high visibility, hence the branding of All In, so that we get a sense of inclusion and participation. We do not want men feel excluded or managers to feel pressure around these targets, and the best examples we see in our clients reflect that.

The second thing we also measure is around the amount of training we do around the software, the environment, the culture and unconscious bias training, particularly in our recruiting, and professional development processes is something we also make sure is being done, and that managers and leaders in McKinsey refresh from time to time.



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Melanie Richards: We do a lot of all of that. Very simply put, we do know how many people we have got flexible working; we do know what their progression is. We do not have specific targets. We do various things to promote the idea of flexible working and also to try to ensure that there are no biases in our system, so many of the things you have already heard about.

Helena Morrissey: I echo that. We track it and I personally advertise it as available. We have staff briefings twice a year, and I always have a specific part on our talent programme and mention why it is important that people know that that is available and that we encourage it.

Q47 **Chair:** Ben has had to leave us, so I am just going to cover off his area of questioning, if that is alright. We talked a little bit earlier on about the barriers to progression of women into senior roles and obviously there has been a conversation about that as part of the earlier evidence. The Treasury introduced the Women in Finance Charter, which I know you will all be aware of, which encourages firms to appoint an executive tasked to set the internal gender targets and is then actually remunerated based on performance against those targets. How important do you think that is? How do you think it has really worked in practice? A number of you are involved in that.

Fiona Cannon: Lloyds was the first UK company to set a public goal on diversity and the number of women into senior management roles, about two years ago. All the things that are in that report we have already instituted as part of doing that. Actually our experience is it works incredibly well, so the Chief Executive of our commercial bank is the accountable executive for making it happen. It is not only in his objectives; it is in the objectives of all our Group Executive Committee, so it is tied to the remuneration across the board, which means that it does get cascaded down through the organisation.

What that has done is drive an infrastructure that means that diversity is treated like any other business issue. I go to the Group Executive Committee every month to go through where we are in terms of numbers and activity. Andrew Bester, the Chief Executive, runs a monthly operating committee, which is made up of managing directors across the business, which means that we are actually able to make decisions in real time about issues that are happening, rather than going maybe every six months, which is typically what we have done in the past.

Our experience is that kind of infrastructure has absolutely made a difference because it provides the focus, the discipline, and the pace that is necessary to make the change.

Q48 **Chair:** Has anybody else got any direct experience of the Women in Finance Charter and how effective that has been? Has anybody got anything similar to it, which is about making people accountable within the organisation?



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Melanie Richards: I mentioned earlier on that we have targets; we have public targets. By definition we have to hold our Executive responsible. I am the board member responsible for inclusivity in our organisation and our managing partner and senior partner are very bought into this. We have targets. They are cascaded into the organisation, much as Fiona has described. The one thing I would add is that this is not just about numbers. You did allude to activity. You need to include it in a balanced scorecard of activity for executives on this subject so it is not just about the numbers. It is also about the behaviours they are driving inside their part of the business.

Q49 **Chair:** Fiona, do you think it has put you at an advantage doing that? Why do you think other people have not done it?

Fiona Cannon: It has put us at an advantage because it has given us a focus internally that was not there before. We have seen an absolute increase in the number of women into senior management positions. What it has driven, for example, is we have something now called the "comply or explain" policy around women on shortlists, which means that you have to have a woman shortlisted for all of our roles in the top 8,000. That has absolutely driven a focus in terms of making sure that we are seeing women and that we are actually getting access to women. I absolutely believe it has given us an advantage.

Q50 **Chair:** So structures in place have given you an advantage. Helena?

Helena Morrissey: One of the reasons why it may have worked well for Lloyds is because you were doing this long before it was imposed, as it were. You decided as a business yourself that it was right for you. A lot of the report was very well done but the two things I had a problem with was the idea of having a specific person responsible for this issue when it should be owned by everybody. It can always end up that people pass it. It is a bit like HR owning this issue. It should be owned by the business, particularly when we are talking about attitudes and culture.

I also worry that in sectors where there is currently a big gap in terms of lack of women coming through, and partly because of recruitment practices that need changing and so on, it could cause resentment and backfire when we have had a great sense of collaboration in the last few years with men getting very much involved in terms of meeting the goals around, say, women on boards. I have spoken to several people in the City, who have not signed up to the charter, about why they have not. They have concerns; for example, a guy on a trading floor said only 3% of the traders are women, and if they set a goal for the head of trading then it is immediately going to cause a lot of negativity around the issue, rather than actually work on why we have only got 3% and work more at a pace of the organisation. I am not saying not to keep checking it; measurement is good. However, I do worry that the charter has only just been published. People sign this piece of paper and then it is left.

Q51 **Chair:** Can I challenge back and say Lord Davies's report only really



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came into place because of the threat of the imposition of targets coming from the EU. Maybe that is not going to be a threat in the future but it is that which drove significant change. Do you not think that there is a place for that sort of pressure to force the sort of cultural change that we saw then in non-executive positions?

Helena Morrissey: Obviously there is a carrot-stick thing, and it is important to get the balance right. I am not sure that people really believed in the threat of quotas. Lord Davies himself said privately, "I was never going to impose a quota", but obviously the EU could have done. People genuinely wanted change. It helped to focus the mind that we had a great concerted effort as a country to resolve that particular issue. I personally think it is stronger if people genuinely want the outcome. This might work for some institutions but it should not be perceived negatively if people do not sign up to the charter.

Q52 **Chair:** Do you feel as a panel that there is the same momentum under the Hampton Alexander review?

Helena Morrissey: It is a bit early days.

Fiona Cannon: It is too early to tell.

Q53 **Chair:** Is it early? They were launched in February.

Fiona Cannon: They do not officially launch until July; they do not launch until next week.

Q54 **Chair:** Do you think there will be the same pressure coming from that review as there was under Lord Davies?

Fiona Cannon: I do not know if there will be the same pressure. At Lloyds our view is that we have waited too long. The numbers in terms of moving at executive levels is just too slow. Therefore for us, having a public goal with the infrastructure in place is about treating this properly as a business issue. While I completely get your point, Helena, around you not wanting to put it into one person, the point is someone needs accountability, just as you would with any other business issue. You would give it to some person who has overall responsibility for pulling it together and making sure that the business is involved.

There is the discipline of treating it like you would any other business issue. There is no other business issue that you would not have a measure for, that you would not have an accountable executive for, that you would not monitor, and this is the same as anything else as far as we are concerned. That is why I think it works, and our experience has been that it has been really helpful, notwithstanding the challenges that we have had from men and women in the organisation when you introduce a disruptive change like this.

Q55 **Chair:** Do you all feel that an outside pressure is also useful, as opposed to only relying on internal pressure?



Fiona Cannon: Yes.

Melanie Richards: Yes.

Helena Morrissey: Yes.

Vivian Hunt: There is no question that it has made a significant difference. Both the need to respond, tailoring that to what works, and then being accountable against those goals are huge parts of the Davies report success. That said, many individual companies without the final requirement of quotas made significant change in what is a world-leading example now, in terms of being able to make real change in a short amount of time. We certainly would hope that the Hampton Alexander impact, particularly on executive leadership, would be as significant when it has had the time to execute its charter and collaborate with the business. There is always a carrot-and-stick choice in any approach that either Government or individual companies set. The carrot in business works significantly more. We can agree to stretch goals but we have agreed and then we go after and set them.

Many companies have been successful with the very strong leadership and shared approach right through the organisation that Lloyds is really a nationally leading example of. Others have not had such hard targets but have made as much progress, as Helena points out. What we know is in each sector, leading companies are more diverse independent of the sector.

The other example that the report from financial services sets is that if sectors get together and think about what levers are most appropriate for consumer goods so that they can continue to win a disproportionate amount of female talent, and what the asset management industry could do from its starting point to make progress, tailoring it to initiatives, to sectors and then putting the burden on the leaders of those sectors to come back with approaches could yield some really creative ideas that are tailored to different industries.

Q56 **Angela Crawley:** On the point about quotas, perhaps I could just tease out a number of the points Vivian and Helena made, in particular, around specifically what you think the pros and cons are of female representation or quotas for female representation in senior layers of large companies as opposed to having a business-led approach.

Helena Morrissey: You cannot have a mandatory quota. It is just impossible, because even if you encourage companies to think laterally about the skills, you certainly have to have certain skillsets that are a bit narrower than you would have in non-executive directorship roles. Targets are different. It is a fine line but it is a philosophically important point in terms of, if you decree your own targets, measure your progress against them and report on that to the outside world, then that can be very powerful.



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Just picking up on the point that was raised by Vivian about sectors as well, the asset management industry, for example, now has realised that we only have 7%—seven with no zero—female fund managers in this country running retail funds. Only 7% are women. We recently got all of the investment and savings industries parts of the chain together and they said, “Enough is enough. We will do something about this. We look antiquated. We look old-fashioned. We are not going to attract young talent,” but then we are setting our own goals. Every company is in a different starting place; some have already got 30% women professionals. Others are down at the bottom end of the spectrum. It is really important to get the ownership and the buy-in and the desire rather than it being imposed.

Melanie Richards: I am against quotas, as is my organisation, for many of the reasons Helena described. One of the things that quotas misses is it is just about numbers. The conversation we have just had about the complexity of targets and behaviours illustrates that. One of the successes of the Davies Review, and I hope will continue with the Hampton Alexander review, is that it has not just been about the numbers. It has been about driving changes in behaviour. The challenge in what we have seen in other countries that have imposed quotas, such as Norway, is that, while they had a quota at board level, they have seen very little progression in the executive layer. I would say that is because they have just fixed a number. They have not made the sort of shift in behavioural change that needs to go on top to bottom in an organisation.

Vivian Hunt: Building on what works and has worked recently in the joint effort of the Government and private sector’s initiative is what I would build on—stretch targets, with the additional challenge of tailoring that to the different sectors and the leaders of those sectors committing to mutual progress. We should try that over a three to five-year timeframe, but even if we say three years, to keep the pressure up and seeing how much progress we make. Davies has shown us with stark success that we can make significant progress. I would try that first. Quotas have typically been in systems where there have been hardened institutional barriers to progress that have been persistent over time and that private sector and public sector initiatives have not been able to change. I just sense that we have much further to go in stretching our businesses to lead on this topic before we would impose quotas.

Fiona Cannon: I would agree. We would not support quotas or mandatory targets. It is important that organisations are able to set their own goals. There is, as Helena said, a fine line between quotas and targets. The reason why our goal is 40% and not 50% is because it was based on careful modelling around what was stretching and achievable and realistic for us. That is not going to be the same for another sector, as has been mentioned. If you are in the manufacturing sector, for example, the starting point is very different. Building on the Davies Review and that external pressure but in a voluntary way is the way forward.



Q57 Angela Crawley: Can I perhaps present to you then that academics from Cranfield University School of Management suggested that female quotas for executive positions are not only desirable but necessary to make change happen quickly, and that there is no reason why it should be difficult to find competent women for these roles? First of all, do you agree with that point? I will try to bring in another question here: what would be stretching or a pragmatic target or quota for executive layer, for example in the FTSE 350 companies or in your individual sectors?

Helena Morrissey: On the first point I completely disagree, so there is not really much point adding to that really. I just do not think that is right. From a business point of view, it does not make any sense. A quota can introduce the appearance of change, as Melanie has alluded to, but we want a meaningful, sustainable change. We want companies to be not just making the women do a different kind of job but actually for women to be thriving and our companies to have different ways of thinking brought to the table. I just completely disagree. It is a non-starter for executive roles.

We have suggested 30% women on executive committees by 2020 in the FTSE. Unfortunately, one of the problems is a lack of data. Cranfield had done some analysis in 2014, I think it was, and showed that it had plateaued around 16% or 17%. You have to go through it company by company. I would start with the FTSE. The 250 has done a lot so far but it would, I hope, be captured by the same sort of desire to emulate the FTSE itself.

Melanie Richards: I will keep it brief: I disagree with quotas and therefore I disagree with the assertion that it would help. Coming onto the point, you have to have a group that is visible. The FTSE is a very visible group. That does not mean that we should not pay attention to what is happening in other groups, but the momentum that has been started by what was started actually originally in just the FTSE 100 and has been spread into the 250 is spreading into other sectors in any event. When it comes to the target, and that is something obviously the Hampton Alexander review will look carefully at, we need to be quite careful that we recognise that different industries are at different starting points. Certainly, we did the same thing as Fiona has described when we thought about our own targets, which was to consider what the pipeline looked like and what was sensible and achievable for us as an organisation. That does not mean that we will not continue to kick on over time beyond our original target. Having said that, the power of the Davies committee was having a number and a goal and a deadline for it, and that absolutely should be a feature of the Hampton Alexander review.

Vivian Hunt: One of the hopes of the charter of this committee and the broader discussion we are having is that we get two things from this discussion: immediate actions, which sometimes quotas and deadlines can catalyse, but also long-term change, so that when we are coming



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back to this issue in two years and four years you are seeing real change in the total number of women and persistent change, not just a couple of appointments. To Ms Cadbury's comments earlier, the progress then recedes. We have to be careful to solve for the long term, and long-term change in companies means a systematic approach, and it means building it into the fabric of the company's practices and its culture monitoring and measuring those targets. They can be stretch targets. You can have time-set goals but they have to be owned by management teams and related to the performance of the company. That is what the core DNA of private sector companies is; it is driving for performance, delighting your customers, serving your employees, and doing that in a way that reflects gender parity. That goal has to be owned by companies, not imposed from the outside.

Fiona Cannon: Just to keep it simple, I completely agree with everything that has been said so far. I do not agree with quotas. I do not agree with the premise of that starting point. I am very strongly in favour of targets and companies making public targets but they have to be owned by the business and they have to be able to be achievable. There is something around making sure that the focus is on it, as the Davies Review did. I absolutely believe in something like that voluntary system but definitely not quotas.

Q58 **Chair:** How many years, on average does it take for somebody to get into an executive position?

Helena Morrissey: A decade; probably 15 years.

Q59 **Chair:** So, to what extent are you concerned that in the last decade and a half, the people coming out of the best universities in this country with the best degrees are women and yet you are still not using their talent? Are you not worried about that? I hear a worry but I do not hear an imperative to actually solve this problem.

Helena Morrissey: It is really important to recognise that just as the women on boards issue has made dramatic progress in the last five years, this will see leaps and bounds. You have got the professional services sector where the 30% Club did a big piece of work with McKinsey a few years ago. There was a complete buy-in to it. Everyone acknowledged that there was a problem and since then everybody has been setting goals for promotion and our female partners are making significant acceleration in the pace of change. Your focus is entirely right but you should not think the companies are not addressing this.

Q60 **Chair:** Can you dimensionalise that? We are currently at 16% to 19%; where are we going to be in five years' time, based on that assertion that actually we are going to see leaps and bounds?

Helena Morrissey: The 30% Club has a goal of 30% in 2020.



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Fiona Cannon: At Lloyds we share that sense that that is not good enough in terms of what has happened so far. That is why we set a public goal. We set a public goal so that others could monitor.

Q61 **Chair:** Remind us of your public goal.

Fiona Cannon: Our public goal is 40% women in senior management positions by 2020.

Q62 **Chair:** So you two have got goals; how about the other two?

Melanie Richards: Just coming back to the question you posed about what we think companies should be doing, there is a reason for the 30% name. 30% is the tipping point at which a group can make an impact. 30% seems to me to be a sensible starting point. To be very clear, we have targets. Already on our board, more than 30% are female. In our partnership our target is for 25% within the next two years. We see that as an achievable goal but one that is stretching for us.

Q63 **Chair:** People may not have a desire for quotas but there are very clear targets here.

Vivian Hunt: We absolutely do. In the UK we aspire to 50% women by 2020 in all roles. Today 30% of our consultant hires are women. That number is 40%, for example, compared to the US. We have set a higher target in the UK and Ireland because we are already at a stronger starting base. As a firm we hope to achieve 40% in all roles and consider it a top-three priority for McKinsey as a firm. We are also reflecting a very clear trend in our clients, which is to take a systematic approach to setting goals tailored to the business.

We had an important thought about sector earlier, as illustrated by the Women in Finance report, which is about how you can tailor the goals to the sectors. If you think about the 12 internationally competitive sectors in the UK economy and the 30 nationally competitive sectors, it is probably achievable to ask them to tailor a goal to their starting point. If you are at 7% today, a 30% or 40% target is almost impossible to reach in a five-year timeframe. If you are already starting from a higher baseline than that, we should stretch those companies more strongly. The goal and the prize of parity in the labour force participation is such a significant economic contribution to companies' performance and to the UK that it really is worth going for and having all sectors have realistic stretching targets.

Q64 **Jo Churchill:** I am sorry for being late, Chair; I was elsewhere. I am interested particularly in teasing out that sectorial difference, because when we try to have a homogenous conversation over something that is very heterogeneous we begin to confuse the landscape. Construction, which is my background, has 2% female workforce. You have such a paucity of women within it that to have a 30% target is quite frankly irrational. Therefore, looking at particularly the seven primary sectors but teasing it out into those 12, having sectorially-driven targets, offers a



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chance to pull this forward. I am totally opposed to quotas, as you ladies have articulated so well. Coming from business, I concur with your view completely. However, we need to do more.

Are there some positive incentives? We have looked at CSR; we have looked at triple-line reporting. We have had all sorts of wonderful initiatives that actually have done very little. Could we incentivise through childcare support or better balanced working? There are many things we should be doing incentivising women to be employed to the full reach of their talents and abilities that I do not feel we currently do as a country, let alone as a particular Government.

Have you got anything that you think would really help to drive these targets forward? Allowing women to look at their salary, perhaps, and pay their childcare costs at gross would be my first thing, which would be just revolutionary—not. Are there things that we can be doing tangibly, sectorially but broader in order to drive this forward?

Helena Morrissey: You hit on the big one. The 30% Club did a review of eight different OECD countries, looking at the conditions around maternity and paternity. It was trying, although it did not really work, to have an index of the pre-conditions for women to progress. The two countries—Sweden and Australia—where things had been done the best had more affordable childcare, whatever was done, and more equality of sharing of parental leave. Obviously the Government have moved on that one. We have still not seen much take up from men on that. That is the big one.

On other criteria, we look relatively okay. We have flexible working opportunities, etc, and that is the biggest one from Government. Sectorially, it is about having encouragement and publicity. Let us not underestimate how big a deal it has been having the media support, the Davies committee and so forth. It was relentless, and just thinking about this as a social good. We got a bit fatigued towards the end of that, maybe, but now there is a bit of a gap, so having another big drive about why this is so important for the country's economy could make the big difference between vague intent and actual results.

Melanie Richards: I would like to come back to transparency. One of the things that we have seen, and the reason that the media has covered this in the way that it has, is because there has been much more transparency. We have some way to go on that. Coming back to your point about sectors and the need for individual sectors to have their own targets, what we also need is for them to be measured on it. The only way that can happen is that they actually set targets, they are public about them and then they report back on how they are progressing against that. What that drives is behaviour inside the business that is a shift that Lloyds has reported and that we would report.

On the bigger societal question that you ask, clearly a lot of organisations in sectors that are poorly represented have been doing work in schools



and trying to attract women into those particular industries. There is an awful lot that industry itself is trying to do but clearly we do have to get to younger people before they have even hit the workplace if we are to suggest some of these challenges.

Vivian Hunt: I have two points of emphasis. It is not just about the outcome of setting a stretch target. I strongly endorse the notion of doing it by sector and challenging business to come back with what the right answer might be for construction, infrastructure, the commercial or consumer goods sector or financial services, but the targets are a function of a business case. The business objectives around gender participation are the outcome of a business case. The business case for gender parity by sector in the UK could be a very powerful tool if driven by the companies themselves and then companies could set individual targets. A business case by sector of what is really the value of gender parity and gender participation in your sector is important.

Secondly around barriers, the Power of Parity report looks across 92 countries, and we are indeed doing a tailored version of that for the UK to look at why gender participation is lower. It is 37% of the economy versus women as 50% of the population.

The biggest single reason is clearly unpaid domestic work. There are economics around childcare, the flexibility that many women on middle and lower incomes have and the simple economics that every household in the country does of when it makes sense for the woman or the man to go back to work. Having more of that work recognised, having better systems and flexibility so that women, even during a five or six-year period where their career might be decelerating or indeed change the trajectory of their career, have more options around domestic and unpaid care work. That is probably 50% to 60% of the solution.

The second is around skills and capabilities. All of us are talented and can do many jobs. People should recognise that they have a personal skillset and capabilities as opposed to a job title, and we should use technology and other programmes to make sure women's skills stay current and matched with what the economy needs.

The third is flexible and more modular structures to jobs. We spoke earlier about the notion of having upgraded, flexible working conditions, broader dimensions around job parameters and changing the requirements so that people have skills and qualifications for jobs as opposed to simply job titles and a set job description. We think those three things would make a huge difference in the UK. Thinking about ways to get more domestic and unpaid work addressed, and that is largely through childcare and optionality for young families, skills and capabilities and using technology as an advantage, and more flexible working arrangements.

Fiona Cannon: I would agree. There is no silver bullet here as we know, otherwise we would not be having these conversations endlessly, but if



there is a silver bullet it is the transparency and it is creating that external pressure on companies to do something in a voluntary way, as the Davies Review did. That has undoubtedly made a difference. It is the setting of targets, voluntarily by organisations and creating that momentum, that will drive it. There are common barriers but there are also different barriers within organisations. That is the big ask in this space.

I agree with Vivian that agile working is the other piece. Actually we have an awful lot of tools and products and support. KPMG and McKinsey have been supporting 33 FTSE 100 companies and small businesses to look at that, which needs more promotion to organisations because we know that that will make a difference to people. The tools are there. They need more widespread promotion.

Chair: I fear we have run out of time. I apologise; we have overrun a little. I hope that does not affect your schedules. I thank you enormously for your contributions. It was an extremely useful discussion. It has added a lot to our thinking. Thank you also for your written evidence as well. It has been extremely helpful. On behalf of the Committee, thank you for your time today.

Examination of Witnesses

Witnesses: Melanie Dawes, Dr Penny Newman and Sara Thornton.

Q65 **Chair:** Thank you so much for joining us today. As I said at the beginning of the last session, I realise that it takes a significant amount of time out of your diaries and preparing for sessions like this is, I know, a challenging task, so thank you for your time. We have got a number of areas that we want to cover with you. It is a very important part of our inquiry and, as you will have seen in the previous session, we have colleagues that have themed questions that they want to cover off. Before we do that, could I just ask you to introduce yourselves and the organisations that you represent?

Melanie Dawes: Thank you very much. I am very glad to be here. I am Melanie Dawes. I am the Permanent Secretary at the Department for Communities and Local Government. I am also Gender Champion for the Civil Service.

Sara Thornton: Good morning. I am Sara Thornton. I am a Chief Constable; I used to be the Chief of Thames Valley Police and for a year I have chaired the National Police Chiefs' Council.

Dr Newman: I am Penny Newman. I am Medical Director at Norfolk Community Health and Care Trust and I am a National Innovation Fellow with Health Education England. I am here because I published two



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reports on women doctors and women in the NHS. Therefore I am representing myself as an independent researcher and the Faculty of Medical Leadership and Management, which is a medical membership organisation, rather than the NHS as a whole.

Q66 Chair: As you can tell, we are going to be focusing this session on public sector and public services. Ultimately what we want to focus this first set of questions on to start the session is how well you feel women are represented in your respective organisations currently. What progress do you think has been made, particularly in the past few years?

Melanie Dawes: In the Civil Service as a whole, we feel we are making pretty good progress, actually. We have just, in the last quarter, topped 40% for our Senior Civil Service roles as a percentage of women, and at Director General, which is one level below Permanent Secretary, we are at 37%, so we already meet that 30% in the top two layers target that you were referring to earlier.

We do, however, still have quite a bit that we want to do. The number of Permanent Secretaries is seven at the moment, out of 37 posts, that are filled by women. I would like to see that higher. There is a huge commitment right across the top of the Civil Service to that. We want to see more progress there.

I would also make a wider point that for us in the Civil Service, this is very much about diversity and inclusion across all areas. I see, as Gender Champion, that a lot of the progress we have made in recent years reflects several decades of putting our back into this. We now need to put our back even more seriously into areas like BAME representation, disability and social mobility. A lot of what we have learned around gender, about some of the more cultural issues around unconscious biases and about really digging deep into our HR processes and into the way that we lead and manage, is just as relevant to those broader issues as it is to gender. For us it is still a huge area in which we want to improve.

Sara Thornton: Police forces consists of police officers and police staff. In terms of police staff, 60% of staff are women. In terms of police officers it is currently 28%. That has changed substantially. When I joined the Metropolitan Police 30 years ago it was kept low at 10%. It has gradually gone up over the last few years. That is in all ranks. If you then look at the ranks one by one, most are still at constable rank. Most police officers remain at constable rank for the whole of their service. The figures in terms of inspectors, superintendents and chief officers have been gradually going up. They are all around 21% or 22%, which is lower, of course, than the overall figure, but it has improved.

I was looking at the comparison between 2010 and 2015 and all those ranks are showing an increase of 6% or 7%. Chief Superintendents are up 10% over the last five years, so it is an improving picture. In terms of the very senior levels, there are 43 chief constables in England and



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Wales, of whom seven are currently women. The Home Affairs Committee did say in a report earlier this year that there has been encouraging progress. There is still more work to be done but it has shifted quite significantly over the last five or 10 years.

Dr Newman: We differ in the NHS in that the majority of staff are women. 77% are women. However, at the senior roles, from band 8A onwards, they are less and less represented. If you look at medicine, for example, hospital doctors are 45% women but they are 34% of consultants and about 24% of medical directors, which is what I am. If you look at GPs, 54% of GPs are women, but they are only 43% of partners, and they are 73% of salaried GPs, which is a slightly different role. If you look at nurses, nearly 90% are women but even they are less represented at very senior levels. That is true for managers as well.

If you look at specific roles at board level where there has been particular research, for example finance directors are 62% of staff but only 26% of directors of finance. The NHS is not just one organisation; it is multiple organisations of hospitals and commissioning groups and arms-length bodies that are national bodies. We can see that on commissioning groups women are 70% of the CCG workforce but only 37% on their governing bodies, and 26% of lead GPs. While we do have a lot of women, they are not necessarily progressing to the levels that we want, so are we making the best use of our talents, similar to other organisations?

Q67 **Maria Caulfield:** I just wanted to follow on from that to ask what the particular challenges are in each of your organisations as to why women are underrepresented at a senior level compared to the rest of the workforce.

Melanie Dawes: Shall I say something about that in a Civil Service context? Some of this is about growing the pipelines. We have been doing that over a number of years and we can see that that starts to come through. You asked that question at the end of the last session about how long it takes. It does in the end take a decade or more to build right up through the organisation. We have been putting a lot of effort into that and that is why we have seen the numbers grow and grow and grow gradually over the years.

You have to think about two things. One is that there are some parts of the Civil Service where still it is quite a male-dominated workforce, or particularly male-dominated at the top. There are some Departments where it is still less representative than others, and then there are Departments like my own, for example, where it is pretty much 50-50 at the top. There is some variability. That is about really looking at recruitment, and making sure that when we recruit externally we do not under-recruit women because typically we find that we grow more women senior leaders from inside than we recruit from outside.



It is also about watching that pipeline carefully as people make decisions about whether they want to keep progressing. Some of that is about getting the basics right around things like maternity and flexible working, things I am sure we will come onto, but it is also about culture. It is about asking, "Do I want to be part of this group?" We have put quite a bit of effort in the Civil Service into understanding that and being quite transparent, with the Hay report, about what people say. I have some more work going into that at the moment. We are trying to really be honest with ourselves. I do not recognise some of the things that have been said about the Senior Civil Service culture in the Hay report myself, and neither do other women in that Senior Civil Service, but we need to understand if it is deterring people. Those softer issues around perceptions and behaviours are the things that really turn strong pipelines into senior executives.

Sara Thornton: I will continue with the pipeline analogy. If we are talking about getting women to chief officer level, there are three things that I have noted. First, there is unconscious bias in the organisation that leadership roles are male roles. I will give you a good example of that. For about five years, I chaired the National Assessment Centre, which was the assessment centre that looked at Fast Track across the country and access to chief officer. What was apparent, because we ran the same assessment centre year after year so we had a good data set, was that the women who came forward to that assessment centre, which is the most challenging, pass in percentage terms at much higher rates than their male colleagues. They tended to pass with better higher education qualifications and were more likely to have been fast-tracked.

The question that always arose in myself was that outstanding women were coming forward but what about women who were just below that—the less outstanding—because their male equivalents were coming forward. The really good women were doing well, but where was that next level? There is something about the unconscious biases of leadership conceptions. The College of Policing is now doing some work on unconscious bias, which is really important.

The second reason why women sometimes were not coming forward was that age-old issue about confidence. That classic Harvard Business Review noting that men look at a job description and says, "I can do eight of 10; I am a good fit." A woman says, "I can do nine out of 10; it is best I do not go for it." I used to see all the officers who got exceptional passes in our sergeant and inspectors exam. I would go around the room and ask them what they planned to do next. Frequently the women would say, "I just think I need to do a bit more of this and a bit more of that before I go for the substantive promotion", whereas on the whole the men would say, "I am doing this. Next time round I am going for it." So there was an issue about confidence. The more we can do around networking, around mentoring and around peer support the better.



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The other point, similar to Melanie's, is about perceptions of what it is like at the top. I chair the council of chief constables, and at the end of the two days I am utterly exhausted because it is hard work. There was always a perception that you had to be a senior male to be able to speak in front of 40-odd people. A lot of it is myth and not reality. We need to break down that myth and say that actually there are quite a few women around the table and they do have a voice, and to encourage that is really important.

The second particular issue we have in policing is that most police officers, of course, remain constables and a lot of those do shift work. Shift work is demanding for anybody. It is particularly demanding in terms of women who are maybe menopausal. It is difficult around childcare issues and, although forces have done so much in terms of flexible working, it remains difficult. It is difficult to get childcare if you are on night duty. The issue about maternity being at a time when people's careers begin to move is an issue in policing as well.

The last point I make—and it is similar to the point made in the last session—is that the workplace that we operate in is highly gendered. Policing grew up around a job for men and so a lot of things like, "You only get to the top by working full-time for a long time and doing a variety of jobs to get the boxes ticked" do make an impact. To think flexibly, such as about capability or about what the ideal leader is, is really important.

The other point I would make is that we had a women's network in Thames Valley and I have often spoken to the police force women's networks. When women raise issues, I am hugely sympathetic but often one of the points I would often say back is, "Have you got parity at home?" because if you are trying to do most of the housework and most of the childcare and go to work, it is very difficult. We want parity in the workplace but we also need to think about parity at home as well.

Dr Newman: The NHS, as I said, is slightly different in that we have so many women. Equally, like Melanie was saying, we look at diversity across the board and there are four major problems in the NHS as to why women are not progressing as much as we would like. The first is that we have not focused on gender alone, like the previous panel. That is probably because we do not measure it at board level and therefore the progression is invisible and people see a lot of women around them so therefore they do not think it is a problem.

Also, the NHS has some really big challenges at the moment. It has competing challenges in terms of the financial challenge, for example, and quality challenges that it has had over the last few years, which take up a lot of time and are understandable priorities. It is competing with really big priorities. There is a perception that it may not be as big a problem as it is, and it has got competing priorities. That is the first one: is this something that we really need to do something about?



The second thing is about how to change. The NHS has not really worked out how to change. We have got a lot of learning from the UN system, which I looked at, and also the private sector now. Until recently it has been seen as a women's issue; that came out in the previous panel—fix the women rather than the system, and actually how to do it. The NHS is the fifth largest organisation globally. It is massive, and it is not just one organisation, it is multiple, so how to do it now that there is even more diversity amongst different NHS organisations makes it particularly complicated.

There was the other issue that you refer to in terms of policing, in that actually it is about clinical care 24 hours a day. In medicine that is a really big deal because a lot of women are choosing to go into specialties in medicine where they do not have to be on call all the time. That is why you have fewer women in A&E, fewer women doing anaesthetics and fewer women in surgery, for example. We have to be there 24 hours a day and that impact on women's choice and progression. Although the NHS does do quite well in terms of flexible working, it is varied across the piece. Also the extra hours, if you are at board level, really does make a difference, as was spoken about before, and also selection processes recently in terms of CCG selection process. So, do we need to change? How do we change? What are the structural issues around 24-hour working? What are the subconscious biases that we have talked about, including women's own bias about whether they feel confident, and you mentioned those things that are the same across all sectors.

Q68 Mims Davies: We can pick up on that actually, doctor. What sort of actions have been taken by the organisation in response to that equality duty? Obviously you have outlined the issues; what are the actions that are possible, given those concerns?

Dr Newman: In response to the equality duty, there is an equality and diversity system that has a number of aims and objectives but it does not focus on gender alone. Each year organisations are statutorily required to publish information against some of those objectives. As I said, it applies to patients and the communities we serve as well as staff. Two of the standards are around staff. It does not focus on gender alone.

Sara Thornton: As you know, the equality duty imposes the obligation to actively promote opportunity. Every police force has to have an Equality Act objective and most of them are around greater representation, and having had a quick inquiry out to see a handful of what is going on out there, there are a lot of issues, whether it is about networks, mentoring, taster sessions into specialisms, different sorts of access courses, promotion of flexible working, employer of choice or maternity buddy schemes. Most police forces will have some form of women's network. There are then two national bodies: the British Association for Women in Policing, which campaigns around these sorts of issues, and the annual Senior Women in Policing Conference, which again



campaigns around these issues. There is a whole range of things happening in terms of trying to make it more representative.

We also have a responsibility to publish data and therefore there is the opportunity for greater transparency with the public. Also, what has happened over the last 10 years or so is that that positive duty means that it has to be part of an assessment, an appraisal and the sort of evidence you are looking for when you are looking to select someone for promotion or specialism. It is something that goes right through the organisation.

Melanie Dawes: I agree with what Sara has just said. It is about awareness as much as anything else, rather than about changing any specific procedures. It is not enough on its own. You also need the leadership of organisations to commit in a big way to really get the unconscious bias out on the table in everything we do, and that goes beyond any obligation. It has certainly helped for us to provide an even more important imperative.

For us, one of the things we done where we have upped the ante is that we now have very comprehensive data on all aspects of diversity across all Departments, looking at things like feeder grades, promotions and so on. We do very comprehensive analysis of our staff surveys and of our annual performance moderation by all diversity characteristics, again, every year. We have all that and we benchmark across Departments. Everybody can see how they are doing. We can take that right down into individual scores like bullying and harassment, leadership and so on and look at the different perceptions by different groups.

That has really changed our focus in the last few years. It has made us all realise that, despite the fact that we think we are quite good in a number of these areas in the Civil Service, particularly on gender, we still have so much further to go. It gets it down to the level of the manager and that is incredible important. Another of the big things we have done in the last few years is roll out unconscious bias training, which is now compulsory for every manager to do, at least through e-learning, and most Departments have done what mine has done and made it a face-to-face two-hour sessions for everybody in any kind of senior role and anybody on a recruitment panel. It really gets you thinking about your day-to-day behaviours. It is not about being wrong. Being biased is not being wrong; it is just acknowledging that we all have habits and ways of interacting with people that are quite deep-seated and are the product of our environment, and we need to understand them.

Q69 Mims Davies: The equality impact assessments have been embedded into decision-making in terms of management practices. Is that really what is making the difference: that people are actively having to take more things into account when they are going through the processes?



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Melanie Dawes: It has helped but a lot of what the Act requires we were doing already. It certainly means that we cannot forget it and it gives a bit more of a framework for it.

Sara Thornton: They are very useful when you are looking at tricky decisions around people to go through that discipline of looking at what the equality impact is. For example, one of the issues in policing is about fitness tests. There is an issue about older women officers; their pass rate in fitness tests is not as high as the group, but to go through that and think about exactly what the justification is for this level of fitness, and whether it is an absolute requirement of the job is really important.

Similarly, when we were looking at significant levels of job losses, sometimes the easiest thing in the world is to say we will cut police staff and not police officers because the public care about officer numbers and not about staff numbers, but the gender impact is quite significant, because many more of the women are staff rather than officers. I know some forces, when they looked at the equality impact of those sorts of decisions, decided that actually they must not do this but think of alternatives.

Similarly, when we look at pay, it has been proposed in the past that different roles might get a premium on pay. You have to be very careful that you are not giving a premium on pay to jobs in which men dominate, for example firearms roles. It is a useful discipline to go through, to force your thinking before you make key decisions. It is something certainly that the Police Federation and staff associations are generally very keen that we do properly and that we consider when we are looking at making decisions.

Dr Newman: I just want to qualify something that I said around monitoring and data. The equality diversity system is there to look at how we implement the public sector equality duty. We actually do use data, so I do not want to misrepresent the NHS. We do monitor all the different protected characteristics by grade and that is collected by the Health and Social Care Information Centre. We also do a staff survey, like Melanie, and we do local monitoring. Most trusts would have a workforce report every month. There is a specific programme around BME that has started, the Workforce Race Equality Standard, so we are working on inequality. My point is that we do not have the data at board level, which will be recorded shortly, similar to the public sector.

Q70 **Mims Davies:** My next question is whether the equality duty is having a positive effect on female representation in your organisations. Probably what you are saying at the moment is that you are not totally sure.

Dr Newman: We look at inequality across the piece rather than gender per se. That conversation is just starting, so we are at the beginning of our journey, I would suggest, in looking at gender per se.

Q71 **Mims Davies:** Do you think that is helpful: to be looking at inequality



across the piece rather than singling out female issues?

Dr Newman: That is a difficult question to answer. There has been a lot of work on BME. I was talking to colleagues this morning. There is a significant issue around under-representation of black and minority ethnic groups at the senior level. That has been a focus of leadership programmes, and now the Workforce Race Equality Standard, and that is a really important thing. However, personally I think that gender is a big issue in the NHS because it is the majority of our staff and actually, looking at women will include other protected groups because there are women who are BME, etc. We need a bigger focus on gender than we have had, as well as the other characteristics.

Sara Thornton: The Equality Act sets out clearly what Parliament required and all law has a declaratory effect, which is really important. There is a business case that if you want to be the very best you can be, you cannot afford to be holding back a large number of people in your workforce. There is also an issue, whether is human rights or fairness, that people want to feel that they have a fair crack at the most senior roles. Therefore, if you want to create an organisation that people want to belong to and want to thrive in then it is also important. The legislation, of course, does help.

Melanie Dawes: Organisations that struggle with gender diversity are going to struggle to be inclusive generally. If you are not getting it right for women then that is going to be symptomatic of a wider set of cultural issues. Often there are a lot of women in senior roles who have perhaps experienced that it has been slightly more difficult to make their way through and they have often faced slightly different and perhaps quite difficult choices. They sometimes see the cultural issues in a way that perhaps men do not if they are in the majority. That again helps. I know a lot of my senior women colleagues across the Civil Service feel a bit of a responsibility, as do many senior men. This is not something owned only by women but sometimes they have a perspective on it that is useful and we have the numbers.

Q72 **Mims Davies:** A friend of mine very recently got a flexible role in a senior position, and there was a perception that a few people were being a little bit free with their agile working. It was almost an inference that the women were being more free than the men. Is that something caused by maybe the different roles that women are taking on? Is there a feel that if you are a woman juggling lots of things then you are more likely to give less as a result? Does that then add to that unconscious bias?

Melanie Dawes: It can do. One of the things that we are uniquely good at in the Civil Service is job-sharing. I do not know of any other organisation that has job-sharing on such a scale as we do. We have quite a few directors, which is a pretty senior role, including one in my department, a very key role, which is a job share. That is a good thing. We also have quite a lot of senior part-time roles as well. You always



have to watch, when you have got somebody working for you in an alternative working pattern, that the wider environment in which they are working does not make assumptions that maybe they do not care as much about their job or they are not quite as on the issues as somebody else might be. That is where your line manager's support really comes in very importantly. I have to say, as a woman coming through the Civil Service, I had male managers who were fantastic at pivotal moments of my own career. That is a very important part of the picture. A lot of this is about individual support as well as about systems.

Sara Thornton: Agile working, I suspect, is just harder to manage. The easiest thing to judge somebody on is whether they are sitting at a desk from nine o'clock until five o'clock. If you are judging people on outcomes, you have to be much more sophisticated as a manager, so it does require everybody to be upskilled. In policing we have a lot of roles where we cannot agilely work. If you are interviewing a prisoner, you cannot do it from home, or if you have to go to be on patrol, or driving a police vehicle. One of the things I have always felt was quite tricky for us is that we have some of our workforce that can work remotely, can be much more agile, and others who cannot. Trying to make sure that everybody feels that they are being treated fairly is quite difficult.

Dr Newman: Like Sara, in clinical roles you cannot work remotely; you have to be there. In management roles it has been widely accepted. NHS England, for example, encourage working from home, particularly if you are travelling long distances; you do not have to be in there. Actually many senior managers may work from home a day. I am not sure it is a policy but it is certainly accepted practice and a lot of people feel that they get a lot out of that and work more effectively.

Q73 **Maria Caulfield:** I have a quick question for Penny and Sara. Is there an issue with women not applying for management roles because they did not go into the police service or the health service to be managers? They either went in to be doctors or clinicians or healthcare professionals or police officers. Is there something about those management roles that, because all of a sudden they are less involved in the day-to-day stuff that they signed up for, is a turnoff? Is there something that needs to be done with the roles themselves to make sure that people do not lose the experience and the reason they went into either profession in the first place?

Sara Thornton: That is true for some men and some women. What they are really passionate about is serving the public at that operational level, and they do not want to be managers because they see that as taking them away from what they really care about. I would not know whether that applies more to women than men. It is back to the point about how flexible we can be and how demanding it is, because it is not just about shift work. When you are more senior it is about being on call and thinking about women looking at those jobs and thinking, "I do not know how I can manage that in the context of the rest of my life". All the



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things I have talked about, whether it is about networks, mentoring or support, it is giving women the confidence that, "Yes, you can do it and there are ways in which we will help you and try to make it easier for you."

Dr Newman: It is difficult in medicine in particular, because you still would have a clinical role; you still do one or two days a week even as a medical director. Then you would have a three-day-a-week medical director role. To go full-time and become a senior leader, you may have to give up some clinical practice, you may be paid less, you may lose your job security of going back again and lose your skills, although sometimes you can get retrained to go back. It is quite difficult, and women are juggling domestic responsibilities, their clinical workload and then they have got the third thing of a leadership role as well. For men and for women it can be difficult.

In medicine also there is not a career path to become a leader. You learn it on the job, or in my case I trained in public health, which is the best training to become a medical leader. In nursing it is slightly different; there is more of a career path to become a director of nursing. We really need to make NHS leadership roles much more attractive for clinicians and non-clinicians alike. We have got a big problem with recruitment to those senior roles for many, many reasons. The King's Fund has done some great work on this and why people are not being attracted into those jobs. We are here to serve the public and they are important jobs, so why are people not going for them?

Q74 **Angela Crawley:** My section is on plans for action, so specifically, first of all, could I ask Melanie what the effect of the Hay report in the Civil Service has been, and will its implementation be enough to improve female representation in the Civil Service? I also take on board your point about inclusion and diversity in the wider sphere as well.

Melanie Dawes: The Hay report was done a couple of years ago and looked specifically at women in the Senior Civil Service, but you are right in your last point, that it actually launched a wider look at diversity more generally, so we have since done reviews in other areas. We now have a consolidated talent action plan that looks across the piece. The main elements from the Hay report, which are also part of that wider programme, were on leadership. What we have done since then is get a cross-Civil Service leadership statement that talks about the values. It is things like inspiring, empowering and building confidence. It is true leadership. What we are now doing is refreshing all of our leadership programmes across the Civil Service. We have again, over the last few years, drilled our talent programmes right down the grades so it is not just at the top. We are very careful to make sure that those represent the pipeline of diversity that we want. Leadership is one element.

The second is talent. Some of this is a work in progress and some of this is things we have already done. We are looking at all of our processes for recruitment, promotion and talent management to make sure that we



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are not biased. That is down to a lot of nitty-gritty. It is things like how you define jobs. If you use language like you are looking for someone who is going to be assertive and grip and be on the detail you will get one kind of applicant. It is also about being clear that we are looking for people to describe their strengths. Going back to the point that Sara made earlier, women are often a bit hard on themselves when they look at a benchmark and say what they cannot do, actually we are looking at strength-based rather than competency-based interviewing. It is HR processes like that at quite a level of detail.

The third thing is culture. I have already mentioned unconscious bias. That was a big feature of the Hay report. The Hay report showed that women had no less aspiration than men to get into the Senior Civil Service, but there were some really important things for us to hear there about this perception of a culture at the top. As I say, it is genuinely not one that I recognise, but that does not matter, because if it is what people perceive it is going to block them from wanting to progress. We are doing a number of things. We have introduced what we call mutual mentoring, which is senior managers being mentored by people more junior to them, preferably from a protected characteristic, or women if they are a male manager. That is beginning to really change the conversations that people are having. It has become pretty bad not to have a mutual mentor or a reverse mentor, and that is a really good and quite powerful thing.

The final thing to mention, as we have a lot going on in all these areas, is that I got together a group of about 60 women from across Departments and we did a workshop on culture a couple of months ago and out of that we are doing quite a big piece of work to ask some of our women in the middle of the organisation in their late 20s and early 30s who are really thinking about their futures to try to unpack even more what they experience day to day, what their aspirations are, and what is getting in the way. We are getting men involved in that work as well.

Q75 Angela Crawley: If I could just level some of the criticisms that have been raised in the National Audit Office's report, how would you respond to the issues around the accountability for delivery, the fact that the Cabinet Office itself is not using the information to its full potential, or the fact that the plan perhaps was not as well integrated? Are there things that we can learn from this that we can take forward?

Melanie Dawes: That report is a little bit out of date now. I mentioned earlier on that we have a really big focus on the data. I would say that is something we have done over the last two years. In fact, it was something my predecessor as Gender Champion, Sharon White, put a lot of effort into on the gender front. That is now going around quarterly. As I say, that is quite new and it is all part of the management and leadership conversations.

On accountability, we are clear that the accountability for performance in any Department rests with that Permanent Secretary and senior team.



We now all have objectives on diversity and inclusion, which we agree every year. Jeremy Heywood certainly asks me about performance against mine, and we discuss them collectively quite regularly as a senior Permanent Secretary group. That accountability is clear and my role as Gender Champion is to push and to set the agenda and to hold people to account, and to set in train new work. The accountability for delivery is with the individual Permanent Secretaries.

Q76 Angela Crawley: Dr Newman, how effective do you think the NHS Women in Leadership plan for action will be in increasing the number of women in senior positions in the NHS? On top of that, do you think that there is anything else that should or could be done to also improve the level of inclusion and diversity?

Dr Newman: The report came from my observations as an individual and particularly as a GP. When CCGs were developed, I wrote a report on women in medicine, and I realised that by actually focusing on a small group of women we would not move forward. There has been three reports on women in medicine and very little had been done. The Chief Medical Officer had done fantastic work on women in academia with the Athena SWAN awards, and really changed progression of women in academia. Therefore it seemed to me that looking at the system rather than just at the women was actually the way forward, hence looking at the UN system. There was also what was happening was the Davies report. It is about fixing the system, not necessarily just the women.

In terms of action, we have had a huge amount of support for the report, and Ed Smith, who is Chair of NHS Improvement, has taken on the champion role and is already promoting the target of 50-50 by 2020. They have established a small working group to look at what else they could do to progress that and get people involved—for example, networks within the arm's-length bodies. They are also working with Ruth Sealy, who I introduced, and she is going to be measuring data at board level, which is what we really need to establish exactly what is happening, in which sector and where in the country, similar to what she has done in the private sector, so that is really helpful. That is some progress.

You ask what else could be done. I have to say my report was done on a wing and a prayer and my own passionate enthusiasm, fitting it into the weekends and evenings. I hope that this is not done in the same way. This is such a big issue for the NHS; it needs to be formalised and given a mandate and be accountable and be a proper programme of work. The NHS is under a lot of strain at the moment and therefore it is difficult to make the case, with so many other really important things going on. Given the number of staff and the number of women in the NHS, the importance of making the most of our talent, the importance of having diversity on our boards for innovation and for decision-making, the business case is very clear now. The NHS has a big challenge and having really excellent women at senior level will help that. I therefore hope that this programme of work can be formalised and supported rather



than people just fitting it in in their spare time out of passion and commitment.

Q77 Angela Crawley: More broadly then, it touches on some of the points you raised collectively. Do your organisations have any diversity targets for senior roles? If not, would they be useful and do you think that would help to progress things?

Sara Thornton: We do not have any targets, as such. The debate about quotas has been a very lively debate over the years. Most people would be opposed to them, mainly because of unintended consequences and the sense in which it might have the superficial appearance of solving the problem but it does not really deal with the underlying issues. When I have discussed it with women or black and minority ethnic officers in a different context, they have often said that they need to feel that they got there on merit, and actually you cause more problems than you solve by doing that. There is an awful lot more we can do in terms of encouragement—all the sorts of cultural stuff and the processes and initiatives we talked about.

Melanie Dawes: We do not have specific targets for levels of representation but it is something we discuss quite actively in the Civil Service. There are pros and cons. I myself do not favour quotas and we do not organisationally. I do not know many women who do, to be honest. In a Civil Service context, the principle of appointment on merit is a very deep-seated one. It is very much part of our values. It is overseen by the Civil Service Commission. It is very important not to dilute that in any way.

However, there is quite a lot that we can do to make sure that people in leadership roles, making decisions, are more balanced. For example, Permanent Secretaries do have choice about who they bring onto their senior boards from within their overall senior leadership. I took a choice a year ago to bring my HR Director onto my senior team and make it seven rather than six. That immediately upped the ante on the gender front. That kind of choice of who is actually on that board helps. It does not have to be based on grade entirely; it can be based on choice. Sometimes it is a symbol of what you care about. That is why, for me, the representation on those senior teams is something that is a bit more flexible and that we ought to pay more attention to.

Q78 Ruth Cadbury: Some of my questions have already been answered and we are over time, so, just briefly, in the previous presentation someone said very succinctly it is about having a named person at the top, stretch targets, and a path of accountability. Do you think your organisations have that or where do you think the gaps are to achieve that, if you agree that those are reasonable aspirations?

Dr Newman: We are starting on our journey, and we are very grateful to Ed Smith for taking on this role, and to Jane Cummings, who is on the group, having been nominated by Simon Stevens, and the CMOs support



it. We are very grateful to our senior leaders for acknowledging that something needs to be done so that we can learn from other sectors and move forward. Yes, I would agree with that approach.

I totally agree with what the previous panel said about the pull rather than push. The NHS is completely overwhelmed with targets and therefore it has to come from the service that it is something that they want to do. That is there. Having a senior champion and having stretch targets that are sector-related—for example, in surgery having a 50/50 target is going to be near impossible because only 30% of consultants are surgeons; it has got to be relevant. 50-50 for the NHS is reasonable. We need to have a champion, relevant targets that are based on accurate data and more pull and push is the way to go.

Sara Thornton: The problem with having a named person if it is not the leader is it is as if everything is their responsibility. The point that was also made is that it has to belong to the whole of the leadership team and the person who is ultimately accountable has got to be the leader, so the chief constable. In my context, the point about accountability is that I wonder how many police and crime commissioners ask their chiefs what they are doing about gender equality.

Melanie Dawes: Accountability is important but I agree with Sara. If it is not in senior leadership then it is not going to make any difference. Targets are important but we have to be careful about universal targets. The context is different in different places. All Permanent Secretaries have targets but so far we have stood back from Civil Service-wide numbers, although it is an open debate. The one thing I would add is that we need to be careful not to be too top-down about this. One of the single things we have done in the Civil Service in the last year that I have been really surprised by—it has been fantastic—is really mobilising our gender networks across Departments.

This is people in the middle of the organisation who really care and put in their personal time. By empowering them and getting them together every couple of months and copying them in every time I write to Permanent Secretaries and having a list of who they are, so that their Permanent Secretaries, cannot ignore them, and not just having it at the top, in a sense empowers our women in the middle, and that has been, for me, a fantastically pleasant surprise. I just think we need to make sure that we do talk about leadership and management in the middle and empowerment in the middle, rather than just about that top-down focus.

Dr Newman: I totally agree with Melanie. We have a fantastic example from Sheffield women's network, for example, and other networks. There is one in London. In different parts of the NHS we have got networks starting. I am agreeing that that is really important. The other thing is measurement against published data, and being able to compare yourself is a good lever. The female FTSE report has shown that.

Q79 **Jo Churchill:** Sara, I would also make the point, though, that I would



like to see whether the leadership is asking those questions not only around gender but also broader diversity. As cuts have gone on, those friends of mine who are gay police officers are definitely feeling a slight change in the temperature. It is really important that we keep those questions up and there. My question was one directed to Penny. I work a lot within the charity sector towards the health arena. There are an awful lot of extremely talented women within that. Is there any research that has drilled down into the fact a lot of those organisations are led by women and whether those skills are then brought in and transferred into the broader NHS. That is a talent pool that very definitely is not being used. It should not carry the title "non-exec" because it brings with it, particularly from hospices and specific charity areas, very specific skills. You are all within the public sector; you are all hugely different in what you do. That is one of the troubles of trying to blanket legislation or anything else. It very rarely achieves its aim. Do you take anything from that third sector?

Dr Newman: There was a report a while ago on that issue. I would have to search for it. It was about five or six years ago. I am not sure I can comment on gender in the third sector but I am very aware of the forward view and how we very much need to work with the third sector in terms of delivering and supporting and helping people to look after themselves in the community, and how we work much more closely with the sector. That is a slightly separate issue.

Jo Churchill: It is, because again it is top-down and, as Melanie was alluding to, very often real systemic change comes from bottom-up. Looking at that as a target force, as far as bringing gender in at a level where it is already showing achievement—but because it does not take financial reward the social capital element is not actually used as a trade-off—would be interesting.

Q80 **Chair:** Melanie, I will ask you a question directly here because I was very pleased in the research to see that 40% of Senior Civil Service posts go to women, and I have had the pleasure of working with many of those including yourself. I am then slightly taken aback to see that still today, just one in five Permanent Secretaries are female. This is after probably at least a decade of having a lot of women in senior positions in the Civil Service. Who appoints Permanent Secretaries? Can we get them here and ask them why more of these women are not getting through? Who appointed you?

Melanie Dawes: I would like to see more women at the top as well, and so would Jeremy Heywood, and so would the Civil Service Commission, which in the end oversees appointments. The process, as you know, is a pretty transparent and competitive one that goes through a number of stages, including, these days, routinely a staff panel so that you get a view of assessment of people's leadership and how they are going down with real people in the organisation. That is a very good thing.

Q81 **Chair:** You do not think old boys' network is still at play here.



Melanie Dawes: You have some Departments with quite a lot of senior roles where typically those workforces are still quite male. For example, jobs at the centre or at the Ministry of Defence are still weighted quite heavily in terms of the proportion of Permanent Secretary roles, and are less likely to have more women in the organisation as a whole and also coming through that pipeline. That is one factor. It is partly a numerical factor. I am not at all complacent about this. It is still the one thing that is still an area we need to keep pushing at in the Civil Service. There are still small numbers here; at the moment there are seven. We started off 2015 with eight. So yes, the appointments that have been made in 2016 have been men, but last year four women were appointed replacing, in three cases, men.

Q82 **Chair:** Your advice to us is that we need to speak to the Civil Service Commission to understand why so few are getting through.

Melanie Dawes: You need to challenge all of us. It is my responsibility and every Permanent Secretary's responsibility to make sure that our DG pipeline is properly look after and supported. We have been running talent programmes explicitly for Permanent Secretaries for the last few years. Being more explicit about, "You are in that pipeline. We are going to invest some time in you" is part of it. That is relatively new. 40% of the people on the last two programmes are women. I was on the last but one programme, for example. We just have to keep working at this. If you are asking, "Do I perceive a systemic problem here?" the answer is no. Do I think it is still an issue? Yes. Clearly role models matter very much and the number of people at the very top is still a very important setter of the tone.

Chair: I thank you all on behalf of the Committee for the time you have given us today. It has been a really useful part of our evidence-gathering session. Thank you for answering all of our lines of questioning with such thoroughness. Thank you very much.