

Promoting women in business

By Helen Grant MP - 2nd March 2011

Gender balanced businesses are more stable, more sustainable and more profitable, says Helen Grant MP.

Many people assume the imbalance between men and women in senior executive positions is an equality issue when, in my opinion, it is about business efficacy. Gender balanced businesses are more stable, more sustainable and more profitable. They tend to make better decisions about their people, about risk and about customers. If we can share the best of what we have as men and women, our diversity will enrich us all, socially and economically.

Cranfield University recently highlighted a lack of female directors in Britain's top businesses, with women making up only 12.2 per cent of directors of the FTSE 100 companies in 2009. The failure of business to address this issue themselves has led to wider questioning of the level of government involvement needed in the promotion of women in business, and whether private or public sector initiatives have better results.

Lord Davies of Abersoch, commissioned by the government to report on the issue of women in the boardroom, last week recommended that FTSE 100 companies should aim for at least 25 per cent of their boards to be female by 2015. He also proposed that FTSE 350 companies should clearly outline the percentage of women they expect to see on their boards by 2013 and 2015.

The report stopped short of enforcing quotas and placed the onus on business to get its own house in order. Whilst I support this approach, it is one of the key debating issues. In my view positive discrimination demeans a woman's real value among her peers. Our aspiration must be the creation of fair, real and equal opportunities where meritocracy wins the day. How government can best persuade business to buy-in to the benefits of balanced boardrooms and diverse skill-sets is, however, another moot point.

Lord Davies' recommendations are sensible, helpful and achievable. Companies weaving them into their culture will both reap the benefits and discharge their social responsibility for achieving gender balance in business. But the report could go further. Inadequate and unaffordable child care proscribes many women to the home or to not having children. If some improvements can be made here, many capable women will be released back into the working economy as tax payers, as entrepreneurs, as wealth creators, which is exactly what our country needs in these difficult financial times. I look forward to hearing colleagues' views on this and the many other issues relating to gender balance in business.

Helen Grant was elected as Conservative MP for Maidstone and The Weald in 2010. A divorce lawyer and businesswoman, she currently sits on the House of Commons justice committee.