



Women and Equalities Select Committee inquiry exploring women in executive management

ICAEW welcomes the opportunity to comment on the Women and Equalities Select Committee inquiry exploring women in executive management launched on 24 February 2016.

We would be happy to discuss any aspect of our comments and to take part in all further written or oral consultation in this area.

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ICAEW members operate across a wide range of areas in business, practice and the public sector. They provide financial expertise and guidance based on the highest professional, technical and ethical standards. They are trained to provide clarity and apply rigour, and so help create long-term sustainable economic value.

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ICAEW BACKGROUND

1. ICAEW has developed a number of initiatives to support gender equality in the workforce. Our 'Women in Leadership' and 'Back to Work' programmes are designed for women returning to the workforce and to provide advice, networking opportunities and Continuing Professional Development (CPD) programmes that give women opportunities to get ahead. Beyond this ICAEW has a focus on developing our members throughout their careers and this encompasses when they take time out of the workplace for families or sabbaticals. This involves regular focus and research groups to identify the practical and emotional barriers facing women in the workplace.
2. ICAEW programmes to support women in the workforce are taken advantage of by a range of firms and employers. Our member firms implement a range of initiatives to help women achieve their potential, including board level mentoring schemes, women's leadership programmes and diversity training. We believe this best practice needs to be shared across professions to allow a joined-up approach to tackling pay disparity.
3. ICAEW is a strong and active supporter of efforts to achieve gender equality in the UK. In 2015, ICAEW submitted comments to the Women and Equalities Select Committee exploring the gender pay gap, published as ICAEW REP 171/15, and ICAEW Executive Director Sharron Gunn gave oral evidence to the Select Committee on 2 February 2016.

TERMS OF REFERENCE

4. This response focuses on the last four of the six specific issues identified in the terms of reference for this inquiry:

Point 3: What are the barriers to women achieving senior positions?

Point 4: What measures can companies take to increase the number of women in executive positions?

Point 5: What should the Government be doing to improve the situation?

Point 6: Should quotas be introduced?

SUMMARY OF ICAEW MAIN POINTS

5. ICAEW supports the Government backed reviews into increasing the number of women in executive positions. Following the successful use of targets in the Davies Review, significant progress has been made. To create a real impact however, we believe it is important to address the following issues:
6. If Government is to increase the number of women in executive positions then there needs to be better support structures to attract and retain senior women in the workforce. There are many important factors in supporting women achieve their potential, which include developing the talent pool and changing workplace culture. It is also vital to break down pre-determined criteria of what 'potential' might be. Companies need to realise that a range of skills are required at executive level, and potential to be top level executives is not defined by a single characteristic.

7. Raising aspirations of young women through education and work experience, and introducing targets at all career levels. ICAEW supports the use of targets, not quotas in supporting the strength of the pipeline of talent and bringing attention to the need to grow the number of women in executive posts. Disclosure and targets provides an important incentive for enacting real change, without leading to tokenism.
8. A clear definition of what executive might mean is necessary to provide consistency across professions. Whilst it is possible to look and compare FTSE 350 companies using job titles and levels, translating this to work for smaller businesses and company sectors that employ a large number of employees is more problematic.

RESPONSES TO SPECIFIC QUESTIONS

Q3: What are the barriers to women achieving senior positions?

Women face a number of barriers in reaching senior positions. All professions must look at how they support women's career growth into, during and returning to work.

9. Education plays a key role in raising young women's aspirations and often steers their career paths from a young age. It is therefore vital that schools and colleges are equipped with the resources and expertise for all students to plan their careers. Organisations have a role to play in educating both boys and girls about what working in their sector involves; offering work experience not only at graduate level but at sixth form where students are deciding their future education and career choices. Practical skills and work experience are necessary in preparing young people to thrive in the workforce.
10. Raising aspirations in young women is a long term approach to addressing the pipeline problem responsible for fewer women reaching executive positions. In the accountancy profession, 43% of graduates entering the workforce are female. This initially puts women at a disadvantage when organisations are looking to promote employees to middle manager level, because there are fewer women to choose from.

Q4: What measures can companies take to increase the number of women in executive positions?

11. How employers recruit is vital for determining that everyone is given a fair chance and attracting a diverse range of employees. The accountancy profession is moving away from graduate only careers and opening up access through school leaver and apprenticeship schemes. The introduction of blind recruitment in our larger firms where CVs, A-Level grades, university and UCAS points are omitted from applications removes bias from the process. At every single level these firms are looking at the pipeline and every shortlist has a proportionate percentage of females on it versus their workforce, which is slowly causing the numbers to shift.
12. The use of role models is key in raising the aspirations of young women. Having a role model who has moved up the corporate ladder and is able to offer support and advice is invaluable to those at the beginning of their career. A common problem seen in the workplace is fewer women putting themselves forward for more senior roles. Alongside mentoring, sponsorship and peer to peer support networks is also an effective way of encouraging women into different roles and should be championed by senior male and female employees. ICAEW's largest member firms are running sponsorship programmes as well as mentoring schemes.
13. Agile and part-time working allows employees to achieve a better balance between their career and other commitments, for example raising a family. Overwhelming evidence from our members attending comeback community events shows that part-time working is one of their key requirements. Providing greater choice over when, where and how to work by offering a blend of formal, flexible working arrangements and informal day-to-day practices means

women are not faced with a choice between family and their career.

14. One example from a large accountancy firm is the offer of five weeks holiday with two weeks extra you can buy, and a month unpaid. That is allowing working parents, both men and women, to share the childcare responsibilities and school holidays. The scheme has seen a 50:50 take-up and, particularly with women, has encouraged women back in the workplace where they feel they can succeed.
15. The long hours culture of demanding careers acts as a deterrent, resulting in many women choosing not to reach for executive level posts. Employees must focus on changing workplace culture to encourage women to return and stay in the workforce. By measuring performance on results not hours helps to bring outdated culture into the 21st century. Often skills developed outside of work are overlooked, but can actually bring different and useful perspectives to the job.
16. Back-to-work programmes designed for women returning to the workforce providing advice, networking opportunities and CPD programmes help give women opportunities to get ahead and encourage them back into the workforce.

Q5: What should the Government be doing to improve the situation?

17. Government initiatives have been effective in raising the profile of gender equality and focusing on the issues behind it. ICAEW welcomes the progress of the Davies Report, and the Hampton Review is now rightly focused on executive level posts and the pipeline problem. Having a definition of 'executive' will help to draw comparisons between sectors and evaluate progress.
18. In principle, legislation for companies with over 250 employees to report their gender pay gap is a positive step. Disclosure is effective in creating change, and in the accountancy profession, companies are disclosing more and more information and introducing diversity targets at all levels. Whilst the definitions of what companies will have to disclose are high-level at this point, ICAEW believes that this has the potential to have real impact.
19. Creating policy to encourage women into the workplace is the first step, but Government can't legislate to adjust attitudes. Practical solutions to highlight the benefits to employers as well as incentives for women to remain in, and return to work are required to create real change.
20. Government should be working with organisations to identify good sectors and case studies that can be shared more broadly and look at how these initiatives could be applied to smaller organisations or different industries. Business should take a leading role with the support of Government.

Q6: Should quotas be introduced?

21. ICAEW believes the case for quotas is not compelling and the use of targets has a more positive impact. Quotas risk being a short-term solution and don't address the issues around retaining women and up skilling.
22. While it is tempting to think quotas are a quick fix, appointing women to fill a quota is unconstructive. Quotas risk setting people up to fail if they don't have the right skills and experience for the role – giving the employee a negative experience and alienating them from pursuing such roles again. Opportunities and choice are what is needed, not dictating that a woman must choose work.
23. Using targets and supporting the strength of the pipeline will ensure women entering executive level are equipped with the right skills set for the role. Every woman has a right to fulfil their own ambition, but not everyone is going to get to board level. Opportunities at every level should exist for women to progress.

CONCLUSION

24. While a great deal of progress has been made in increasing the number of women at executive level, there is still more to be done. The root causes can be traced back to education where the pipeline of female talent is developed. Culture change at all levels and a commitment from business to equality will be the real drivers of success.