

Davies Report reaction: Helen Grant

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Britain's boardrooms are "in crisis" over their failure to increase the number of women in their ranks and will face quotas if they do not embrace new voluntary targets to double the female representation on boards within four years.

Lord Davies, who has been leading a government inquiry on the issue of women in the boardroom, has recommended that FTSE 100 companies aim for at least a quarter of their boards to be made up of women by 2015, while FTSE 350 companies should clearly outline the percentage of women they expect to see on their boards by 2013 and 2015.

Helen Grant, Conservative MP for for Maidstone and The Weald, said:

"Significant authoritative evidence suggests businesses do better with a decent mix of men and women in senior management and board positions. The modern debate is about how to achieve it. Should business efficiency and Darwinian principles reign in a free market environment? Or is it time for regulation to rally the cause of women's equality and impose quotas?"

"Enter Lord Davies of Abersoch's new report, Women on Boards. My view is that he has got it just about right: seeking to accelerate previously glacial rates of change without causing global warming in the process. The British business community has, for now, avoided direct state intervention – but the sword of Damocles remains hanging by a horse hair. 'On balance the decision has been made not to recommend quotas. Government must reserve the right to introduce more prescriptive alternatives if the recommended business-led approach does not achieve significant change,' Lord Davies says.

"'Business-led' includes a series of recommendations whereby chairmen and chief executives must set targets, implement policies and report outcomes. Recruitment processes must become less parochial and investors will now need to consider the gender balance.

"This will surely be good news for Vince Cable, the UK business secretary, who recently responded to a question I raised in the House of Commons about imposed quotas and plans for promoting gender balance in business. He replied: 'The government is not in favour of imposed quotas ... [The Davies Report] will advance the issue of greater women representation on boards, which has been shamefully low for many years.' Mr Cable will be pleased to have avoided new legislation, allowing business to get its own house in order, assisted perhaps by a sagacious shove from Lord Davies' six-monthly steering group reviews.

“While the political appetite for change is clear, the big hurdle is for business to straddle. Will the corporate sector buy into these recommendations? I believe it will: partly because the outcomes are likely to be positive for investors and employees, and partly because the proposals seem genuinely achievable.

“The 25 per cent ‘women on boards’ target for 2015 is significantly lower than the 40 per cent quotas adopted by Norway, France and Spain. Such relatively achievable targets may well encourage business to exceed these expectations. But in the longer term the strength of the proposals lies in sustainability, and managers will see that.

“This remedy is not about grafting a veneer of female board members on to an entrenched structure. Its real focus is on genuine promotion, the generation of succession within executive management, and the recruitment and training of a wider spectrum of candidates from outside the corporate sector. As Lord Davies writes, it is aimed at ‘entrepreneurs, academics, civil servants and senior women with professional service backgrounds, for whom there are many fewer opportunities to take up corporate board positions’.

“I would expect the coalition to accept these recommendations with little censure. I do, however, foresee some who might view this as further unnecessary bureaucracy. The challenge for government is to sell the benefits of making a corporate investment in change. More diverse businesses enjoy improved performance, access the widest talent pool, are more responsive to the market and they achieve better corporate governance.

“I have worked in a predominantly male environment both as a lawyer, a businesswoman and a politician. Notwithstanding I have managed to enjoy a career and have a family, but there is much to be done and perhaps some of Lord Davies’ proposals may find wider application. I am also very encouraged by his attitude toward quotas. That kind of positive discrimination can demean a woman’s real value among her peers and alienate men. Our aspiration must be the creation of fair, real and equal opportunities where meritocracy wins the day.

“This is an exciting time for the promotion of women in business, the professions and politics. Government has an important role to play but legislation will not fix the problem. There needs to be a seismic shift in attitudes and behaviour, and the Davies Report is a step in the right direction. I would also urge the government, in looking at the report, to consider once again the whole issue of child care. If some improvements can be made here, many capable women will be released back into the working economy as taxpayers, as entrepreneurs, as wealth creators. Exactly what our country needs for growth in these challenging times.”