

Women and Equalities Committee

Oral evidence: [Women in executive management](#),
HC 595

Wednesday 18 July 2018

Ordered by the House of Commons to be published on 18 July 2018.

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Members present: Mrs Maria Miller (Chair); Tonia Antoniazzi; Sarah Champion; Angela Crawley; Vicky Ford; Jess Phillips.

Questions 48–94

Witnesses

I: Sarah Bentley, Chief Customer Officer, Severn Trent; Gianluca Castellini, Group Vice President HR, Smurfit Kappa; Jonathan Crookall, People Director, Halfords plc; Richard Latham, Group HR Director, Persimmon plc; and Kate Willard, Head of Corporate Projects, Stobart Group Ltd.

Examination of Witnesses

Witnesses: Sarah Bentley, Gianluca Castellini, Jonathan Crookall, Richard Latham and Kate Willard.

Q48 Chair: In November last year, the Committee held an evidence session on the Hampton-Alexander review on increasing the number of women in senior positions in FTSE 350 companies. That was shortly after the review published its 2017 review, which showed that, although some progress was made and some companies were performing well, further action was needed if the target of 33% of women on boards was to be met by 2020. We decided, at the time, to return to the subject midway through the year, this time to hear directly from businesses about what they are doing to increase the representation of women in their senior leadership ranks. I really would like to thank the companies that have come along today for taking the time to talk to us about their own experiences. We approached a number of companies that did not come along, so we would really like to thank you for having the confidence to come and talk about what you are doing in your particular situations.

Before we go on to the usual format of these sessions, which is questions from our various colleagues here—and there will be people coming in and out—please could you introduce yourselves with your name, position and the company you represent?

Richard Latham: I am Richard Latham, group HR director at Persimmon plc.

Kate Willard: Hello. I am Kate Willard. I am head of corporate projects at Stobart Group.

Jonathan Crookall: I am Jonathan Crookall, the group people director for Halfords, and I am also on the board of the Employers Network for Equality and Inclusion.

Sarah Bentley: I am Sarah Bentley, chief customer officer at Severn Trent.

Gianluca Castellini: I am Gianluca Castellini, group vice president of human resources, Smurfit Kappa Group.

Chair: Wonderful. Before we start off with our first question from Tonia, the Victorians were really bad at acoustics, so I encourage everyone to lean forward and speak clearly.

Q49 Tonia Antoniazzi: Thank you, Chair. Good morning. Buongiorno. I will start with Gianluca. Do you value gender diversity as a company, and why?

Gianluca Castellini: Definitely. We believe at Smurfit Kappa that gender diversity is a key priority for the company—and not only gender diversity but diversity in its wider sense. First of all, it is good for the sake of equality, but we also believe that it drives business performance. It is at



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the top of the agenda for our organisation, in all the companies where we operate.

Sarah Bentley: In a similar way, we look at diversity across a range of different topics. The motivation for us as a company is that we just want to deliver the best service we can for our customers, which means that we need the best talent we can attract, and therefore we need to look at the biggest pool. Why therefore exclude certain groups from that pool? If we have a more inclusive outlook, we are going to attract the best talent. Particularly in terms of the public utility we provide, it is appropriate that our teams who are serving our customers represent the customers, who obviously come from a range of different groups.

Jonathan Crookall: As Sarah said, from the Halfords perspective, gender diversity and diversity of all kinds, we know, adds to business performance. There are many studies that demonstrate that. From a Halfords-specific point of view, because we are a retailer we have a very diverse customer base. Historically, Halfords served much more of a male customer base, but as society changes our customer base is becoming much more female-orientated. Therefore, we need to match that with the colleagues we employ. We know that gender diversity in particular drives increased performance for the business.

Kate Willard: Like previous colleagues, I think the link between diversity and productivity and business performance is very important. There is another issue for us, which is about skills and new entrants to the business. Previously, particularly when we were in logistics, very few women were coming into that business. It is arguably the same in other areas of our existing business. For us, it is important to have very visible women who are out there, performing well, having great jobs, having great careers, progressing, being able to see those progression routes, to make sure that we are encouraging new young women entrants into our business. There is a beacon piece there, as well, about visibility.

Richard Latham: I would echo the comments of my colleagues. We certainly value gender diversity within the organisation, and I think we can point to some significant contributions from women within Persimmon. It is certainly very high on the board's agenda.

Q50 **Tonia Antoniazzi:** Sarah, has having women represented on your boards benefited your companies from a business perspective?

Sarah Bentley: There was evidence at the November hearing, was there not, around business performance? I look at what we are able to deliver in terms of, as Kate mentioned, attracting talent and having really strong talent within the business from a much broader talent pool. If I look at the areas that I run, I want to make sure that I am selecting people who can deliver brilliant results. Therefore, I need to look across all parts of society in order to deliver those results. I see it more practically in terms of what it is delivering for the business.



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- Q51 **Tonia Antoniazzi:** Jonathan, you have had women on the board. How has that impacted the business perspective?

Jonathan Crookall: The general arguments that Sarah has just referred to apply. Since we have had women on our board in greater numbers—and until last year we had a woman chief executive as well—the value of that has set an example and role models for other people, and that is both outside the company and inside the company, to say, “Do you know what? I can break through to that next level. I can progress my career to the most senior levels of the company”. That is really important.

- Q52 **Tonia Antoniazzi:** Kate, what are the negative effects of there not being any women on the Stobart Group board?

Kate Willard: Disappointingly, we are one of the FTSE 350 companies that still have an all-male board. I am delighted to be able to share with you that we have identified a female NED candidate, and hope to update both the Committee and the market about that appointment in the very near future. We are just about to embark on a process of securing a new chair, a new CFO and a couple of new NEDs. Diversity will be at the top of the list in approaching that.

In terms of the current situation, all the upsides have been mentioned. Invariably, with all-male boards, you are going to get the downsides of those potential upsides. You are not going to get as rich a discussion. You are not going to have those female role models out there in the public eye, encouraging new entrants to our business. However, it is a situation that our board is in the process of rectifying, so it is not a case of “could do better”; it is “is doing better” and now “will do better”.

- Q53 **Jess Phillips:** Hello. The Hamilton-Alexander review target for female representation in executive management of FTSE 100 companies is 33% by 2020. Specifically to Sarah and Jonathan, whose companies are currently exceeding this target, do you have the capability to continue this up to 2020, and potentially do better thereafter? When do you think we can expect 50/50?

Sarah Bentley: The executive team has changed. I was lucky enough last year to have a 60/40 split, with 60% female. It has changed, in terms of the current executive team. One thing that the Hampton-Alexander review has done, with the evolution over the last couple of years, is to look at the executive team, but also at the direct reports. I run a retail business, but I also run our distribution networks, so all of the field operations, people in vans, digging holes, mending pipes and filling the holes in again. I am also group CIO, so particularly in some of the field operations and the technology areas I make sure we have talent programmes that support different types of diversity, because I want diversity of thinking, not just gender diversity. It is important to me to make sure we have those talent programmes across all those areas, and particularly targeted where we do not see as much diversity, say in technology or finance.



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A conscious approach to it is definitely something that we are looking at. Targets are targets. As a company, across any targets, we like to exceed them.

Jess Phillips: As somebody who lives in your area, I am glad to hear that.

Jonathan Crookall: From my perspective, there are two key things we are using to drive the underlying performance. You can look at the outcomes and the performance, but it is going to vary over time, as Sarah says. It is about getting the right systems and processes in place to make sure that it is continually on your agenda. One of the key things is the pipeline of people who are coming through the business: do we have diverse talent pools that we are pulling from? If we look at our succession plans and the rest of it, do they show diversity, and are we encouraging that in the business? That is one thing that gives me confidence that we will continue to succeed in this area.

Secondly, when we do have to go outside into the market, how do we target the search companies or recruitment processes we use to make sure we are getting a diverse set of candidates into the process? We all want to employ the best person for the job, but the way of doing that in a diverse way is to get a really great set of candidates to look at, whether that is your internal pipeline or your external recruitment plan.

Q54 **Jess Phillips:** Are you not sure when you are going to get to 50/50?

Jonathan Crookall: At the board level we got to 50/50 on Friday.

Jess Phillips: Congratulations. It was Friday the 13th, as some naysayers may say.

Jonathan Crookall: We appointed a female chief financial officer on Friday.

Q55 **Jess Phillips:** Do you think it makes a difference having a chief executive who is a woman, or having had, in the case of Severn Trent?

Jonathan Crookall: Halfords has this traditionally male perception, of men going into car shops and fiddling with their cars.

Q56 **Jess Phillips:** Mums also go in to buy bikes. I have done that a million times.

Jonathan Crookall: Absolutely. Having had a female CEO, we are able to demonstrate to all the 11,000 people who work for us that we want women to be in the management roles and senior roles in the business.

Q57 **Chair:** I realise we are dealing with very small numbers here, so one person leaving can make a big impact. But I am thinking, Jonathan, particularly about the departure of your female CEO, which led to an apparent reduction in the number of women on boards, which hopefully you are now picking up again. Does that tend to suggest that these



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things are not as entrenched as they need to be? There is still a bit of volatility in it. If you have a female CEO things can improve, but if that individual leaves it then deteriorates again. It shows a lack of sustainability.

Jonathan Crookall: Hence my comments about the pipelines and the next levels down. If you look at the direct reports to the executive committee level within our business, we are at 33% female in that population. I would love to get to 50%, and we need to work towards that, but because we know that is at 33%, and because we know who is on the succession plan for our two executive director roles on the board, I am confident that it is systematically in the DNA of the business that we will continue to have senior females in our population.

Sarah Bentley: It is great having Liv, and she is a fantastic role model, being one of the few female chief execs in the FTSE 100, but the tone is very much set from the top. Andy Duff, our chairman, appointed Liv. He sets the tone for us. Then we have a structure that allows the pipelines to come through and a will to do it. It is more about having that pipeline, having role models, getting some of the activities like mentoring in place, to make sure it is not just about one person. The tone from the chairman is a significant factor, versus whether there is a female chief exec or not.

Kate Willard: The pipeline piece is obviously critical to make sure we have the right women and the right people generally coming through. To do that, we need the right training programmes, policies and procedures. But there is something else in there that is equally important, which Stobart is good at, which is the culture and the working culture of the business. I brought up two children on my own as a single parent, came through the ranks in Stobart, and all those issues of going to pick up kids from school, the softness around that, was really supported because the working culture of our business is very familial, supportive and caring.

For me, there is a hard process, which is around policies, procedures, training programmes, succession planning, et cetera. But there is that soft piece as well around working culture, which is equally important, because if that working culture is not there, with all the hard stuff in the world, you are still stuffed because it is not going to happen.

Q58 **Jess Phillips:** You are right. Moving on to those of you who have not currently achieved the 33% target, what are you doing to achieve it?

Kate Willard: We have a great working culture in Stobart. That is really important. There is a lot of stuff around making sure that we have really good training and leadership programmes. We wrote most of them ourselves. We deliver them in-house, so they are for and by business. It is about really simple things like making sure those training courses are run in places and at times that work for people who might have caring responsibilities or who travel, so not doing that very hard-and-fast stuff. It is about making sure we have the right policies and procedures, but also, really importantly, making sure we communicate these, so that



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people understand what it is like working in our business and how that can be a really positive place, depending on who you are.

There is also a measurement piece in here, which is quite interesting. It is easy to measure the hard stuff around numbers, positions and roles, but that more general stuff is more difficult to measure. How attractive is our industry to young women? What is generally putting young women off from coming into it? What are we doing that is having a positive impact? Stobart has done a lot of work, and continue to do so nationally, with other big companies but also with Government, looking at how we can make sure that entry routes, the attractiveness of our business, and getting them in the right roles and visible roles. That is something we spend a lot of time on. That is part of my role in the business.

Q59 Jess Phillips: Do you think there is any reason why you have not reached it at this point?

Kate Willard: The simple answer is probably that our best endeavours have not been enough to date, I suspect. We are at about 30%, so we are close to the target in terms of the executive board. We are not miles off it. But you want to be at 50/50, don't you, whatever the target is? That is where you want to be. I think we will make significant progress over the next few years. There is some redrafting going on around performance management and some of the training programmes, but we just continue to need to do better.

Richard Latham: In terms of Persimmon, we can look at the two measures on the Hampton-Alexander scale. In terms of females on the board, that is very much on the agenda of the nomination committee. They are continually reviewing that and will make their recommendations accordingly, going forward. I am confident that there will be some movement in the future on that. The largest challenge we have is probably the executive committee and direct reports at that lower level. As has been mentioned, it is key to get people into the business so we can expand the talent pool, so there is more of a progression route through to the top. We have had good success in some areas on that, particularly bringing new entrants into the industry.

We do have an additional challenge, inasmuch as we are a construction business, and over 50% of our workforce are involved in construction activities. Historically and traditionally, they are not perhaps the most attractive roles for women, but that is not going to stop us working towards the achievement of the targets, because there are plenty of other roles that are far more appealing to women as the business evolves, for example a lot of head office functions.

Q60 Jess Phillips: I do not understand why you would not want to do something to attract more women into construction.

Richard Latham: Do not get me wrong; we do want to do that.

Q61 Jess Phillips: Girls play with Lego too.



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Richard Latham: We are working hard independently as Persimmon, but also with the Home Building Skills Partnership through the HBF and CITB. One of their remits is attracting people into housebuilding and making that more of an appealing environment for females, and we are very much part of that.

Q62 **Chair:** Interestingly, other building companies are not having the problems you are, in terms of getting women on their boards. Given that most of the products you sell are houses, and that many of the houses you sell are to women, do you not think you are at a disadvantage by not having any executive women on the board, and only having two women out of nine on your board? Does that not put you at a disadvantage?

Richard Latham: I would not say it puts us at a disadvantage, because you only need to look at the performance of the company over recent years. But I do take the point.

Q63 **Jess Phillips:** It could always be better, could it not?

Richard Latham: It could be. Do not get me wrong. The performance we have achieved is probably symptomatic of the current diversity. I wholeheartedly agree with you: I think it could be better. I am certain that we will see some movement on the Hampton-Alexander measures when the new figures are released.

Q64 **Chair:** What percentage of your workforce is female?

Richard Latham: Our female percentage is 25%.

Q65 **Jess Phillips:** What percentage, just to follow on from that, of the decision over where to live do you think falls to the woman in the house?

Richard Latham: I would suggest a very major proportion.

Jess Phillips: Yes, I would say it is probably more than 25%.

Richard Latham: Could I perhaps make a point on that? One of the key roles within Persimmon in that whole cycle is the sales team, and 83% of our sales function are female.

Q66 **Jess Phillips:** What about design?

Richard Latham: Design is a significant function within the business, and around 40% of our design and planning employees are female.

Jess Phillips: Wider halls for buggies are what I would put in. It is so annoying.

Gianluca Castellini: From the experience of what I have seen at Smurfit Kappa Group, of course we are a big, multinational company; we operate in 35 countries across the world, with more than 46,000 employees on more than 370 sites. In a very decentralised model, like the one we have in the company, we believe in what we are doing, and we have decided to promote, more than diversity and inclusion, inclusion and diversity. We



strongly believe that promoting a more inclusive culture everywhere, in all the countries, where there are different levels of maturity on this topic, will be beneficial for the entire journey. With a more inclusive culture, diversity will follow naturally.

The practice we have is to find the best practices in our countries. We always say that we already have the solutions in this big company. From my perspective, my role is to find these best practices and then to develop a global campaign, so that we can progress together over all the countries and all the sites.

What is also really important is the starting point. I agree with what Richard was saying. For our company, we are working in an industry that traditionally has a predominantly male workforce. Many years ago, we had corrugated production sites where we had a 100% male population. In some countries—not now, but years ago—women were not allowed to work on the night shift and, in any case, female employees were not really interested in these kinds of pattern. Now, thankfully, everything is changing. We see much more female talent interested in our industry and interested in joining Smurfit Kappa. We have, in our graduate programmes, a substantial gender balance. There are functions where it is fantastic to see the female talent joining the company. We are on a journey, and will improve step by step.

Q67 **Jess Phillips:** Do you think you will make it to 33% by 2020?

Gianluca Castellini: There are still two years to go. From my perspective, it is about creating the conditions, not just appointing female managers. To appoint female managers is easy; you have to appoint the best candidate.

Chair: Do you not have two women in your company who you think would be the best candidates? We are talking here about such small numbers, and you currently have a board size of 12 with two women on the board. I only did economics; I did not do maths. To me, to get to 33% is two extra women.

Jess Phillips: That is definitely right. That is quite basic maths.

Q68 **Chair:** Can you not identify two women in your company with the qualifications and the ability to sit on the board, out of how many thousands?

Gianluca Castellini: We have 46,000 employees.

Q69 **Chair:** We have the same problem in Parliament, so you can ask me the same question. We do not have a 50/50 Parliament. We want that. They are such small numbers that I am perplexed as to why you cannot identify two women.

Gianluca Castellini: It is not just about finding women; you also find great male talent. Everything comes from the correct recruitment process. It is not just a matter of finding the talent today. You will find



the female talent today ready for these positions if you invested years ago, because then they have progressed through the organisation. We can find them, but there is also great male talent. Everything from a business perspective must be based on meritocracy. Our female managers are asking us not to start appointing female candidates just to improve our diversity numbers. They are asking us not to do it, because they want to ensure that, every time we appoint a female manager—as we are doing, because the numbers are progressing, in any case, year on year—everybody is confident that this has happened based on meritocracy.

Q70 Jess Phillips: Of course, appointing women based on meritocracy has never, ever been the case. The trouble is with the meritocracy argument that sometimes the systems in place are skewed towards one group of people, usually men. Are you making sure that the way you do your recruitment processes is not just with a patriarchal mindset?

Gianluca Castellini: Of course. This is my daily job, and this is the daily job of the organisation and the general managers in all the countries where we operate. We think we have strong processes, and we ensure meritocracy. It is happening; I was just looking at the data for the first half of the year. In Europe, we have a perfect gender balance in the graduates we have attracted. We are improving as a company. We are improving how we promote. Smurfit Kappa is a great employer for the varied mix of talent and background in the population, and the response is fantastic. Female talent likes to join the company. They will progress in the company accordingly.

Q71 Jess Phillips: Can you ever imagine a time when a male manager would ask not to be promoted?

Gianluca Castellini: They will not be promoted if there is someone else with better qualification and potential.

Q72 Jess Phillips: Do you hear that a lot? “You had better employ Larry. He is much better than me for the job”.

Gianluca Castellini: It happens already every day.

Q73 Jess Phillips: You must have some very honourable members of staff. Anyway, the Hampton-Alexander review now defines senior leadership as executive committee plus one. How has thinking beyond the board helped you promote gender diversity? Some of you have already picked on this, around pipeline and related issues. Would anyone like to add any more?

Kate Willard: I just wanted to come back to the pipeline and diversity piece about how you get young women in the business. This is, again, a bit about my story. I did not go to university. I left school quite early, really, without even A-levels. My journey was not through an academic and university route, and now I do what I do. It was because I learned in a different way, not because I was stupid, obviously—well, sort of obviously.



Jess Phillips: It is obvious.

Kate Willard: Thank you. I feel better already. That was really important. This means that, when I recruit—and this is just a personal view, not a company policy—I have refused ever to say that a degree is essential. As soon as you say that, you are immediately limiting your candidate pool, because there are lots of people who come through lots of different routes other than the academic route. For me, that was an important thing to do, to start off by getting a richer and more diverse longlist, so you are in a better starting place. There are probably other things you can do to help with that, but for me a very simple one was not insisting on a degree.

Jonathan Crookall: I would support Kate's point earlier about the culture of the business. One of the advantages we have is our opportunity to be significantly flexible in the working patterns we offer. That is very beneficial for lots of different carers and parents of both genders, but predominantly it helps encourage more females to return to the workforce, and actually to join us in the first place, because they know that, if they want to have a family and they are going to be the main carer, they still have the opportunity to work with us on an ongoing basis. The culture is a really important part of how people view the business and see the sense that anybody can make it and can progress in the business.

Q74 **Jess Phillips:** Do any of you encourage that culture in the men who work for you?

Jonathan Crookall: Absolutely.

Kate Willard: Yes.

Sarah Bentley: Broadly, and you made the point earlier—I had to laugh; I have lots of kids, of both genders, and they all play with Lego—about role models. If we look at Severn Trent, but also my personal journey—I went to a comprehensive, and I did go to university—when I started out in my career, there were not a lot of female role models in technology. It is about having a destination, but then also mentoring, which we have not really touched on, to identify the signposts to get there.

I accidentally got there. I am pleased that, despite having areas of our workforce that are traditionally more male, I run the largest people operation part of the business, with lots of people in vans digging holes. One of my female colleagues runs our engineering and construction business. Our plus ones—I am not sure they would be delighted to be called a "plus one", but the excellent talent that we have leading our two most senior engineering roles and my most senior technology build role—are all female. You look at some of the apprentices we have coming through and are trying to attract into the business, or the graduates, and they can see a destination, which is really important.



I personally have valued mentoring as a route march to get there. What are the steps that you take and how do you build your career, experience or network? When you are juggling kids or trying to get back to sort out the guinea pig hutch, finding the ideal networking opportunity is not necessarily the first thing at the top of your mind. Having those signposts for women and all diverse groups, including some of the social mobility work we are doing, is critically important, because it is not obvious.

Richard Latham: Mentoring is important. We have just set up a diversity panel, which is the four most senior women within our organisation, who together have a combined service of 75 years with Persimmon. We are setting them up to be role models, but also to be a think tank in terms of how we can improve things for women going forward.

Kate Willard: Could I add a really small thing in terms of that networking and mentoring piece? There is an issue for women about when they get networked. In terms of professional networks, there are millions for women. At a particular level, you could do it all day, every day. There are thousands, lots of them doing brilliant stuff, but it is not tricky. We could join those.

It is more difficult for young women coming into the business. We looked at logistics, at the time when we used to have Eddie Stobart, and for a young woman to come into logistics is quite a big step to make. The industry was finding that it was losing young women, because they did not have that network at an earlier place in their career. It is just a question for me about what we do. If we do a lot to encourage young woman as entrants, what do we do before they start to get to that managerial place, so they are perhaps more confident and visible at that earlier place, where it might be easier to leave and go somewhere which is more comfortable? It is a question about at what level we mentor and network.

Jess Phillips: That is interesting.

Q75 **Angela Crawley:** What are your immediate plans to promote gender diversity at the executive level and its direct reports in your company?

Gianluca Castellini: As I said earlier, we started in 2015 issuing a diversity and inclusion policy, which has developed over the years. Now we have greater awareness and inclusion. Awareness is one of the keys for our organisation. We have a global campaign in place called "Everyone", and under the umbrella of this global campaign we have a number of actions we are implementing. It is really beneficial to have a holistic approach.

Q76 **Angela Crawley:** Are those who are reporting in being held to account for that strategy?

Gianluca Castellini: Yes, in our decentralised model the management teams must be accountable for this. This is not an HR topic. Of course it is on our agenda, as group HR directors, but it is really with



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management, because it is a business topic. We believe that more diversity drives business performance, so it should be at the top of the agenda for all our managers.

Sarah Bentley: We are in a fortunate position. There is clearly more to do in terms of gender diversity. If I look at what we are doing as a business, it really comes back to how we deliver the best service for our customers. We need the best talent pool and, if we do not have a representative set of leaders or, indeed, of colleagues in the business, are we really getting the best talent? Things like social inclusion are very high on the list, including for ethnic minority groups. If you look at the areas we serve, some of the most socially deprived parts of the country are in the Severn Trent region. We are looking more broadly at a range of different diverse topics, not just the gender balance, because that has moved further along the agenda.

Jonathan Crookall: There are two key areas we are focusing on. One is our executive committee itself, because we are at 22% at the moment in terms of gender diversity. We would obviously like to be better than that at that level. We are better lower down, interestingly, so we are just building up the pipeline.

We are also very conscious that, if you look in our retail stores, our management level is lower than we would like it to be. We have a big focus on that. The way we are attacking that is by looking at the very base of the organisation and who we attract into roles. We are working very hard to produce materials and attraction campaigns that focus on getting people in right at the base of the company. We are very strong on the graduate programme, because seemingly it is easier to attract women at that level. It is right the way across the levels, but coming in at that base level of the business and getting the attraction processes right. Once we get candidates in, we are in quite a strong position in terms of the diversity that we deploy there. It is about getting the candidates in in the first place.

Kate Willard: It is a good time for us, for that question. Under our relatively new chief executive, there are two things. One is that sense, as I said at the beginning, of “will do better, will be brilliant” on this number. That is the first thing to say. Secondly, he has just instigated a major review and work programme for the entire executive leadership team. Diversity is huge; it is not a strand in that programme—it is embedded all around it and in it. That started about a month ago and will be rolled out over the next 12 months. Those are two key things for us.

Richard Latham: In terms of us, the first thing to say is that it is very much on the agenda of the board. It is not just a HR initiative. It is being discussed at the highest level within the business, all the time. In terms of looking at the talent pool, as people have mentioned, there are a couple of examples I can give.



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We have identified the best route through to being a managing director of one of our businesses. We have 30 regional businesses around the country, and the majority of our MDs have come from a surveying or engineering background. We are looking through our succession planning to develop a training programme, hopefully a degree-level apprenticeship, which will bring forward people who can fast-track through to those positions. I am pleased to say that the last appointee to one of those roles was female. We are making some progress.

Secondly, we have recently brought in-house some roles that were previously outsourced, in particular the planning function. That has proven to be a very attractive role for women. We have set up a training programme, and we have nine planners in senior roles who started their lives as trainees within Persimmon. We have some examples where we are able to bring people through our internal systems, and we are hoping to replicate that in other functions in the business.

Q77 Angela Crawley: How do you think the composition of your nomination committee, including in terms of gender, impacts on the dynamic of your board and your leadership?

Gianluca Castellini: It is always a matter of the diversity mix. Of course, we are speaking about gender diversity here, but that also applies to board or executive committee compositions. As companies, we are trying to build the most diverse teams.

Q78 Chair: How many women are on your nominations committee?

Gianluca Castellini: On the nominations committee of the board, we have one member.

Q79 Chair: Sorry, that is one out of how many?

Gianluca Castellini: It is one out of six.

Sarah Bentley: I do not know the details of the nomination committee, apologies, but 37% of our board is female. It has changed slightly since the Hamilton-Alexander review. I was at a board meeting yesterday, and it comes back down to the tone from the top that Andy sets for the whole board. There was quite an inclusive discussion around different appointments. Dominique Reiniche joined our board last year and adds a huge amount of diverse experience.

Q80 Chair: We are particularly focusing on the nomination committee here.

Sarah Bentley: Yes, I will have to come back to the Committee in terms of exactly how many, but having seen the board dynamic I know that the female balance we have on the board makes a difference, because the tone is set from the top.

Jonathan Crookall: The tone is set from the top. Our board is a small board; we only have four non-executive directors, including the chairman. There is a 50/50 split, and all the non-executives sit on the



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nominations committee. We have a 50/50 split on our nominations committee, and that is important.

Kate Willard: We have an all-male nomination committee. As I mentioned at the beginning of this session, diversity is a key part of the new recruitment, and I am sure that will be reflected in the composition of the nomination committee moving forward.

Q81 **Chair:** At the moment, how many women are on your nomination committee?

Kate Willard: We have no women on it. We have a male board, so the nomination committee is male too.

Richard Latham: We have two women on our nomination committee, out of a total of four. We have 50/50 on that committee.

Q82 **Angela Crawley:** What do you think your investors' attitude has been to the need to improve gender diversity at the top level of the company?

Chair: Do they care?

Sarah Bentley: I was on a reverse rota with James, our CFO, a couple of weeks ago. Obviously the investors care about the performance of the business. They are interested in terms of the talent that we have broadly. We have quite a lot of female talent, and they want to make sure we have the right quality and calibre of talent. I get, in the dialogues I have with some of our investors, quite a lot of support and encouragement that the breadth of thinking coming into the business, by having a more diverse executive team, is adding value. I would not say that is true of all our investors, but some of our larger shareholders engage with me specifically, and I know with Liv as well, on the topic of the diverse thinking and what value it brings.

Jonathan Crookall: My sense would be that it is a growing topic, but it is probably not at the top of the agenda yet. If you look at our investor community, it probably reflects, frankly, the lack of diversity in some parts.

Kate Willard: That is probably spot on. I do not have detail of whether we have had those discussions with our investors, but I will look at that and will write separately to the Committee on that matter, in case there is anything interesting there.

Richard Latham: I am not aware of any feedback from shareholders on this issue.

Q83 **Angela Crawley:** With the exception of Sarah, whose board has done a lot more to lead the way in this respect, your companies vary in terms of the proportion of women on your boards, but am I right in thinking that none of you have women in executive positions on your boards? Is it more difficult to fill these positions with women, and if so what are the barriers in your companies?



Jonathan Crookall: We have just appointed a woman. We had a female chief executive until last year, and our new finance director is female.

Gianluca Castellini: For our company, we are speaking about the group CEO and group CFO as the two top executive positions. It is a matter of recruitment and succession planning, and bringing the right candidates to the level where they can be eligible for these roles. It is clear that, so far, we have not found this type of talent, but let us see in the future.

Kate Willard: Arguably there are difficulties, because if it was not difficult presumably we would all be doing it right now. It is incumbent on us as responsible businesses, though, to do something about making it easier. It is no good to keep saying, "We could not find anybody". That is not acceptable, is it? It is up to us as businesses to do that whole piece we have talked about: making sure that our industries look attractive, that young women can come into our industries, that they are supported, that there are the right progression routes, that there is the right working culture, that those women can become beacons, so that it all becomes a beautiful, virtuous circle. We actually have to do something about it, rather than saying, "It is tricky". Stobart is stepping up to the plate. There is a lot of stuff that we are doing and will continue to do.

Richard Latham: Within our industry, there is a tradition of long-serving, generally male, individuals at the top of the business. I mentioned earlier that one of our key drivers is through the succession planning model, particularly looking at managing directors. I would not envisage anybody being promoted from an operational perspective on to our executive board if they had not previously been a managing director of one of our operating businesses. The key to long-term success with those is making sure that we can improve that talent pool so we have more females in senior roles within regional businesses who can then step up from there.

Sarah Bentley: On that point, there are two roles—the CEO and the CFO, predominantly—for British boards that are the executive director roles. We have talked a lot about succession planning, but I come back to point of mentoring, where it is an act of intervention. We are 50/50; we have a female chief exec and male CFO, but what is interesting is what we are doing for the talent in our business. I am personally getting mentoring from a fantastic person outside our business, to help prepare me for a chief exec role. We should be doing the same in terms of the CFO role, to make sure we put the support in there to help pull people into these two roles. They need intervention and preparation if we are going to make a difference. The mentoring activity is a really critical part of it, if I think about the next round of chief exec and CFOs that we want to create.

Jonathan Crookall: I agree.

Q84 **Chair:** You all rely on investors for your business. Do your investors ask you more questions about environmental issues, or about the gender of



your board and the diversity of your employment base?

Gianluca Castellini: In my experience, I can say that, in recent times, we have been receiving more and more questions on diversity. Sustainability in our business, which is paper-based—

Q85 **Chair:** I will ask it really simply: do you get more questions about the environment, or about women?

Gianluca Castellini: There are more about the environment, but the gap is less and less.

Sarah Bentley: Categorically, there are more about the environment, given that we are a water and waste business, and have a direct impact on the environment. I would echo what Jonathan said: I am hearing it more about women, but I wonder whether that is because I am a woman in those conversations, and we have a female chief executive. However, the environment is critical for our sector.

Jonathan Crookall: I do not know, but I would guess more on the environment.

Kate Willard: Ditto environment, I think, in part because some of the questions you are getting from investors are driven by Government regulation and targets, and arguably some of the environmental stuff was there earlier and has come to the fore. There is a slight sense that the gap is narrowing, but it is Government to investor to us, and that is the feed through.

Chair: That is a very interesting answer.

Richard Latham: There are more on environment and sustainability, most certainly, given the industry we are in, the sustainability of materials we use, waste, et cetera.

Q86 **Chair:** So the things you produce are more important than the people you employ.

Richard Latham: In terms of the comments from investors, yes.

Q87 **Sarah Champion:** Thank you all for coming. You are here because we are recognising the good practice you are doing, and my two questions are basically about learning from your experience. We have been told that there are much more conversations happening now about gender diversity, particularly at the top levels of organisations. I wonder if you could give us one or two examples of the culture change you have seen now you are actively trying to get a more diverse workforce.

Richard Latham: A good example with us is what we have done with our sales function. I mentioned earlier that sales is a key part of the delivery of our product. Three years ago, we introduced a sales training programme where we brought people into our industry who had no prior experience. That has been tremendously successful. We have recruited



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an in-house training team, and it has certainly allowed women to take a higher profile in our business. An element of success can be identified by the fact that 12 of our current field sales managers started life as trainees with Persimmon, with no prior experience. Currently over 80% of our salesforce are women. That is a good example of where we have made a positive impact.

Kate Willard: I will add a couple of things. One, which is internal, is the piece I mentioned earlier, which is the review of performance management, where we are trying to embed diversity in lots of questions and get rid of unconscious bias through performance management, training and making sure people know what we are doing within the business.

There is a more interesting piece, which is the external stuff we do. Stobart is quite up for working in partnership with people; we do that a lot, with both public and private sector and not-for-profit partners. The stuff around diversity is getting us into some very interesting partnerships. I could look at the stuff around getting young women entrants into our businesses, the work we are doing with schools, the work we are doing with other businesses, the work we are doing in some parts of the UK with very disadvantaged communities, where we are working with primary schools to explain what happens in the biomass sector, for example.

For me, it is driving a greater array of interesting collaborations with other organisations, and that is bringing a richness to our understanding of both the diversity agenda and the nature of the stuff we are doing, which is quite interesting. I think that will emerge and increase over the next couple of years, as those businesses mature.

Jonathan Crookall: We have talked about a number of examples of the things we have done to adapt the culture. It is a case of looking at lots and lots of different processes and activities that you do, and checking them out for where there are biases or things that are cutting against achieving that diversity.

There are a couple of examples I would give that we have not yet talked about today. First, I talked about the store manager population, and how critical they are as a gateway to the organisation. We have done quite a bit in educating that population. It is predominantly male, so we are trying to uncover their potential unconscious biases and things like that.

There are some things you can do that are quite symbolic and send a bigger message across the organisation. One thing we are particularly proud of at Halfords is that we have introduced a training academy in a women's prison. We are training bike mechanics, which is not seen as a traditionally female activity, in Drake Hall Prison. That has a larger impact on people's awareness of the importance of getting women into those kinds of roles. That has been very successful and has a much broader



impact. So far, we have brought in 12 people from that programme. It is a great start, and sends a bigger message to the wider organisation.

Sarah Bentley: I agree with the symbolic things. The ideas I would offer up are more practical. I remember some years ago being asked to give a breakfast talk about being a working mum, and I was quite surprised that half of the room was male, and there were very few parents in the room. I was quite curious as to why anybody would want to listen to me waffle on about being a working mum. It was “bring your kids to work day”, so I had one of my children with me as well. Actually, the topics were as relevant for people wondering how they would juggle having kids when they came to having them. There were people there who had caring responsibilities for elderly people.

I guess the big takeaway was about providing some flexibility. Severn Trent had been, historically, a very face-to-face type culture, where everything had to happen in person. It is 2018—we have telephones and could even have video conferences if we wanted to go that way. Having that flexibility but making it acceptable, having senior leaders who need to get back for sports day, or to relieve the babysitter, and having those kinds of conversations just creates permission in an organisation to provide some flexibility, in terms of how and when you deliver the great service we are expecting you to deliver for our customers. There are practical things like that.

The other one is our personal protective equipment, or PPE: our high-vis and hard hats. It is my other little Mr Benn look that I like to sport. You can only get male sizes. I have the largest high-vis jacket known to mankind because, if I was going into Next, I would go for a large coat, so I went large before I joined. I had not realised they were all male sizes, so I look like I have my husband’s jacket on. We just need to have female sizes and styles. I am not looking for a fashion award here, but something that fits. There are practical things we can do to make being a woman in a quite traditionally male sector be okay. Juggling the demands of being a mum who works is always one of those practical things, but it affects so many different groups of people as well.

Gianluca Castellini: You are asking for examples of cultural changes I see in the company. Traditionally, diversity and inclusion has been for us a top-down topic, so it was more from group through the organisation. I see, when we have our workshops in the countries on this topic, more and more examples of local good practice, so countries, operational sites and local management teams are developing their own journey and their own strategy, on top of what the company is asking for from a group-wide perspective. In addition, it is interesting that when I visit sites, paper mills or corrugated sites, there are general managers who are really proud and say, “Gianluca, come. I want to introduce you to our newly appointed female supervisor or female production manager”. They are all on board on this, and I am sure that the female talent at these sites will act as female role models. This is just the beginning. More and



more will be appointed, and it is fantastic to see them be so successful in places that were male-dominated environments.

- Q88 **Sarah Champion:** To look at the flipside of it, you all came in and are clearly very proud of the diversity within your companies, and should be proud of your roles in getting that. It also makes business sense—that is what you seem to be saying. But we are hearing from some senior leaders all the old clichés: “Women do not fit in a boardroom environment. There is not the talent. These sectors do not have women in them. They are not attractive to women, or if women come in”—as with your example of the jacket—“they turn into mini-men.” How do you counter those when you come up against those sorts of attitudes?

Sarah Bentley: I think you are referring to Business in the Community. There were a number of different quotes. I remember my husband sending it through, and I thought it was a joke when it first came through. It sadly is not. We just have to press forward with the agendas we have. I do not know that some of those opinions have a place. I could look at a number of companies that have made big strides in this area over the last couple of years, with the encouragement of the target and the insight. The transparency that the Hamilton-Alexander review provides lays it all out for us to see, in terms of the tangible progress that is being made. As it gets aired in environments like this and gets discussed more, some of those opinions will become as laughable as they are.

- Q89 **Sarah Champion:** Do you feel that you have a role to challenge?

Kate Willard: Yes, I think we have a role and a responsibility. It is not necessarily completely easy to do that, because challenge can in a commercial environment be quite difficult, quite challenging, depending on who is in the room and the situation. But we have a responsibility, and now is a good time for us to be doing that. There is a lot happening around the agenda of women and women’s role in society, the world of work, what their rights are and how those have been abused over many, many, many years. We have a role and a responsibility to do something about it, and I would agree that the discussions in this room are potentially an important part of that.

Richard Latham: Our industry is changing, and that is an important feature, because there are roles that we can offer now that we probably would not have offered 10 years ago. Those are professional roles leading to academic, vocational or professional qualifications. We are gradually breaking down the issue of construction not necessarily being attractive for women to enter. We can now point to some success stories within our organisation and within the industry, where people have come into these newer roles and have progressed significantly through the business to senior roles.

Gianluca Castellini: I would never underestimate the power of the new generations. They are not familiar with these clichés. The companies will



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be attracting talent where they expect it, and they want to find employers with the best type of diversity. They are part of the journey, part of the change, and they are changing a lot. The clichés that perhaps we had years ago now are disappearing as a natural evolution, thanks to the new generation.

Jonathan Crookall: It is about challenging the behaviour and the comments when they arise and when they are made.

Q90 **Sarah Champion:** You spoke about the unconscious bias.

Jonathan Crookall: Yes, absolutely. It is about commenting on it, confronting it, talking about it, getting it above the table rather than under the table when it happens, and it is the role of men as well as women to raise those issues. The good news is, because of activities like this, Hampton-Alexander and society in general, it feels like there is some momentum, and that momentum makes it more acceptable to be the person who challenges and says, "That is just not acceptable to us, either as an organisation or me as an individual". There is a big personal accountability and personal behavioural aspect to it.

Q91 **Vicky Ford:** The Prime Minister is speaking in 11 minutes, so we are leaving here in five. You have one minute each: what motivates you to comply with the Hampton-Alexander review, and if we continue to have a voluntary target what stops you falling back into a lower level of representation?

Richard Latham: The motivation for me is the recognition that women have a part to play in our industry, given that the history and the legacy are much more male dominated than we would like. The motivation is bringing women through to senior roles, and we have had some success in doing that.

Q92 **Vicky Ford:** If we continue having a voluntary approach, what is going to stop you falling back?

Richard Latham: What will stop us is ourselves, because we are recognising the changes we have achieved, and we do not want to make any U-turns.

Kate Willard: Our motivation is that we are a modern, smart, savvy, bright, innovative business, but we could be more so. That is what will drive our desire to be more diverse, and we will align with that just because we care. We give a damn, as well. In terms of voluntary or non-voluntary, that is the aspiration of our business, regardless of the target. It is the aspiration of our business to be even more brilliant than we are, and we will be. Targets or not, we will continue to perform better and better.

Jonathan Crookall: I can be quick, because the answer to both questions is the same. There is a massive business driver for us to be diverse anyway. We think we get a better business outcome and better



business performance if we are diverse. Our customers are demanding that diversity, so we need it to be successful with our customers. You get more diverse thinking and, frankly, it makes it a better place to work. That is really important, because our customers feel that when they walk into our shops.

Sarah Bentley: Simply, we want the best talent in order to deliver the best service to our customers, and we have a better chance of finding it if we look at the broadest talent pool of all different groups. That motivates us. Like Kate, we do not need a target to do that. I want to make sure we deliver the best experience we can for our customers; therefore, I want the best talent.

Gianluca Castellini: Motivationally, we want to be the most admired company in our business, and we can achieve this by promoting more gender diversity. This is the best motivation we can have. I do not expect that there will be a fallback, because this is a matter of the company's culture. We need to have our targets and our ambition.

Q93 **Vicky Ford:** Would any of you like to make a comment about voluntary versus fixed targets?

Jonathan Crookall: Voluntary targets are working. They are driving behaviour in organisations that perhaps do not see the business benefit of diversity.

Kate Willard: There is something behind voluntary and mandatory targets, which is the difference between evolutionary and revolutionary, arguably. If you force change more quickly, in my view, it might take longer to bed down. That is the judgment call on those two pieces.

Jonathan Crookall: As we touched on earlier, sometimes the targets at very senior level, when the numbers are very small, can be quite a blunt instrument.

Vicky Ford: There is only one Prime Minister. Let us go and listen to her.

Q94 **Chair:** Before we end, Sarah, do you think having a female CEO has any bearing on the fact that four out of your nine board members are women, and you have a number of your technical directors as women, when others have been saying they find it difficult to recruit?

Sarah Bentley: I absolutely think it has an impact on the organisation. A lot of people join the business. Liv is an effervescent, talented leader, irrespective of what gender she is. The tone that is set from Andy and the board creates the environment where Liv can be one of our strong, great female FTSE 100 CEOs, which creates the exco. It is about the combination of those things, but Liv definitely has an impact.

Chair: Can I thank you all for your time today? I know how much pressure there is on each of your diaries. We are really grateful, and really grateful for the honesty and the forthright nature of your



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contribution.

Gianluca Castellini: Could I just make a correction? Angela asked me about the nomination committee. It is one out of five, not one out of six.

Chair: That is really helpful. Thank you very much for your time.