



Opportunity Now's response to the Financial Reporting Council Consultation document: Gender Diversity on Boards

Who we are

Opportunity Now is the only membership campaign representing employers who want to transform their workplaces to support gender equality. We work to build and communicate the business case for this, to share and inspire best practice and to give employers and their people the tools to drive change. With in excess of 300 members, Opportunity Now is the leading organisation promoting gender diversity within the workplace.

Opportunity Now is part of Business in the Community, a registered charity which stands for responsible business.

Our call to action

Opportunity Now believes that the UK cannot risk wasting the talents of another generation of women, leaving future boardrooms of UK listed companies without the diversity of skills, talents and experiences that will enrich decision-making, enhance innovation and make the UK us more competitive. We support and champion the aspirational goals based approach outlined in the Lord Davies report on Women on Boards.

It is clear that diverse boards are good for business. As the FRC already points out, the Cranfield University Female FTSE Report 2010 showed that only 12.5% of UK listed board positions were held by women. This glacial pace of change in female representation at the very top of organisations demonstrates a clear need for a new and considered approach to driving change and achieving a balanced level of female representation. Opportunity Now supports the recommendations set out in the Lord Davies review. We see this as an opportunity to help structure and shape an approach to drive change at a more fundamental level.

For further access to our research and recommendations for change please see the Opportunity Now website www.bitcdiversity.org.uk.

Our response

Opportunity Now welcomes the chance to respond to this consultation. Our ability to access the expertise of our member organisations combined with our 20 years of experience of campaigning on women at work, forms the basis of our response. This response is constructed as answers to the questions set out in the consultation document.

Q. Would it be helpful to set out some of the key elements to be covered by a gender diversity policy?

We believe that UK listed companies could benefit from additional guidance to help them shape their policy on diversity. In our opinion such guidance should be included in a schedule to the UK Combined Code 2010 (UKCC).

Opportunity Now has significant experience in developing diversity policies in partnership with a range of employers. We have a change model upon which our work is based – Motivate, Act, Impact:

- **Motivate** is about an organisation developing their own business case for why they are committed to gender equality and inclusion. This could be because they see the commercial business benefits of a diverse workforce, with the innovation and ideas that they bring, or because they recognise the value of understanding the diversity of their people to achieve greater engagement.
- **Act** looks at the integration of gender equality, diversity and inclusion into everyday organisational life, including whether dedicated resources are available to support diversity work, whether the equality agenda has senior commitment, and whether there is board level accountability for the success of actions taken to achieve change.
- **Impact** examines how the impact of action is measured, monitored, reported and learnt from, in the expectation that the learning from measuring impact informs the business case and helps determine future actions. We would be happy to work with the FRC to develop their advice to listed companies on how to devise and report a gender diversity policy.

Is change needed to help achieve more diverse and effective boards?

Yes, change is needed to help achieve more diverse and effective boards. Further amendments to the UKCC would help create the cultural shift that is necessary if UK listed companies are to gain from the benefits associated with gender diverse boards.

What should the changes be?

We are in full support of the FRC proposed amendments to the UKCC changes put forward in the consultation document, with one small alternation. The word “any” should be removed from the sentence in B.2.4 “any measureable objectives”.

The changes should be in line with recommendation three of the Lord Davies report on women on boards. We believe that greater change will be achieved if the UK Corporate

Governance Code 2010 is explicit in its expectation that the aspirational goals set out in Davies recommendation one have been set. Opportunity Now welcomes the speed with which proposed changes to the code have been published in response to the Davies recommendations. Achieving cultural change and building the organisational pipeline that is needed if we are to achieve great gender diversity on boards will take time, and the Davies report sets out an effective combination of measures which, together, we believe will have an impact.

We support the proposed words intended to be added to Section B.6 of the code. It is right that gender diversity is considered in reviews of board effectiveness.

When should they come into effect?

Opportunity Now believes the boards should be asked to comply with any new requirements from the date they are implemented as an earliest point, not retrospectively. Companies should be encouraged to voluntarily disclose before that point, and could be supported in doing so by best practice support from the FRC, working with partners, outside of the Code.

Contacts

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