

Impact case study (REF3)

Institution: Cranfield University		
Unit of Assessment: UoA17		
Title of case study: Increasing Gender Diversity at Board level in UK FTSE 350 companies.		
Period when the underpinning research was undertaken: 2000 – present		
Details of staff conducting the underpinning research from the submitting unit:		
Name(s):	Role(s) (e.g., job title):	Period(s) employed by submitting HEI:
Sue Vinnicombe	Professor of Women and Leadership	1978-present
Doyin Atewologun	Reader	2018-2020
Period when the claimed impact occurred: August 2013– 2020		
Is this case study continued from a case study submitted in 2014? Y/N Yes		
<p>1. Summary of the impact (indicative maximum 100 words)</p> <p>The last 10 years have seen a dramatic change in the representation of women on FTSE 350 boards. There is now an acceptance that gender diversity is a prerequisite for board legitimacy and effectiveness. This profound social and economic change has been picked up by companies, regulators, and policy makers globally, with progress in the UK achieved entirely through voluntary, business-led targets.</p> <p>The work of the ICWL has been the academic underpinning of this profound and positive change. Lord Davies, who spear-headed this change through his leadership of the first UK government-backed commission into Women on Boards, has described the contribution of its leader Sue Vinnicombe thus, “[it’s] been a game changer. I will forever be in her debt and so will UK plc”. [S6]</p>		
<p>2. Underpinning research (indicative maximum 500 words)</p> <p>The Cranfield International Centre for Women Leaders (ICWL) has been a thought leader in gender diversity on UK Boards since 1999 and continues to impact understanding and policy and practice in this area through new research into the dynamics and constituents of board composition and regulation that affect gender diversity, as well as factors influencing the executive pipeline.</p> <p>The Centre has also contributed to theory by building on the concept of ‘dialogic trading zones’ to conceptualise the process of impactful research, using its years of experience of conducting women on boards research. The Centre’s research shows that trading zones (where knowledge from disparate communities can be shared and integrated) are a) action-oriented with knowledge being co-created through evolving engagement with non-academic stakeholders; b) require durability to enable idea gestation and problem reframing and c) cannot guarantee psychological safety when interactions with non-academic stakeholders require navigating sensitive political dynamics and trade-offs [R1].</p> <p>Dynamics and Constituents of Board Composition</p> <ul style="list-style-type: none"> <p>Monitoring and Modelling:</p> <p>The annual Cranfield Female FTSE Board Reports were the first to monitor year-on-year changes in the percentages of women on the boards of FTSE100 and FTSE250 companies. The Centre developed the trajectory model used in both the Davies and Hampton Alexander Reviews to identify the appointment rates required to meet the targets [R2].</p> 		

Board Regulation

- Gender Diversity Reporting:**
 Due to its expertise in gender and leadership, the Financial Reporting Council (FRC) commissioned the ICWL to undertake three funded studies (2012, 2013 and 2015), to monitor progress in Board Diversity reporting. The research findings specifically called for greater robustness and transparency in reporting gender diversity at executive committee and senior management levels and included recommendations for practice with regards to metrics and targets [R3].
- Board Evaluators:**
 In 2016, the ICWL undertook the first study of consultants who undertake external reviews of FTSE boards to evaluate whether this community is playing a role in encouraging gender diversity on FTSE boards. The resultant report contained recommendations to the Financial Reporting Council on clearer guidelines required for such reviews [R4].

Executive Pipeline

Increasing the pool of women who are considered for board positions has been recognised as a key factor in ensuring gender equality at board level. The Centre's research has contributed new thinking and applications surrounding the main factors influencing the progress of women in the executive pipeline, as below:

- Changing Organisational Culture and Practice to ensure a Pipeline of Senior Women Leaders:**
 In 2018, the ICWL developed an innovative, holistic, Inclusive Talent Management model through its applied work with organisations looking at the key elements required to shift organisational culture and change to one of inclusive leadership. The model provides a diagnostic template for practitioners to audit their current state and to identify key levers to embed and monitor progress towards an inclusive culture.
- Gender Differences in Key Employee Life Cycle Processes:**
 The ICWL's research has highlighted the need to take both a systemic and individual lens to the factors affecting women's progress to senior leadership levels. Research by the Centre (2010) into men and women's different approaches to impression management provided a new understanding of the key factors affecting this important element of career progression in organisations. A key finding was the need for more proactive championing of female talent as the women were less likely to promote themselves. [R5].
- Increasing the Visibility of Female Executive Talent:** In line with its ethos of "*knowledge into action*", since 2009, the ICWL has produced a "*100 Women to Watch*" supplement to showcase the range of female professionals ideally suited to positions as non-executive directors (NEDs) on boards of FTSE 350 companies. [R6].

3. References to the research (indicative maximum of six references)

- [R1] Sealy, R., Doldor, E., Vinnicombe, S., Terjesen, S.A., Anderson, D., and Atewelogun, D., (2017). Expanding the Notion of Dialogic Trading Zones for Impactful Research: The Case of Women on Boards Research. *British Journal of Management*, Vol 28, Issue 1 64-83.
<https://onlinelibrary.wiley.com/doi/abs/10.1111/1467-8551.12203>

- [R2] The Female FTSE Board Report (2010 - 2019), Cranfield University.
<https://www.cranfield.ac.uk/som/expertise/changing-world-of-work/gender-leadership-and-inclusion-centre/female-ftse-board-report>
- [R3] Sealy, R., Turner, C., Pryce, P., and Vinnicombe, S., (2015). *Women on Boards: Progress following the 2012 Corporate Governance Code.*, Cranfield School of Management. <http://www.som.cranfield.ac.uk/som/dinamic-content...>
- [R4] The Female FTSE Board Report 2017. Board Evaluators Report.
<https://www.cranfield.ac.uk/som/expertise/changing-world-of-work/gender-leadership-and-inclusion-centre/female-ftse-board-report>
- [R5] Kumra, S., & Vinnicombe, S., (2010) Impressing for success: a gendered analysis of a key social capital accumulation strategy, *Gender, Work and Organization*, 17, (5) 521-546.
<https://onlinelibrary.wiley.com/doi/abs/10.1111/j.1468-0432.2010.00521.x>
- [R6] The Female FTSE Board Report (2009 – 2020). Women to Watch Report.
<https://www.cranfield.ac.uk/som/expertise/changing-world-of-work/gender-leadership-and-inclusion-centre/female-ftse-board-report>

4. Details of the impact (indicative maximum 750 words)

Building on its theoretical foundation of dialogic trading zones, the ICWL has worked continuously with multiple stakeholders to ensure the application of knowledge for sustainable impact in relation to increasing gender diversity at board level and throughout the executive pipeline.

Dynamics and Constituents of Board Composition

The ICWL at Cranfield has played a long-term role in shaping the decisions made by the Davies and Hampton Alexander Reviews in their work to increase the number of women on FTSE 350 boards. This has largely been accomplished through the ICWL's annual Female FTSE Women on Board reports which have been sponsored by the government (Government Equalities Office) from 2000 to 2019, in partnership with other major companies (e.g., Shell, Pearson, Sainsbury, PWC, EY, KPMG, National Grid and Aviva). During this period, the GEO worked in partnership with the ICWL to agree the themes to be investigated to ensure alignment with policy thinking and interests. The Minister for Women and Equalities also wrote the Foreword for the report, thus demonstrating recognition of the research input into government policy [S1]. The impact of Professor Vinnicombe's research in this area was recognised through the awarding of a CBE in 2014 for services to Gender Equality [S2].

For the period 2013 to 2015, the ICWL's annual Female FTSE Board Reports were used as the statistical and research underpinning of the Davies Review Annual Reports [S3&S4]. The Centre's trajectory model was a critical element of both the Davies and Hampton Alexander Reviews. In the 5 Year Summary of the Davies Review, the key drivers to success were highlighted as "... *the setting of realistic, achievable and stretching targets for business has been a key driver of progress. In addition, the voluntary business-led approach which joined all stakeholders together in action has been important.*" [S5]. From 2013 to 2015, the numbers of women on UK FTSE 350 Boards increased from 17.3% to 26.1% of directorships in FTSE 100 companies and from 13.3% to 19.6% of directorships in FTSE 250 companies [S6].

Professor Vinnicombe and the ICWL's focus on the dynamics and constituents of Board composition have continued to inform the work of key national reviews and initiatives from 2016

to present. Speaking at the launch of the Female FTSE Board Report 2020, Sir Philip Hampton highlighted the impact of the Centre's work "...there is a line that can be traced from Sue's work through to the setting up of the 30% club, the launch of the Davies Review, both of those around 10 years ago, and more recently, the Hampton-Alexander Review, now towards the end of its 5th year. All have drawn on the example set by Sue and her team, and as we will hear today there has been great progress." [S7a&b]. Since the beginning of the Hampton Alexander Review, the percentage of women on FTSE 100 Boards has risen from 26.3% in 2016 to 36.2% in 2021 and on FTSE 250 Boards, from 20.4% in 2016 to 33.2% in 2021.

Board Regulation

The findings from the ICWL's FRC commissioned research studies into gender diversity reporting and its report into Board Evaluators have informed discussions and action at UK government and business level, leading to required improvements in both the quantity and quality of gender diversity on the boards of FTSE 350 companies. The FRC's 2018 report into Board Diversity Reporting showed that in 2012, just 56 FTSE 100 companies stated that they had a board diversity policy, all of which focused on gender. As a result of changes in reporting requirements, this figure had risen in 2018 to 98% of FTSE 100 and 88% of FTSE 250 companies having a board diversity policy, and roughly a third of these refer to ethnicity as well as gender [S8].

Executive Pipeline

1. **Changing Organisational Culture and Practice to Ensure a Pipeline of Senior Women:** The ICWL applied their Inclusive Talent Model (ITM) to address the issue of ensuring a global pipeline of women to fill positions at the Executive Committee and Direct Reports levels within HSBC's 80,000 strong Operations, Services and Technology (HOST) division. In partnership with Cranfield, and using the ITM framework, a holistic change programme was led by the Chief Operating Officer who set the targets and agenda for increasing the number of women at the most senior leadership levels. This included commitment to action and accountability by the Executive team, awareness raising and calling to action for all line managers globally and reviewing and amending key employee life cycle policy and processes, such as selection, performance reviews and promotions to take account of research by the ICWL of gender differences in areas such as impression management. A total of 110 women, representing all lines of business and territories, took part in the programme between 2016 and 2018, out of which 50% experienced a lateral or vertical career move within 12 months of the initiative starting. The initiative was described in an article in *Developing Leaders* which was officially approved by HSBC [S9].
2. **Women to Watch:** Over the 10 years that the list has been produced, 57 of the women have been appointed to FTSE 350 boards, including 4 to FTSE 100 CEO roles and one to a FTSE 100 Chair role. The Enhanced Voluntary Code of Conduct issued by the Department for Business, Industry and Skills (BIS), includes in its criteria for FTSE 350 Accreditation the need for Executive Search firms to "*ensure detailed familiarity with and appropriate use of external lists produced by organisations such as Cranfield and others.*" [S10]

5. Sources to corroborate the impact (indicative maximum of 10 references)

[S1] GEO Minister's Foreword, The Female FTSE Board Report 2017, Cranfield University <https://www.cranfield.ac.uk/-/media/files/som-ftse-reports/cranfield-female-ftse-report-2017>

[S2] CBE awarded to Professor Susan Vinnicombe for Services to Gender Equality 2014

- [S3] Women on boards 2014: third annual review
<https://www.gov.uk/government/publications/women-on-boards-2014-third-annual-review>
- [S4] Women on Boards 2015: fourth annual review
<https://www.gov.uk/government/publications/women-on-boards-2015-fourth-annual-review>
- [S5] Women on Boards: 5 Year Summary (Davies Review)
<https://www.gov.uk/government/publications/women-on-boards-5-year-summary-davies-review>
- [S6] Testimonial from Lord Davies of Abersoch
- [S7a] Video of Sir Philip Hampton's speech, EY Webcast September 24 2020 @16 mins
<https://mp126803.cdn.mediaplatform.com/126803/wc/mp/4000/7319/38351/123678/Lobby/default.htm>
- [S7b] Transcript of Sir Philip Hampton's (Chair, Hampton-Alexander Review) speech. EY Webcast September 2020
- [S8] Board Diversity Reporting, FRC Report September 2018
<https://www.frc.org.uk/getattachment/62202e7d-064c-4026-bd19-f9ac9591fe19/Board-Diversity-Reporting-September-2018.pdf>
- [S9] Turnbull James K., Vinnicombe S. and Harris H. (2018) Moving on up: a gender perspective on practical inclusive talent management for senior roles. Developing Leaders Quarterly. <https://www.iedp.com/articles/moving-on-up/>
- [S10] The Enhanced Voluntary Code of Conduct for Executive Search Firms, Department for Business, Innovation and Skills (BIS), 2014
[bis-14-1075-the-enhanced-voluntary-code-of-conduct-for-executive-search-firms-accreditation.pdf](https://publishing.service.gov.uk/bis-14-1075-the-enhanced-voluntary-code-of-conduct-for-executive-search-firms-accreditation.pdf) (publishing.service.gov.uk)