



PROMOTING WOMEN LEADERS: THE ROLE OF THE RECRUITMENT INDUSTRY

WHY GENDER DIVERSITY IN THE WORKPLACE MATTERS

Diversity is a business issue as much as a women's issue. Research shows that companies with a higher percentage of women on boards outperform their competitors in returns on sales, equity and invested capital (Women on Boards 2011). Creating a diverse workforce is vital to the UK's economic recovery and its ability to compete in the growing global market.

“RBS have won clients on the back of our diversity drive, the business benefits are clear”
Heather Melville,
RBS and Founder of
Focused Women”

WHAT'S THE PROBLEM?

There is still a long way to go in closing leadership and pay gaps between men and women in the UK.

- Women account for just **22%** of parliamentarians, **20.4%** of FTSE100 board memberships and only **7.2%** of executive directorships (BoardWatch 2014).
- Female employment rates reached **67.2%** at the end of last year – the highest since ONS records began. Yet the gender pay gap has now risen from a difference of £89 to £97 pounds a week (ONS 2014).
- Globally, the UK ranks in the **bottom ten in terms of the number of women occupying senior management positions** (Grant Thornton 2013).

A survey conducted by McKinsey (2014) recently found that female executives are not lacking in ambition or confidence, but rather confidence in their companies' ability or willingness to support their advancement. Other factors such as a lack of female role models, mentors, networks and flexible working arrangements are impeding women's career progression. The REC is therefore committed to examining the whole talent pipeline to address gender imbalance.

BUILDING CONSENSUS

There is growing recognition of the importance of increasing gender diversity in the UK's boardrooms and workplaces in general.

In 2011, Lord Davies and his Steering Group for Women challenged the FTSE100 to make 25% of its board members women by 2015. **The figure rose to 20.4% in January 2014**, up from 12.5% in February 2011 (BoardWatch 2014).

Only 56% of the 200 UK employers surveyed for the REC's JobsOutlook in 2013 felt that gender diversity was being prioritised by their senior management teams.

18% of the FTSE250 companies sampled by Cranfield School of Management in November 2013 had a clear policy for increasing boardroom diversity.

In November 2013, European Parliament overwhelmingly approved proposals to make large companies fill **40% of their non-executive board posts with women by 2020**; 67% of MEPs voted in favour.

140 companies have signed up to the government's campaign, 'Think, Act, Report', against workplace discrimination.

There are currently **68 signatories** to the government's Voluntary Code of Conduct for Executive Search Firms to address gender diversity.



Companies with more women on their board show a
66% HIGHER RETURN ON INVESTED CAPITAL;
A 53% HIGHER RETURN ON EQUITY
and a
42% HIGHER RETURN ON SALES.

(Women on Boards, February 2011)

THE REC GUIDE : PROMOTING WOMEN LEADERS



BUILDING MOMENTUM: WHAT HAS THE REC BEEN DOING?

March 2013: The REC hosts a 'Recruiting for the Boardroom: Improving Gender Diversity' Roundtable to assess the progress since Lord Davies' 2011 Review of Women on Boards. The REC commits itself to sharing best practice.

July 2013: The REC signs up to the government's Think, Act, Report and commits to evaluating gender equality in the workplace.

July 2013: The Women in Recruitment Conference ~ co-hosted by the REC and Recruitment International – brings together recruiters, employers and policymakers to discuss the business case and practical measures taken by recruiters to address gender diversity.

October 2013: The REC convenes a roundtable with the Department for Business, Innovation and Skills (BIS) and Charlotte Sweeney, diversity expert leading a review for Vince Cable, to discuss the effectiveness of the Voluntary Code of Conduct for Executive Search.

January 2014: The REC submits evidence to the BIS' Review of the Voluntary Code of Conduct for Executive Search.

March 2014: To celebrate International Women's Day, the REC's Diversity and Inclusion Forum launches new research "Room at the Top" on the role of executive search in increasing the representation of women in senior leadership roles.

“In the past few years we've made great progress in improving boardroom diversity and the momentum has turned. But the time for talking and listening is over - we now need to start seeing businesses acting on their words” Vince Cable, Secretary of State for Business, Innovation and Skills

NEXT STEPS: WHAT ROLE CAN THE RECRUITMENT INDUSTRY PLAY?

Recruiters are uniquely placed to explain the business case for gender diversity and guide employers on how to attract and retain female talent, as well as offer support to female candidates.

LEADING BY EXAMPLE

Changing Business Cultures: Recruiters can explain the business benefits of a diverse workforce, as well as challenge discriminatory practice and unconscious bias.

Tapping into a wider pool of talent: For senior level appointments, executive search firms can ensure they provide gender balanced short lists. They also have a role to play supporting women with transferrable skills to move into sectors traditionally dominated by men, thus addressing current skills gaps and shortages.

Promoting a Flexible Labour Market: Recruiters can advise clients on job design, flexible work options as well as challenge assumptions about the business impact of flexible working. See the REC's Flexible Work Commission Report for more guidance.

DEVELOPING THE TALENT PIPELINE

Starting Early: Recruiters can help to dismantle stereotypes of 'girls jobs' and 'boys jobs' and encourage more girls into industries where there is a shortage of female talent. By signing up to REC's Youth Employment Charter, you can participate in the careers guidance offered at local schools, colleges and universities:

www.rec.uk.com/youthemployment

Building confidence: Recruiters can steer candidates towards mentors and networks that will support and allow them to imagine themselves further up the career ladder.

Sharing expertise: Recruiters are valuable sources of information (to both government and employers) on skills gaps and shortages within the local labour market and on the challenges facing the female workforce.

73%

OF FTSE 100 COMPANIES USE EXECUTIVE SEARCH FIRMS IN THE APPOINTMENT PROCESS.

(Women on Boards, Feb 2011)

For more information visit:
www.rec.uk.com/womenonboards

About the Recruitment & Employment Confederation:

The REC is the professional body for the UK's £26.5 billion recruitment industry. With over 3,500 recruitment businesses in membership, we represent 80% of the industry by turnover. Our members abide by a Code of Professional Practice and take a compliance test to enter and stay in membership. 'Respect for Diversity' is one of the ten guiding principles enshrined in our members' Code of Professional Practice, and our Diversity Pledge currently has over 350 signatories. For more information, please contact: Amanda Ciske, Policy Advisor, REC – amanda.ciske@rec.uk.com