Diverse Boards
Guidance, Tools and Recruitment Good Practice
“Having diverse perspectives, skills and experiences on the board and in senior management means ideas are properly tested and challenged, and better decisions are made. For sustained success, companies need to draw on all the talent within their organisation. This means ensuring that they are developing a pipeline that will equip and enable talented women to rise to senior levels.”

Baroness Hogg, FRC Chairman
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Introduction

The Leadership 21st Century programme seeks to provide an opportunity for the sector that will help efforts to restore its reputation and improve consumer perception and confidence. This will be achieved through higher standards of leadership, more effective corporate governance and a stronger commitment to the customer.

The overall aim of the Leadership 21st Century programme is to enhance board leadership within the sector and improve key areas of board effectiveness such as competence, culture and board diversity. At the core of the programme are the Board Effectiveness Statements of Good Practice, which have been defined and described by authoritative bodies and practitioners.

The Statements of Good Practice establish a consistent benchmark for board effectiveness in these key areas. A Toolkit for Boards has also been provided for Chairs and Board Directors to use as they implement this good practice to improve and fulfil their leadership role.

This Diversity Toolkit is an additional resource designed to provide guidance and improve access to board level roles for potential appointees who may encounter barriers related to gender. It includes guidance and information, and highlights existing good practice and resources for individual women. These focus on four areas identified as significant by women as they progress towards and onto the board. They are:

- Growing the Talent Pipeline – identifying talent pools and improving the pipeline of women
- Developing the Pipeline – gaining relevant experience and development for the role
- Essential Preparation – preparing for the interview and appointment process
- Recruitment and Selection – the recruitment and selection process and good practice

The toolkit is dynamic and will continue to build. We would welcome further contribution of content from firms so that successful good practice can be shared more widely.
Growing the Pipeline

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There is now a recognised and accepted business case for boardroom diversity. Recent analysis confirms this is the case:

- Male dominated firms had recovered more slowly than gender-balanced firms since the 2008 financial downturn – *Credit Suisse Research Institute*
- Gender balance on boards in Europe could increase GNP by 13% - *Goldman Sachs*
- The operational profit of companies with majority female boards was over 56% higher than those with male-only boards. Female majority boards also surpass male-only boards in auditing, control and risk oversight - *McKinsey*

At a recent Executive roundtable forum, industry leaders were able to discuss and debate board diversity, in particular gender diversity, the link with boardroom culture, and the likely causes of gender imbalance at board level. The main conclusions reached were:

- The key issue for firms is ensuring a pipeline is created which will identify, develop and incentivise women to aspire to this level
- There is a huge talent drain of women from the sector particularly at certain career points and ages. Further work is required to understand the choices women have to make with regard to their careers
- Redressing return to work policies, sponsors and ‘time out’ with particular focus on 30-45 age group is seen as essential
- Increasing the pipeline of female executive talent is not yet considered a business issue and this needs to change
- Is it perhaps necessary to have targets at each level of an organisation and not just at executive and board level?
- Further work needs to be undertaken and consideration given to how firms make a decision on who is picked and developed for board level. What panel makes this decision? Is there current good practice in this area?

Growing the executive pipeline of women is recognised as a significant factor in achieving improved gender diversity at senior management and executive level appointments, as well as non-executive appointments to the board.
Lord Davies, author of the Women On Boards report, said in his April 2013 update:

Without demeaning the excellent overall progress that has been made to date, the executive pipeline continues to remain a challenge. Women currently hold 21.8% of FTSE 100 non-executive directorships (up from 15.6% in 2010) and 6.1% of executive directorships (up from 5.5% in 2010). Whilst in the FTSE 250, women hold 16.4% of non-executive and 5.4% of executive directorships.

This translates, in numerical terms, to just 18 female FTSE 100 executive directors compared to 292 males, and just 32 female FTSE 250 executive directors compared to 558.

The figures are stark and highlight just how far there is to go. Such evidence is shifting the debate from directorships as a whole to that of executive directors and the talent pipeline. The executive pipeline is not an easy nut to crack. On the outside it sounds quite simple; organisations need to attract the best people at the start of their careers, spot and nurture their talent and ensure that they have good development routes, offering challenges, variety, role models, mentoring and career progression in a supportive environment. Succession plans help to ensure that senior management pools are well developed and that the company is well equipped to handle any unforeseen events. Of course this takes time and we could not expect to see well developed pipelines overnight. Nevertheless, companies really need to think about what they are doing to develop talent across their organisations to ensure that they are well equipped for the future.

Picking up on this call to action ‘to think about what they are doing to develop talent across their organisation’, the following case study provides an insight into what can be done to address this challenge. This example can be used by women to start the conversation within their own organisation and showcase what can be done and why this will be beneficial.
Good Practice Case Study – Gender diversity at the FCA

The FCA is committed to being an inclusive employer. At present we have an almost even gender working split with a 51% female and 49% male ratio of people working here. We want to be a fully inclusive employer where we value differences in our people and use these to make us a stronger and more effective regulator.

We have an Executive Diversity Committee (EDC), which was established by our Executive Committee. Its objective is to make the FCA an employer of choice and a more effective regulator. This committee is chaired by Tracey McDermott, Director of Enforcement and Financial Crime.

‘During the 12 years I have been with the FSA and now the FCA, I have seen first-hand the benefits both personally, and as a member of FCA senior management, of us being an inclusive employer.

Our senior management, at both executive and board level, includes a number of highly talented women and shows therefore that the FCA has an inclusive workforce – not for its own sake – but because of the strengths we gain from being able to draw on different perspectives and experiences in the difficult decisions we have to make’.

Tracey McDermott – FCA Director

And that commitment runs through the organisation. John Griffith-Jones, the FCA’s Chairman, has joined the 30% Club – a UK group of company chairmen committed to bringing more women onto UK corporate boards. ‘Supporting the 30% Club is a great way of promoting the FCA’s gender diversity’, John explains. ‘It sends a strong signal for companies and other organisations in our sector when they see what we have accomplished.

I’m also a great believer in voluntary commitment to diversity, and the 30% Club is an excellent way to foster genuine and long-lasting change in company boardrooms and elsewhere throughout organisations’. On average, only about one-sixth of the board members of FTSE-100 companies are women. The FCA’s new board has a higher proportion, with five women among its 12 members and two of the four executive board members being women. On the FCA’s Executive Committee, four of the nine members are women.

The FCA Women’s Staff Network has become the largest network group at the FCA. It encourages skills development, networking, and peer support among its activities. The Coffee Morning Scheme, for example, encourages members to network across all levels of the organisation by randomly selecting members, every two months, to meet up and share experiences about their role, job satisfaction, career aspirations, work-life balance and so on.

To demonstrate its commitment to flexible working the FCA offers job share roles and at senior levels too. Most recently, two women were appointed as Directors of Competition. Mary Starks and Deborah Jones share this senior role through innovative job sharing. This demonstrates that the FCA is embracing the flexibility people need in their working patterns. We understand that working flexibly can be a benefit to many people, not just those with children or caring responsibilities. We see the way we promote flexibility as being a key part of our employee proposition.

And the rationale for enabling women to have flexible and greater participation at the FCA is because being an inclusive employer enables us to value everyone’s contribution. As a result, we are a better regulator and a better employer. We are always seeking to improve our organisation to make it a place where people want to work and want to come to work. Our aim is to be recognised as a leading inclusive employer.
Developing new talent

The Davies Report also highlighted the need to consider what development solutions are provided by an organisation to build a progressive pool of ‘female talent’ and seek opportunities to utilise this talent for the future benefit of the organisation.

Feedback we have received confirms that often women need help with their confidence, self assuredness and credibility. They also want help to develop their leadership strengths and, in particular, their styles of influencing, team working, team direction, and presentation.

The Financial & Legal Skills Partnership (FLSP) has designed a programme, Through the Glass Ceiling – Training for Senior Women, specifically for women managers looking to develop their personal leadership capability in order to ‘move up the ladder’.

“I love the fact that the course is about me as an individual, with no corporate agenda. It brought like-minded professionals together to improve existing skills, learn new skills and discuss and challenge our ways of thinking. I’m sad that it has come to an end. Thank you!”

Kristy Hudson, HSBC

To learn more about this programme and hear what women have said about it click on the link below

http://www.financialskillspartnership.org.uk/noticeboard/through-the-glass-ceiling
Things you can do now

Here is an article which identifies 3 things women can do to improve their prospects of progressing up that talent pipeline and making their presence known.

**Glass Ceilings: Prevention is Better than Cure**  
*By Carole Gillespie*

Why would you try to break through a barrier if you could stop it forming in the first place? Many barriers to achievement in personal and business life arise because other people consider it too big a personal or organisational risk to give us the opportunity we desire; even if we are demonstrably more than capable of rising to the challenge. It’s true of buying decisions. It’s true of promotions generally and it’s particularly true of top appointments.

Whether we are male or female, not everyone wants to make it to the top of their business or profession. Capability, ambition, energy and resilience vary, as do levels of responsibility and commitments outside the work environment. But, let’s suppose you really are good enough and have actively decided that the board room or equivalent is your goal. In that case, what do you do to stop a ‘glass ceiling’ forming above you and thwarting your ambitions?

Appointments to top leadership teams are a balancing act between capability, contribution and risk. If you are bringing a new person into a leadership team you want to be confident they can do their specific job, make a meaningful contribution to the success of the wider business and enhance the team dynamics. If you are an unknown quantity you may well be seen as too big a risk to the team.

GREAT RELATIONSHIPS BUILD CONFIDENCE

At People buy from People the business is underpinned by the belief that great relationships are based on being Known, Understood, Valued and Trusted. If you have built a great relationship, this gives a person the confidence to make decisions and take actions that would previously have felt too risky individually and/or organisationally.

So, if you are good enough and ambitious enough, and want to stop the formation of a glass ceiling over your head, **stop thinking of it as a glass ceiling and think of it as a risk ceiling**. This gives you a very specific and tangible focus on the creation of the relationships that will give people the confidence to make a choice that previously might have felt high risk to them. Best of all, this mind set enables you to take control of the ‘glass ceiling’. You can now choose to do things consciously and proactively, rather than just hoping that a leopard will changes its spots.

Here are three guidelines followed by a specific action in each area to get you started:
Guideline 1:
You must know at least one respected person in your organisation at least two levels above your own (and ideally higher), and speak to them regularly during the course of a year. As you become more senior, extend this to creating a senior network outside your own business.

Guideline 2:
Find a mentor outside your organisation who you can talk to absolutely openly and who has already been where you wish to go.

Guideline 3:
Actively manage your career and look for things to do that give you visibility and enable you to stand out from the crowd. Whether you are at the start of your career or well into it, these three simple guidelines should be an integral part of your investment in yourself and your future. Here’s one specific action to go with each guideline to get you going on shaping your personal action plan.

1. KNOW PEOPLE HIGHER UP YOUR ORGANISATION

Work out who will be influential in making decisions in your business and who can affect your progress e.g. CEO, HR Director, Sector Partner. Sad to say, in some cases your direct manager may have a vested interest in keeping you where you are; especially if you are really good at what you do. This is one reason why you need relationships outside this direct line.

To get a new dialogue going with these influencers, why not ask them for their advice and insight on what they are looking for in the future leaders of the business and what would make them sit up and take notice of you? If this feels daunting, ask yourself “how can I proactively work towards my goal if I don’t know specifically what is being looked for?” Once you’ve had the conversation(s), set about using the advice you have been given and keep your contact informed. This is a good basis for meeting up, say, quarterly to review progress and refine emphasis.

2. FIND AN EXTERNAL MENTOR

You probably have someone you look up to as a role model. Ask them if they will mentor you. If no one comes to mind, ask people you respect for their suggestions. Some organisations have internal mentoring schemes and you should take advantage of these, but there is no substitute for an external perspective.

Before approaching a potential mentor, think through what types of things you would like to be able to explore, roughly how much time might be involved and what the mentor might get out of the relationship. Then make an approach. If they say no, you are no worse off than before.
If they say yes, you have a real opportunity to be challenged in new ways. Agree a rule of absolute honesty.

Mentoring without honesty is a waste of everyone’s time. Expect to be challenged to do difficult and different things. Ask to be rehearsed before you do them.

3. BE VISIBLE; BE DIFFERENT

Find something to do that makes you stand out from the crowd, internally and/or externally. Speak at a conference or a breakfast seminar; arrange an Away Day; develop a new idea for the business in your own time. What you do to achieve this varies significantly depending on where you are in your career.

As you near Board level, consider taking on a Non Exec Directorship or become Chair of a charity. This will increase your network and show you can perform at the right level as well as the satisfaction of making a difference beyond your work environment. Often forgotten is the need to take your own people with you. Whatever level, treat your own team with respect and lead by example so you have a core of people both above and below you who are backing you. You might also consider improving your qualifications in ways that are relevant to your goals. This could vary from a language that makes you more flexible than others or an MBA or equivalent which you can use to tackle issues in your business.

Your goal through these activities is to be known properly; not just as a name that is recognised, but as a person that key people can relate to, believe in and are keen to support.

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For more information visit www.peoplebuyfrompeople.co.uk
Developing The Pipeline

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Referring back to the Women on Boards update report, Lord Davies made the point strongly that organisations ‘need to ensure that they have good development routes, offering challenges, variety, role models, mentoring and career progression in a supportive environment’ for women so as to develop the talent pipeline. A report published by Warren Partners entitled Mind the Gender Gap made a similar point. It said ‘companies (should) have a much more comprehensive programme to proactively take action to identify, support and encourage talented women to stay the course and gain the necessary experience and skills to excel at board level’. Women can also do much themselves to make this happen. Joëlle Warren, Executive Chairman at Warren Partners feels there are 3 significant factors which hold women back. They are:

- Confidence and self promotion
- Specifics of their experience
- Networking and sponsorship of others

Confidence and self promotion

Confidence and competence are related but are not the same. It is often said that women underestimate themselves and what they have achieved i.e. they don’t advertise themselves, and their competence, in the same way as men. Where men will always look for ways to promote their success and show they are better than their competitors, women tend to assume that working hard and being successful is enough, that others will see this and recognise them for it.

Research undertaken by the FLSP into diversity good practice provided similar feedback. Several employers cited a similar example – if a role is advertised with a ten point job description, a man who can do three of the points well will put himself forward, whereas a similarly qualified woman will dwell on why she can’t fulfil the remaining seven points and not put herself forward. Whilst this is over simplifying the issue, it does make the point clearly that women do need to address how they market themselves and how they are seen by others.

Women can improve their self confidence and change the way they present and promote themselves. We would strongly encourage firms to consider what level of support and development opportunities they provide specifically for women. Being able to observe, spend time with and emulate role models is a great way to develop and test new ideas, get input and insights from others, and build greater confidence in your own ability.
An example of good practice is Lloyds Banking Group and their **Footprints in the Snow** programme.

**Footprints in the Snow – Lloyds Banking Group**

Footprints in the Snow is a role model programme designed to give high visibility to the breadth of female role models at Lloyds Banking Group (LBG).

Footprints in the Snow forms part of the wider Gender Diversity Programme at LBG. It has been developed in response to research which showed that whilst LBG has made good progress on gender diversity, women remain under-represented at management and senior management levels. One of the issues identified by the research was the importance of role models in supporting the development of women. The purpose of this programme is to showcase the path LBG’s most senior women have taken to make it to the top, and provide footprints and stepping stones for other women to follow and succeed. This programme is owned and led by the Group's Senior Women Leader's Forum (SWLF), a forum of the Group's most senior female colleagues, and is available for female colleagues of all grades.

A variety of ‘Footprints’ sessions have taken place at different sites throughout the UK in 2013, each lasting between 1-2 hours, all of which have received positive feedback.
The two development programmes for women featured in this toolkit have also been designed to support delegates build and express their confidence in different business environments, such as when leading teams, working with senior management colleagues, and in board meetings.

**Through the Glass Ceiling** – for middle to senior women manager.
*Workshop one – Confidence & Credibility*

This workshop looks at how to have that inner confidence and self assuredness in your own ability and judgement, creating an air of authority. This is not something that you need to be born with, it can be instilled and self coached. Participants will learn how to recognise when they are at their optimum and when they’re not, how to coach themselves back to being their best. The focus of this workshop includes how to:

- Walk with an inner confidence, gaining unspoken respect
- Remain centred and confident without being arrogant
- Enjoy more respect both within the organisation and externally
- Recognise your own strengths without relying on external applause or recognition
- Recognise your own ‘triggers’ and how to control them

**Changing the Landscape at Board Level**
– for women who are ready for appointment to an executive committee or board role.

The programme is delivered through 3 modules:

- *Building Leadership Presence*
- *Leadership and Influence*
- *Delivering Strategic Leadership*

Benefits to individuals include:

- *Identify the value which they can bring to a board table*
- *Feel confident in contributing to the wider business through a board position*
- *Recognise board level dynamics*
- *Understand how to apply tools and techniques to make their board selection inevitable*

For further information on both of these programmes contact
*Sarah.Taverner@financialskillspartnership.org.uk*
Gaining experience

Feedback continues to show that the ‘experience’ women bring, or don’t bring, is still seen as a barrier to the appointment of women to their first NED role. Typically this is defined by:

- Having limited, or no experience at board level
- Previous experience is from outside the sector
- The individual’s functional background. This can be seen as a challenge for two reasons. Firstly, for anyone stepping up to a NED role it is felt they may find it difficult to adjust from a ‘hands-on’ role to a ‘hands-off’ strategic role. Secondly, some functional backgrounds e.g. HR, legal, etc. are not in such great demand and these are often where there are a prevalence of women

For Chairs and CEOs the challenge is twofold. Firstly, how can you change the balance from the traditional way of describing experience, from career/roles held to the competencies and strengths the individual will bring to the role.

Secondly, what type of development opportunities can be provided which allow exposure to the board and committee environment and build the desired experience in different ways. Good examples of this are:

- Project work with, or for a member of the executive team
- Placing them on committees just below board level
- Shadowing of the Chairman or other board director
- Pioneer the new concept of board apprentices

Good Practice

The Board Effectiveness Statements of Good Practice describe the evidence of good practice to include ‘a policy defined and set pertaining to the board’s inclusion and diversity…..and regular reporting of performance against the policy will be provided’. To be truly effective a board will establish and oversee the implementation of the policy, provide and support a range of innovative and best practice development opportunities and, where helpful, sponsor and personally support specific solutions. This will allow boards to not only review performance against the policy but also against diversity best practice.
Good Practice Case Study – Developing the Pipeline at Sesame Bankhall

Gender diversity at Sesame Bankhall Group
With thanks to Lisa Winnard, Sesame Bankhall Group HR Director

Sesame Bankhall Group (SBG) operates within the UK Financial Services industry, with its core business in the intermediary market, providing support to over 11,000 advisers across the country. The Group brings together the leading network, support service provider and mortgage club, making it the UK’s largest distributor of retail financial advice.

Beyond distribution, the Group is able to leverage its scale and reputation to operate within a number of key market areas including legal, valuations, investment management and specialist lending, as well as offering the UK’s first dedicated Financial Services School.

SBG is in a strategic position, not only as a medium-sized financial services employer in its own right, but also as a key influencer in the traditionally male-dominated financial advice sector.

Diversity in SBG’s own workforce

With regard to its own workforce SBG says:

“SBG recognises the importance of gender diversity. We have 560 employees with a split of 65 percent male to 35 percent female. We recognise the importance of a diverse workforce, to bring together varied skills and experiences to deliver successful teams.”

SBG also recognises the importance of diversity at the top of the business:

“We have recently strengthened our board and executive teams with key female hires to benefit the leadership capability.”

SBG has also recognised that building sustainable diversity involves developing a robust female talent pipeline, and that this can be achieved through the use of both internal and external programmes:

“Whilst we are a medium sized business we focus on succession planning and providing opportunities for leadership and management for our female employees.

This includes internal programmes such as:

- **Our Rising Stars programme, which recognises talented individuals and seeks to develop that talent within SBG**
- **Our Shadow SMT programme.**

We see a 50/50 ratio of male and female talent going through the programmes.”

SBG values the input of external programmes, which provide an opportunity for female managers to network with peers from other organisations and benchmark their own progress:

“In addition to our internal programmes we look externally to develop our female employees through the use of programmes such as Through the Glass Ceiling run by the Financial & Legal Skills Partnership.”
SBG concentrates not just on female talent pipeline development and ensuring a more diverse senior management team and board, but also on the diverse needs of its workforce, including the need of some employees for flexible working:

“We work very inclusively and operate flexible working policies to ensure we remain inclusive. We give consideration to part time and job share opportunities. In fact 20% of our workforce works flexibly.”

Achieving greater diversity among new entrants through the Financial Adviser School

As well as being a medium-sized employer, SBG also has a role in promoting financial advice and planning as a career option for new entrants, to ensure a pipeline of new talent in an environment of regulatory change. It has therefore founded the Financial Adviser School (FAS):

“The Financial Adviser School is the UK’s first school dedicated to nourishing the next generation of financial advisers. The ethos of The Financial Adviser School is to promote professionalism within the industry by providing all students with the skills, knowledge and expertise necessary to carry out their role as an adviser to their clients.”

The FAS is not, however, just about creating a more professional workforce, but also a more diverse one. This is partly achieved by drawing on a wide range of prior experience:

“The Financial Adviser School is not just about bringing people straight from college or university. It is also for those seeking a new career or a structured progression from their current role within the industry.”

Diversity is also achieved through the recruitment of more women to the industry. FAS’s own research with 2,000 members of the public shows that 60% still think of a financial adviser as a man in his fifties.

“Through the Financial Adviser School, we see the shortage of female advisers and are focused on raising the profile of women in adviser roles. We have 35 percent of our students who are women from a range of backgrounds.”

Despite the perception and indeed the reality that Financial Advice is a male dominated profession, the role can in fact play to women’s strengths:

“We recognise that women have core skills and competencies such as customer focus and relationship management which are key in an adviser role. We are seeing those female students excelling in their new chosen career, with one of our female students winning an industry award as Scottish Widows newcomer of the year.”
Networking

Networking is seen as something that men are good at and use to their advantage e.g. old boys network, whereas women have traditionally tended not to participate as actively in networks and therefore miss out on the benefits networking can provide. Why is this so important? Look at the benefits that effective networking can provide.

Benefits from effective networking

- A source of advice, and help, from people you know and trust
- Access successful best practices
- Share ideas and explore options in a safe environment with other like-minded individuals who are in similar situations to you
- Learn from others who have achieved success
- Raise your own profile
- A forum that will champion and promote your ideas
- Identify and observe role models
- Opportunities to carry out research
- Obtain new introductions and open doors
- Access new job opportunities

Networking Good Practice

Many firms now recognise that networking not only brings positive benefits for their women employees but also has many business benefits. As a result, internal networks are being promoted and resourced by employers, and in many cases sponsored by the CEO or other senior executive.
Case Study – Women’s Network Sponsorship  
With thanks to Opportunity Now – Awards 2012

Motivate
Helena Morrissey CBE is Chief Executive Officer at Newton Investment Management, a BNY Mellon company. For the past decade Helena has championed the leadership of women in financial services and across all industries, leading many initiatives designed to further the careers of women and prepare them for senior positions.

Act
Helena became CEO of an asset management firm in 2001 at the age of 35. In 2006, she launched the parent company’s international women’s forum, a networking group designed to ensure the company attracted, developed and retained the best available talent. This successful group runs regular events in order to enhance relationship building, increase professional development opportunities, improve the visibility of their women internally and externally, and share time and skills to support the development of disadvantaged women in their community.

In 2010, Helena led the launch of the “30% Club”, a new external initiative encouraging UK companies to aim for significantly greater female representation on their boards by 2015. This group of UK-based Chairmen champions the business case for gender diversity at an executive level, and encourages other senior business leaders to do the same. The initiative is designed to raise awareness of the commercial business reasons for having more women on boards and in senior management roles, and to persuade others to take action. The “30% Club” argues that gender balance on boards encourages better leadership and governance, contributes to better all-round board performance and increases corporate performance for businesses and shareholders alike. Helena believes the best way to achieve boardroom gender equality is to allow companies to take action voluntarily and organically.

Impact
The “30% Club” has received considerable interest with high-profile support from government and the business community, including thirty Chairmen who are taking action on board diversity. Helena has contributed to the debate internationally, addressing European conferences and achieving widespread global media coverage. Helena’s efforts culminated in sharing a platform with the Prime Minister and Lord Davies in October 2011 to highlight the issue. Helena’s work and profiling of the 30% Club has ensured that the issue of gender diversity and good corporate governance will continue to be at the top of UK and global board agendas for the long term.

See more at: http://opportunitynow.bitc.org.uk/our-resources/case-studies/awards
Networking good practice

How can you become an effective networker? One of the best ways is to learn from others who have perfected the role. A recognised expert in this field is Gwen Rhys who has been described as ‘the UK’s leading expert in business networking and developing social capital’. She describes networking as:

The process of building, nurturing and leveraging relationships in order to maximise opportunities for yourself and others

Her philosophy is summed up by these 3 statements:

- **It’s not about networking the room – it's about being in the right room**
- **It’s not about who you know but who knows you**
- **It’s not about collecting business cards – it’s about adding value**

Gwen is founder of Women in the City, set up primarily to ‘Promote, Recognise and Reward Female Talent’. In 2013 Women in the City launched Project Diamond with a handbook which is designed to ‘help career-focused women progress and achieve their business ambitions’. An additional resource available as part of Project Diamond and written by Gwen is a step-by-step guide to networking:

*Strategic Networking - Understanding why networking is a critical competency, the key characteristics of an effective networker and how to build a strategic network*

Copies can be obtained directly from Women in the City at [www.citywomen.co.uk](http://www.citywomen.co.uk)

**External Networks**

There are many established professional networks for women, some of which are shown here as a means of starting the process of connecting with others. They all have their own clear vision and purpose and provide a range of support, opportunities and resources which you may want to explore.
Networks to consider:

- European Professional Women’s Network – the president, Charlotte Sweeney, has been tasked with undertaking the review of the Voluntary Code of Conduct for Executive Search Firms [www.europeanpwn.net](http://www.europeanpwn.net)

- The Two Percent Club – [www.thetwopercentclub.com](http://www.thetwopercentclub.com) - also includes An Inspirational Journey which has recently launched ‘The Pearls’ an initiative all about fixing the leaking pipeline – [www.aninspirationaljourney.com](http://www.aninspirationaljourney.com)

- Emerging Leaders Network – a network of talented emerging women leaders who inspire, support and enable one another to become current leaders of tomorrow [www.emergingleadersnetwork.co.uk](http://www.emergingleadersnetwork.co.uk)

- City Women Network – [www.citywomen.org](http://www.citywomen.org)

- International Women’s Forum – connecting women of achievement, sharing ideas and experiences [www.iwforumuk.org](http://www.iwforumuk.org)

- Women in the City – [www.citywomen.co.uk](http://www.citywomen.co.uk)
# Essential Preparation

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Introduction

Applying for a first non-executive director position, or an executive level role, is very different to a traditional role application process, particularly if it is a regulated role, and this can make it a stressful experience. Being well prepared for the role and the interview process is essential to maintain your confidence and ensure you are able to present yourself positively and successfully. There are some things that you can do to help your preparation, and some good practices that the Chair and CEO can adopt that will help make the whole process transparent and unbiased.
Preparing my CV

First of all, having a well constructed and distinctive CV is an essential requirement. Writing and compiling your own CV will take time and will benefit from research and some fresh thinking. This is one of the advantages of building a strong network in that you are able to seek ideas and inspiration from other like minded women, see how they have constructed their CVs and learn from the experience of others. It is an opportunity to get reaction and feedback to your own draft CV prior to submitting it with an application, and identify areas which could be improved.

Identifying and obtaining agreement of a woman in a senior role within your own organisation to be a mentor is a further source of support, particularly if they have come through a selection process and have experience of what a good CV looks like. It is good practice in many organisations to establish a role model and mentoring programme as part of internal talent management and succession planning policies. Where this is not the case, Chairs and Chief Executives are encouraged to review their policies and see how this support could be provided.

A further resource available as part of Project Diamond and written by specialist board and executive search company, Norman Broadbent, is a guide to compiling a CV that will help candidates present the best of themselves:

**Your CV – A Headhunter's Perspective** - step by step ‘how to’ guide that will help you compile a CV that stands out from the crowd including layout, content and a list of high impact verbs that will help candidates to present the best of themselves and avoid typical traps

Copies can be obtained directly from Women in the City at [www.citywomen.co.uk](http://www.citywomen.co.uk)

Competency based interviews

Chairman and nomination committees are more and more looking for specific competencies and skills when selecting individuals for appointment to the board. This approach will give women who may not have the traditional role experience the opportunity to present their unique strengths and relevant competence and compete effectively for board roles. Some individuals will be unfamiliar with competency based interviews and have little experience of the specific techniques used. The following information is provided as an initial guide to this style of interview and gives some guidance on how to prepare for the interview. Further information and support will usually be available through the internal HR function or directly from an Executive Search firm.
Competency based interviews follow a clear structure, are less conversational than many other forms of interview, with each question designed to assess or test a specific skill or competency. This is usually determined by the candidate’s use of specific examples in previous roles where the interviewer will consider the approach taken, the level of understanding demonstrated, the specific actions completed and the outcomes achieved. A good interviewer will dig further into any example being offered by the candidate, asking for more information, reasons for choosing a certain course of action, and other indicators of skills and behaviours.

The interviewer is primarily interested in your previous performance and approach to a specific task or responsibility, as this detail will give a good indication of how you will deal with similar issues or responsibilities in your new role. It is therefore focused on hard facts and the evidence you are able to provide to substantiate your competence. Suitability is often based on a scoring mechanism, with each competence having a series of indicators attached which the interviewer is looking for the candidate to relate or display. There will usually also be a series of negative indicators which, if seen or displayed within the candidate’s response, will impact the scores achieved. The interviewer will review the evidence obtained through the interview including the examples used and the behaviours they demonstrate, and match this against the rating scale. Scoring is typically based on a scale of 0 to 4, with the range depicting the following assessment of competence:

<table>
<thead>
<tr>
<th>SCORE</th>
<th>RATING</th>
<th>DEFINITION</th>
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<tbody>
<tr>
<td>0</td>
<td>No evidence</td>
<td>No evidence was provided</td>
</tr>
<tr>
<td>1</td>
<td>Poor</td>
<td>Some evidence provided, few positive indicators, many negative indicators – strong limitations across most areas</td>
</tr>
<tr>
<td>2</td>
<td>Weak / some concern</td>
<td>Evidence provided showed some positive indicators, with some negative indicators – strong limitations in some areas</td>
</tr>
<tr>
<td>3</td>
<td>Satisfactory</td>
<td>A good range of evidence provided which showed a satisfactory level of positive indicators, with some negative indicators – clear strengths in many areas with some limitations</td>
</tr>
<tr>
<td>4</td>
<td>Good</td>
<td>Strong evidence provided which displayed many positive indicators – clear strengths in most areas</td>
</tr>
</tbody>
</table>

Example:

A specific competence to be assessed might be ‘how you deal with pressure from others in carrying out your duties and responsibilities’. The question could be phrased: ‘Describe an example of when you felt under pressure to reach a decision, and how you dealt with this’
Positive indicators being looked for in your example would likely include:

- Demonstrates a clear understanding of the boundaries of her decision making
- Adopts a positive approach towards the situation
- Recognises and takes into account the wider responsibilities of the role, both internally and externally
- Considers the situation in the wider context
- Recognises her own style and limitations, seeking help when necessary
- Is able to influence and persuade, and prepared to compromise where this does not conflict with her wider obligations
- Uses a range of strategies to effectively manage others and deal with the pressure

Negative indicators would likely include:

- Adopts a negative approach to the situation, perceiving challenges as problems
- The boundaries were not clearly described and the decisions reached were confusing
- Compromised inappropriately which undermined principles
- Used inappropriate strategies to manage others and their expectations
Interview Format

There are usually a fixed number of essential competencies and skills to be assessed through the interview, and each will have a set of specifically designed questions for each competency. The format for each is to start with an opening question which allows the candidate to set the scene and describe the example they have selected. The interviewer will then look to uncover further evidence and relevant detail through a series of probing questions. This is often referred to as ‘funnelling’ (see diagram 1 below) as the questions become more specific, probing into key actions, decisions or outcomes, and seeking specific explanations until the interviewer has uncovered sufficient evidence to make a judgement on competence.

Diagram 1 – Funnelling of Questions

Opening questions are generally quite broadly framed, allowing you to choose the example you wish to use e.g.

- Describe a situation…
- Tell me about a time when…
- Give me an example of…
- How do you approach…

Follow-on questions will probe into specific aspects of your example and will seek to uncover the detail behind the example e.g.

- How did you prepare for…
- Who did you involve and at what stage…
- How did you deal with any conflicts that arose…
- Why did you think this was the best approach…
- What were the consequences of your decision and how did you handle these…
- What did you learn from this…
- What would you do differently next time…

Preparation
Preparing for a competency based interview

Preparation is very important and should include these key steps:

- Make sure that you understand the role and the specific skills and competencies required to perform the role. Seek to confirm which of these skills and competencies will be assessed at the interview.
- Identify a range of examples from recent experience which you could use to demonstrate the skills and competencies that are being assessed. Test the relevance and significance of these examples to ensure you select the one which demonstrates your role most substantially and completely.
- Prepare how you will relate your ‘story’ using either the STAR or CAR approach.

STAR approach

STAR is an acronym which stands for SITUATION ~ TASK ~ ACTION ~ RESULT. It enables you to structure your response in a logical order, cover all the essential aspects in a meaningful way, whilst emphasising your role in the example and the outcomes you achieved.

The Situation and Task allow you to set the context, describe the situation you were facing and detail the tasks you needed to undertake to resolve or progress the situation.

The Action is where you will describe how you demonstrated the skills, attributes and competence being assessed. The focus should be on you, what you did, how you did it and why you did it that way. It is essential you cover your thought processes, reasoning and decision making as this will enable you to evidence your breadth of understanding and the significance of your contribution.

The Result is your opportunity to explain what happened, what the result was, what you accomplished through your actions, and that you can clearly link actions with outcomes. You can use this to show your awareness of a range of approaches to achieve the desired result, and to demonstrate why your approach delivered the best result.

CAR approach

CAR is very similar but takes a broader approach to areas of responsibility and is less task focused. It stands for CHALLENGE ~ ACTION ~ RESULT and is designed to effectively demonstrate your working style, knowledge, skills and attributes and how you apply these to a range of experiences or challenges relevant to the role or area of responsibility.
This technique is more frequently used for executive level appointments. In simple terms it allows you to:

- Explain the context and challenges you faced and needed to act on
- Describe what you did and how you acted to resolve the situation or drive change
- What outcomes you achieved and what the benefits were to the organisation and/or its customers

Both approaches are helpful in preparing for a competency based interview and it is likely that some competencies will require a broader, oversight type example (CAR) whilst others will be more specific, such as those covering areas of risk management, audit and compliance (STAR)

**Key Points**

- Choose significant examples which highlight the full extent of your responsibility and contribution
- Try to use recent examples as they will have greater relevance
- Do not generalise
- Stick to the facts not the theory
- Personalise it and specify what your contribution was
- Be clear why you did things in certain ways
- Explain the options you considered and why you rejected them
- Show how your actions achieved the outcome
- Do not be modest or self-conscious about what you did or achieved
Am I ready for this appointment?

Recent data indicates that while more women are being appointed to Non-Executive roles there is little movement in the percentage of women moving into Executive Director roles. This is despite the findings of a recent study published by the Harvard Business Review, which found that women scored higher than men in 12 of 16 key leadership skills (as rated by their peers, supervisors and direct reports). In addition to being reported as better at developing others, building relationships, collaborating and practicing self-development, they also scored higher on taking initiative, driving for results, analysing issues and solving problems.

The findings were shared with a group of women from outside of the survey group who were then asked to suggest why their colleagues were rated so highly on taking initiative and self-development, their answers pointed to the still-tenuous position they felt they occupied in the workplace:

“We need to work harder than men to prove ourselves.”

“We feel the constant pressure to never make a mistake, and to continually prove our value to the organisation.”

Changing the Landscape at Board Level

The FLSP have concluded that there is a further need to provide support for firms to equip women to achieve Board level positions. We now offer a senior level programme, Changing the Landscape at Board Level, specifically designed to address the needs of women who are currently either reporting to an Executive Director or are seeking their first Executive Committee role, in the financial services sector.

The objectives for the programme are:

- To equip individuals with the skills to compete effectively for Director roles
- To provide the mix of knowledge and skills necessary for Directors in the sector
- To enable delegates to plan and implement a strategy to achieve a Board level appointment

Chief Executives and HR Directors are strongly encouraged to embrace this programme as a unique resource within their gender diversity strategy and sponsor senior women who have the potential to move onto the executive board through this development opportunity.

Further information can be found at [http://www.changingthelandscape.org.uk](http://www.changingthelandscape.org.uk)
## Recruitment and Selection

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Introduction

The recruitment of women to non-executive director (NED) roles has received much attention as firms seek to implement the recommendations of the Davies report (Women on Boards 2011) and improve the gender balance on their boards. In this report Lord Davies put forward 10 recommendations which targeted Chairmen, Nomination Committees, investors, and executive search firms (ESFs). Recommendations 5, 7 and 8 are most relevant to the recruitment of women to board roles. They are:

Rec. 5. In line with the UK Corporate Governance Code provision B2.4, ‘A separate section of the annual report should describe the work of the Nomination Committee, including the process it has used in relation to Board appointments’. Chairs should disclose meaningful information about the company’s appointment process and how it addresses diversity in the company’s annual report including a description of the search and nominations process.

Rec. 7. We encourage companies periodically to advertise non-executive Board positions to encourage greater diversity in applications.

Rec. 8. Executive search firms should draw up a Voluntary Code of Conduct addressing gender diversity and best practice which covers the relevant search criteria and processes relating to FTSE 350 Board level appointments.

Investors are also urged to ‘pay close attention to these recommendations when considering company reporting and appointments to the board.

In his most recent update (April 2013) Lord Davies commented on the progress made, identified areas of good practice that are emerging, and focused on some more specific recommendations to help maintain the momentum.

Looking at progress and areas of good practice for each of these three points:

Rec. 5. In line with the UK Corporate Governance Code provision B2.4, ‘A separate section of the annual report should describe the work of the Nomination Committee, including the process it has used in relation to board appointments’. Chairs should disclose meaningful information about the company’s appointment process and how it addresses diversity in the company’s annual report including a description of the search and nominations process.

A high percentage of firms across the FTSE 350 are now including information on the work of their nomination committees and the nomination process followed in respect of appointments made within the period of annual report. Much less information was given that specifically referred to gender diversity and the process to ensure greater representation of women through to the appointment stage.
A look at specific examples of disclosure in the most recent Annual Reports for a random sample of firms from the FS sector shows a similar picture:

- All Annual Reports sampled included a report from the Nominations Committee
- The report summarised the steps followed in the appointment process, including naming the ESF appointed to lead the search for suitable candidates
- The process was described at a high level and therefore it was not clear how this process would address gender diversity
- There was little to directly link this process with the disclosure of other information such as progress towards 2015 voluntary targets for women on boards, and succession planning
- The information provided in a report is not always ‘meaningful’, as recommended by Lord Davies. The language often refers to good ‘intentions’ along with statements that firms ‘remain committed’ to previously reported action plans

**Good Practice**

- Many firms have now established and are resourcing an internal women’s network including specific development opportunities for women
- Appointment of a senior executive as Diversity Champion to sponsor diversity at all levels and, importantly, within the executive decision making committees
- A female role model programme that is designed to highlight the career paths of senior women within the organisation, giving direction on the steps that can be taken as well as providing a source of inspiration for other women to succeed
- Providing access to mentoring by women who have been appointed to executive roles
- Publishing data to show the progress being made on a yearly basis to improve gender representation at all levels of the organisation
- A board policy which encourages executive directors to take up one external non-executive director role

**Rec. 7.** We encourage companies periodically to advertise non-executive Board positions to encourage greater diversity in applications.

It is noticeable that very few outside the public sector are doing this. Joëlle Warren, Executive Chairman of the executive search firm, Warren Partners, who specialises in Chair and NED appointments commented ‘We encourage our clients to advertise their NED opportunities wherever possible to broaden the talent pool. We find that still only 10-15% of the respondents are female which we need to supplement with search to reach our longlist target of 30% but we have found that mentors to women will see the advertisement and contact us to recommend their mentee. Hopefully the more women see such roles being publicised the more confident they will feel in putting themselves forward.’
Lord Davies reported that the recruitment process is still far too opaque and there is little evidence that firms are periodically choosing to advertise their board positions. Little progress has been made with this specific recommendation.

Perhaps part of the issue here is defining the brief and establishing a role specification which goes beyond the ‘experience’ factor and extends to the skills, competencies and qualities that are required. A research report by the Equality and Human Rights Commission entitled Gender Diversity on Boards: The Appointment Process and the Role of Executive Search Firms published in 2012 suggested that there are still many examples of recruitment briefs being based on mainstream corporate profiles, existing board experience and traditional careers. Advertising a position based on this role specification is not going to attract any different or better candidates than are currently being put forward. A more extensive brief which defines the skills and competencies required in the role rather than the experience expected of the candidate and the typical roles they are likely to have held, will be more appealing to women and the way they respond to career opportunities.

**Good Practice**

- Develop a detailed brief for board roles which is at least gender neutral and, at best, gender positive for women
- Describe the skills and competencies in at least as much detail as the desired technical expertise that candidates should be able to bring to the boardroom, and be clear in what functions and sectors these might have been developed
- Be prepared to compromise on the detail of the specification but not on the calibre of the applicant
- Ensure the members of the Nomination Committee, in particular the Chairs, and the ESF appointed have received training and understand the indicators and impact of unconscious bias in the recruitment and selection process

It is incumbent on ESFs to improve the way they do things to achieve the desired progress. Some suggestions to improve outcomes would be:

1. Better and more frequent advertising, ideally for all appointments
2. Build stronger networks with sources who can recommend other women
3. Publish statistics of women recruited to board/senior level roles and progress being made
4. Produce and publish case studies which showcase successful practice

**Rec. 8.** Executive search firms should draw up a Voluntary Code of Conduct addressing gender diversity and best practice which covers the relevant search criteria and processes relating to FTSE 350 board level appointments.
Progress has been made, with the Voluntary Code first introduced in July 2011 containing 7 principles of best practice, which have since been revised and extended to 9 principles. These are shown below.

Whilst around 40% of firms operating in the FS market have signed up to the Code, the experience so far has been mixed. The EHRC research identified some examples where ESFs were striving to make this work, with some innovative approaches being implemented, but there is too little evidence this is having any significant impact. As a result the Business Secretary announced a review of the code in September 2013 to test the strength of the Code, develop areas of accountability and identify the practical changes that have been made to the recruitment process as a result of the Code. The review will also look at whether women are still accounting for 30% of the initial long-lists of candidates submitted to company Chairs by executive search firms.

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<tr>
<td><strong>1. Succession Planning:</strong> Search firms should support chairmen and their nomination committees in developing medium-term succession plans that identify the balance of experience and skills that they will need to recruit for over the next two to three years to maximise board effectiveness. This time frame will allow a broader view to be established by looking at the whole board, not individual hires; this should facilitate increased flexibility in candidate specifications.</td>
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<td><strong>2. Diversity Goals:</strong> When taking a specific brief, search firms should look at overall board composition and, in the context of the board’s agreed aspirational goals on gender balance and diversity more broadly, explore with the chairman if recruiting women directors is a priority on this occasion.</td>
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<tr>
<td><strong>3. Defining Briefs:</strong> In defining briefs, search firms should work to ensure that significant weight is given to relevant skills, underlying competencies and personal capabilities and not just proven career experience, in order to extend the pool of candidates beyond those with existing board roles or conventional corporate careers.</td>
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<tr>
<td><strong>4. Longlists:</strong> When presenting their longlists, search firms should ensure that at least 30% of the candidates are women – and, if not, should explicitly justify to the client why they are convinced that there are no other qualified female options, through demonstrating the scope and rigour of their research.</td>
</tr>
<tr>
<td><strong>5. Candidate Support:</strong> During the selection process, search firms should provide appropriate support, in particular to first-time candidates, to prepare them for interviews and guide them through the process.</td>
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</table>
Voluntary Code of Conduct for Executive Search Firms

6. **Supporting Candidate Selection:** As clients evaluate candidates, search firms should ensure that they continue to provide appropriate weight to intrinsic competencies and capabilities, supported by thorough referencing, rather than over-valuing certain kinds of experience. Search firms should, as necessary, advise their clients on how to run their interview process to demonstrate the required rigour and professionalism and to avoid unconscious gender bias.

7. **Induction:** Search firms should provide advice to clients on best practice in induction and ‘onboarding’ processes to help new board directors settle quickly into their roles.

8. **Embedding Best Practice:** Search firms should ensure that best practices in supporting clients on enhancing board gender diversity are well-documented and shared internally and that adherence to the Code is effectively monitored.

9. **Signalling Commitment:** Search firms should signal their commitment to supporting gender diversity on boards through their websites and marketing initiatives as appropriate and are encouraged to invest time into developing relationships with the pipeline of future female candidates.

It is not the intention to predict the findings of the review. Further comments will be added once the findings are published. However, this voluntary code, like any code, sets a framework from which good practice can emerge and be promoted. ESFs should continue to identify factors relevant to the provisions of the code that they are able to positively influence, and set measureable objectives for improvement in these areas appropriate to the instructions they receive and act on and the boards and business leaders they work with. Some key questions to ask to prompt improvement are provided on the following page.
Key Questions

✓ What strategies are in place to recruit women onto your board / into your organisation?

✓ What criteria do you set for the selection of Directors and how is this detailed? What language does it use? How routinely is it applied?

✓ What action have you taken to improve the job specification for new Director appointments?

✓ Are there cultural issues within the board, and the organisation, that restrict or make it more difficult for women to fulfill their potential, or create barriers to their career progression? How do you know?

✓ How well does your succession planning strategy reflect your expectations for gender representation on the board and board committees? What progress has this achieved below the board and throughout the talent pipeline?

✓ Are there critical skill sets and competencies missing from your board which your current appointment process is not addressing?

✓ How effective is your process to address poorly performing directors?

✓ How are decisions made on who is picked and developed for board level? Who makes this decision? What criteria are used? Is there current good practice in this area?

✓ What development do you sponsor for talented women within your organisation?

✓ What induction training do you provide for new board members? Is this tailored to meet the needs of women joining the board?
Good Practice Case Study – Recruitment (CEO Champion)
With thanks to Opportunity Now – Awards 2012

Motivate

Colin Grassie is UK Chief Executive Officer of Deutsche Bank. His aim is to improve the performance of the business by diversifying the workforce. The firm strongly believes that diverse teams are more innovative and perform more effectively.

Act

• Colin established and chairs the UK People Committee which in 2011 focused on gender diversity with the aim of positioning diversity in a broader and more commercial context, linked firmly to business strategy.
• Colin held the Committee to account to take action on female promotion rates, increasing the proportion of women on interview and promotion panels and challenging the promotion committees to understand unconscious bias.
• Colin charged the Committee with recruiting more senior women, sponsoring an initiative to increase senior female hires, personally influencing other leaders and meeting candidates.
• Colin hosted four briefings for search firms, each with up to 120 recruiters and 75 internal senior leaders. He personally delivered messages about Deutsche Bank’s business case for gender diversity and desire to partner with search firms to recruit more senior women.
• Colin hosted Deutsche Bank’s flagship Women in Banking summer intern event targeted at female graduates. Colin sponsors the Lesbian, Gay, Bisexual and Transgender (LGBT) network, which has a target to better engage with lesbians. A notable event was a joint Women’s and LGBT Network event with Martina Navratilova.
• Colin continues to mentor several of the women recruited and proactively seeks opportunities for women to join the company’s boards.

Impact

As a result of Colin’s work, gender diversity is better understood and being actively driven in Deutsche Bank in the UK. There are more women on promotion panels and significant progress has been made on recruitment. Between January and September 2011, female hires at the top three title levels increased significantly as a proportion of total hires. One woman was appointed to two of the UK’s largest legal entity boards and another woman was appointed to the UK Executive Committee.

See more at: http://opportunitynow.bitc.org.uk/our-resources/case-studies/awards
Unconscious bias

Preparation at an organisational level includes taking positive action to change practices which restrict, or negatively impact on the fairness of opportunities within the organisation and decisions to appoint women to senior roles. Unconscious bias is now widely seen as a negative barrier to improving gender diversity. Organisations are now investing in training to better understand and address this issue, in many cases led by the Chair and Chief Executive to drive better practice from the top.

We strongly encourage all organisations to review their own competence in this area.

Further information has been provided in the Toolkit for Boards where you will find an article produced by The Employer’s Network for Equality and Inclusion (enei) where Dan Robertson, Director, is acknowledged as an expert on this subject.

The Toolkit for Boards can be found at: http://www.financialskillspartnership.org.uk/skills-resources
Global Practice

Gender diversity and representation on boards is a global challenge and similar efforts are being made to progress and meet this challenge, including regulatory intervention and disclosure requirements. This is very pertinent for the FS sector as many of our larger companies have a global presence. The best organisations will look to learn from the successful good practices being promoted in all parts of the world.

A good source of reference for US corporate practice and progress is the report published by Calvert Investments entitled Examining the Cracks in the Ceiling – A Survey of Corporate Diversity Practices of the S&P 100 (March 2013). This provides 10 indicators of leading best practice, examples of current good practice, and the status of all firms in the S&P 100 against these indicators. Organisations are encouraged to audit their own policy and practices against this best practice model. In the most recent report, 2 of the 4 top scoring organisations are Citigroup and JP Morgan Chase, both of whom have significant operations here in the UK.

Regulatory reporting and disclosure (Securities and Exchange Commission) is a requirement in the US, as in the UK. The report provides model wording for diversity policy and disclosure requirements, and this is reproduced here for information.
Model Diversity Policy and Disclosure Wording

Whether, and if so how, a nominating committee considers diversity in identifying nominees for director; (SEC disclosure requirement)

(1) The Board believes that diversity is an important attribute of a well-functioning board. In selecting qualified candidates to serve as directors of the Company we consider a range of matters of diversity including race, gender, ethnicity, culture, thought, and geography and measures ensuring that the Board, as a whole, reflects a range of viewpoints, backgrounds, skills, experience, and expertise.

(2) The Nominating Committee has developed a set of criteria for Board membership that strives to attain a diversity of background and skills for the Board. The Committee has also created a search protocol that seeks qualified Board candidates from, among other areas, the traditional corporate environment, government, academia, private enterprise, non-profit organizations, and professions such as accounting, human resources, and legal services.

If the Nominating Committee (or the Board) has a policy with regard to the consideration of diversity in identifying director nominees, disclosure would be required of how this policy is implemented, as well as how the Nominating Committee (or the Board) assesses the effectiveness of its policy.

In the process of searching for qualified persons to serve on the Board, the Nominating Committee (or the Board) strives for the inclusion of diverse groups, knowledge, and viewpoints. To accomplish this, the Committee (or the Board) may retain an executive search firm to help meet the Committee’s (or the Board’s) diversity objective as well as form alliances with organizations representing the interests of women and minorities. In connection with its efforts to create and maintain a diverse Board, the Nominating Committee (or the Board) has:

(a) Developed recruitment protocols that seek to include diverse candidates in any director search. These protocols take into account that qualified, but often overlooked, candidates may be found in a broad array of organizations, including academic institutions, privately held businesses, nonprofit organizations, and trade associations, in addition to the traditional candidate pool of corporate directors and officers.

(b) Strived to use, to their fullest potential, the current network of organizations and trade groups that may help identify diverse candidates.

(c) Periodically reviewed director recruitment and selection protocols so that diversity remains a component of any director search.
Leadership 21C

Tools and Solutions for Gender Diversity