

## Percentage of women on FTSE 100 boards has increased to 26%

July 7 2016, by George Wigmore

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Credit: City University London

This year's Female FTSE Report, by academics at City University London, Cranfield University and Queen Mary University London, shows that the overall percentage of women on FTSE boards has increased compared to March 2015.

Yet while the percentage of women on FTSE 100 boards has increased to 26 percent and to 20.4 percent on the FTSE 250 boards this year, the rate of progress has slowed since the Davies closing report in October 2015. As a result board turnover rates have decreased and the percentage of new appointments going to women over the past six months is only 24.7 percent, the lowest since September 2011.

This is short of the increase required to meet the 33 percent board target

by 2020 as set out in the Davies report, requires FTSE 350 board to have 27 percent by the end of 2016. In addition to Diageo in the FTSE 100 which has 45.5 percent women on their boards, five FTSE 250 companies also have 50 percent women on their boards (Electra Private Equity, Grainger, Halfords Group, Renewable Infrastructure Group, and Woodford Patient Capital Trust). So far, 44 companies in the FTSE 100 and 58 FTSE 250 companies have reached at least 27 percent women on their boards. The 33 percent target could be achieved, but only if the pace of change increases again.

Progress among executive ranks and in the executive pipeline remains very slow. Female executive directorships stand at 9.7 percent in the FTSE 100 and 5.6 percent in the FTSE 250. This shortage of women in top senior roles may make it difficult to reach the new target of 33 percent women on boards by 2020. In this year's report we found that women overall hold 19.4 percent of FTSE 100 Executive Committee roles, and only 10 percent of operational and C-suite ones. The pipeline of female talent needs to be addressed with urgency and will form the basis of work of the new committee in this area, under the stewardship of Sir Philip Hampton and Dame Helen Alexander.

However, data on Executive Committees are not always readily available. We need more robustness and transparency in reporting gender composition at Executive Committee level and below. Companies should be encouraged to monitor and report gender balance across all seniority levels. The report also shows how metrics and targets are effective tools to create a disciplined approach to gender balance and cultural change in organizations. It lays out some principles of target setting and provides case studies of organizations that use voluntary gender targets.

Dr Ruth Sealy, Senior Lecturer in Organisational Psychology at City University London and co-author of the Female FTSE Board report

2016, said:

"For change to be sustainable, we must focus on the pipeline and ensure that women can progress through senior management ranks. Only 19.4 percent of FTSE 100 Executive Committee members are women, and women hold only 10 percent of the most important senior executive and operational roles on these committees."

Dr Elena Doldor, Lecturer in Organisational Behaviour at Queen Mary University London and co-author of the Female FTSE Board report 2016, said:

"Companies must do more to support [women's](#) careers below board level. Our research shows that rigorous gender metrics and voluntary targets are effective tools that companies can use to redress their [gender balance](#) and achieve cultural change."

Susan Vinnicombe CBE, Professor of Women and Leadership at Cranfield University and co-author of the Female FTSE Board report 2016, said:

"The focus on boards must be preserved as the pace of change has not kept up after the Davies Closing Report. In order to hit the 33 percent board target by 2020, Chairmen and search consultants must ensure the board appointment process remains robust, transparent and gender-inclusive."

Provided by City University London

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