



Why we need more women in business

Tackling gender inequality in the Boardroom



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There has been much publicity surrounding women in business in recent weeks, catalysed by Lord Davies' report 'Women on Boards'. This useful study addressed the lack of women in the rarefied atmosphere at the top of the UK corporate ladder. Just 12% of board directors are women, and only 5% of our FTSE 100 companies have a female Chief Executive. This imbalance is duplicated nearer to earth on the wide plains of private enterprise with just 14% of all small businesses in the UK being owned by women.

The question is should we be seeking to redress the imbalance? And if so, are there common solutions that can be applied

within both the corporate world and private enterprise?

In public companies, the lack of gender balance in boardrooms is now internationally recognised as a defect. Gender balanced boards produce more stable, more sustainable and more profitable businesses. They tend to make better decisions about their people, about risk and about customers, and it is notable that women reportedly make 70% of consumer purchase decisions in the UK. The only real issue is not 'if', but how to redress the situation.

In the private sector the argument for increasing the number of female

entrepreneurs is simple. If the UK had proportionally the same level of female entrepreneurship as the US, there would be approximately 600,000 extra women-owned businesses, contributing an estimated additional £42 billion to the economy. Indeed, if women started businesses at the same rate as men, there would be an additional 150,000 extra start-ups each year in the UK. The challenge and the opportunity facing government is how to unlock this enormous potential for wealth creation.

Lord Davies' report makes several recommendations toward achieving balance in the Boardroom, placing responsibility with Chairmen, investors and headhunters to rejuvenate their approaches to recruitment and human capital development. But the heart of the matter is the need for a seismic shift in attitudes, behaviour and action at board level before our corporate sector will benefit from the competitive advantages of gender balance.

And it is attitude which is the general malaise that must be treated if we are to remove some of the barriers to success in both corporate and private enterprise. For decades women have suffered from negative stereotyping within the business environment by both sexes. They are also considered the default primary carers at home, being forced to juggle domestic duties with progressing careers and businesses. And there is still a fundamental confidence issue holding some women back, stemming from generations of sexism.

Nullifying the negatives is only half of the battle. If we are to raise aspiration amongst women, we must introduce positive action. Starting in the early years I would like to see better, bolder, more ambitious career advice being given to our girls at school and university. Enterprise awareness should be incorporated into education curriculum, combined with the strong promotion of female role models. This will elevate the idea of being in business, or starting a business, as a viable career option, and a respected, attractive and rewarding route to take. There are great examples of successful women heading up

UK businesses large and small, and their stories should be broadcast and celebrated far and wide.

Politicians have an important role to play here too. Good leaders cast a long shadow, and David Cameron is leading by example, setting a target for a third of ministerial places to be taken up by women by the end of this Parliament. This will embed experienced female mentors in our political system who will inevitably cross fertilise and inspire within the business community and the professions too.

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Speaking as a mother, a wife, a professional, a business owner, and more recently a politician, I know from firsthand experience that there is also a pressing need to address issues of child care, which is currently proscribing women to the home, or to not having children at all. That is an issue worthy of extensive debate and is well beyond the limits of this article.

The net effect of all of these measures will release more women into the economy as entrepreneurs, taxpayers and wealth creators. If we couple this with more women in the Boardroom and senior executive management our economy will gain the fillip it needs in this relentlessly competitive global era. I for one will be sounding that horn at every opportunity.

