

June 2019

9 in 19

A guide to increasing
diversity in housing



THE DEVIL WHISPERED:
**“YOU CAN’T WITHSTAND
THE STORM.”**

THE WARRIOR REPLIED:
“I AM THE STORM.”

“We at Futures Housing Group are delighted to have sponsored and contributed to this report. Tackling inequality and increasing diversity are core to our culture, and I personally welcome the move by ema consultancy to start some practical action around what has been a long time discussion point in the sector.

“As a chief executive and trustee myself, I understand the barriers faced by women as they develop their careers. The passion and ideas at our recent event – ably chaired by Deborah Cadman OBE – gave me real hope that change is around the corner.

“Whether it’s apprenticeships, mentoring or signing up to the Make a Stand housing domestic violence pledge, Futures has a long history of supporting people at times of need and increasing their development. I’ve had the privilege of watching current and former members of my team achieve board member roles, and I hope this report shows many more that they should apply. Whether it’s for board or any other position, ability and attitude should be the deciding factors on candidates. It’s time to widen the pool; so jump in!”

Lindsey Williams
group chief executive
Futures Housing Group



Introduction

In 2018, ema consultancy completed research into board membership in the UK housing sector. Having supported around 1,000 people into non-executive roles, we'd anecdotally observed a decline in female, ethnic minority and disabled candidates.

Tackling the first of these issues, we researched 80 housing providers to look at the make-up of their boards - the results made stark reading. Only 37% of board roles were held by women, and only 32% had female chairs.

In response, we looked at our own recruitment practices and have since made significant changes to reflect how we attract and promote vacancies. But we wanted to do more.

In May 2019, we got the ball rolling by getting together 30 male and female leaders and influencers from the commercial and housing sectors to thrash out some of the barriers to entry and devise some key practical solutions.

The event set out to:

- Identify the nine key barriers which are blocking diversity
- Suggest nine things every organisation should be doing to improve diversity
- Capture nine stories of board member experiences for delegates to share
- As a collective help a minimum of nine people onto boards before the end of the year, representing the protected characteristics.

This initial report captures the key discussion, barriers, recommendations and learning points, as well as some of the voices of those present who kindly shared their experience of board membership.

We firmly believe that boards which are more diverse, with a range of experience, backgrounds and understanding, contribute to more effective decision making. This document marks the start of our contribution to addressing equality in an unequal world. Of course, gender is just one aspect of the nine protected characteristics. In time we hope to explore others. In addition, we envisage some of the recommendations may also lead to an increase in applications from other diverse groups. We heard loud and clear that people can't be what they can't see, so if you'd like to add your story to our growing bank of case studies, please contact us.

Thank you to everyone who came, contributed and continues to champion this issue. Particular thanks to our report sponsor Futures Housing Group. Your input, ideas and financial contribution have helped get the campaign running and it's only through the buy-in of strong leaders will it succeed.

We welcome future support and participation, so please do keep in touch.

Anne Elliott
managing director, ema consultancy

Picture this: a visual story of the current position



FTSE

- FTSE organisations target to reach **33%** female Board representation by 2020
- In 2011, **27.7%** of board members were women
- In June 2018, **29%** of board members were women
- Only **one quarter** of FTSE 250 Board positions were filled by women
- Only **12** FTSE 300 Boards were chaired by a woman
- **51** of the FTSE 100 companies have no ethnic minority board members
- There are currently fewer than ten open LGBT directors on Fortune 500 companies, amounting to a dismal **0.03%**

Housing sector

Tribal Consultancy research in 2005:

- 1,000 NED positions, **33%** held by women

ema consultancy research in 2018:

- **80** organisations
- **37%** of Board positions were held by women
- **32%** of Chairs were women
- **20%** of Audit Chairs were women
- In 2019, despite pro-active steps, **20%** of applications to non-exec roles were from female candidates



Wider research from Inside Housing

- **1.6%** of housing association board members are LGBT
- 50 board members identify as BME out of **735** in total (or **6.8%**)
- **18** associations told us they have all-white boards, and a further **10** associations were not able to say because they did not hold this information



Third sector

- **700,000** charity trustees (*Two-thirds are male*)
- **92%** white
- **55-64** average age
- **Two thirds** of the UK's 500 largest charities have all-white boards.

The business case for diversity

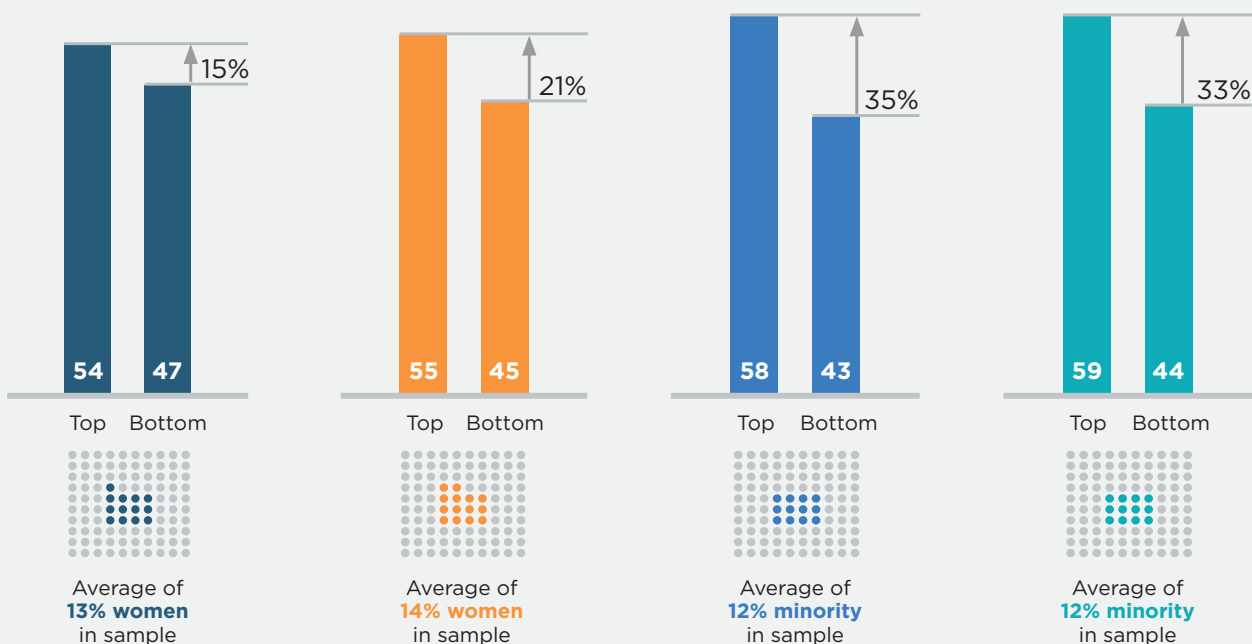
Building diversity onto boards isn't just a nice or right thing to do. It's essential for a wide-ranging debate which leads to considered decisions.

A 2015 meta-analysis of 140 research studies of the relationship between female board representation and performance found a positive relationship with accounting returns.

This study, which is supported by many other, suggests that as a minimum starting point, things don't get any worse on the bottom line or by any other financial measure, by improving diversity.

More positively, there are studies that statistically significantly prove a positive correlation between the bottom line and increased diversity (*Campbell and Minguez-Vera, 2008; Carter et al, 2003; Catalyst, 2004*).

A McKinsey & Company 2015 report showed that companies in the top 25th percentile for gender diversity on their executive teams were 15% more likely to experience above-average profits. The latest data in 2018 shows that likelihood has grown to 21%.



Average earnings-before-interest-and-taxes (EBIT) margin, 2010-13 Diversity Matters I and 2011-15 in Diversity Matters II. Results are statistically significant at p-value <0.10. Results are statistically significant at p-value <0.05

The barriers: what's stopping us going the whole nine yards?

Linking back to the nine protected characteristics, we set delegates the challenges of determining key themes that might be limiting applications from female candidates and other diverse groups.

All ideas were put down on post-its with the following nine themes emerging.

1. Confidence and self-limiting behaviour

A common theme was a lack of confidence, particularly in areas of finance and audit. It was noted that this might see women limit their own opportunities by not even throwing their hat in the ring. The importance of men and women encouraging candidates to apply was identified as a reason why some of those present had taken on their first board role.

2. Guilt brownies and caring responsibilities

PTA cake sales, ageing relatives and other caring challenges were other key barriers raised. It was agreed that often women take on life admin and assume responsibility, rather than give their time in other ways. Being clear on maternity leave at board level was cited as one recommendation.

3. Lack of time, or perceived lack of time

There was a strong acceptance that women often cite a lack of time for a reason not to join a board. But behind that may be a sense of fear or concern, given they then decide to fill their time up in many other ways. The lack of clarity and honesty about how much time a board role should take needs to be addressed.

4. Focus on missing skills, and not behaviours in job adverts

The groups highlighted a tendency for female candidates to want to tick all the boxes of a JD before applying. It was discussed that a focus on culture, values and impact within job adverts, rather than a checklist of skills would make a difference.

5. Level of emotional energy needed to participate and be seen as representing women

In addition to the time commitment, the amount of emotional capacity needed to be perhaps the first female on a board was also explored. The expectation of then representing women in general was raised as a potential barrier. Female candidates may feel the need to put in extra energy and time as a result.

6. Limited understanding of what a board does

A number of the women who are or have been board members, indicated that they applied as a direct result of having presented to board themselves in their main job role. Having demystified what a board does it increased their confidence to apply. ema has pledged to run a half-day workshop looking what a board does and time needed before the year is out. Email [Anne Elliott](#) to register your interest.

7. Existing perception of a macho culture

The perception of a board member needing to have what could be considered traditionally male traits of dominance, assertiveness and non-emotional decision-making was raised as a barrier. It was agreed that the reality is often very different, but all board members telling that story is needed.

8. Absence of role models

Not being able to see other people like them who had taken a similar step into a board role was a recurring theme of the day. A number of the groups reflected on a greater need for board profiles and pictures to encourage others to apply.

9. Short deadlines and need for succession planning

Short deadlines on job applications was identified as a barrier. Both in terms of recruitment agencies ability to create a tailored campaign and specifically target people to apply, but also in giving women time to craft a governance-led CV. It was discussed that often male candidates have applications ready.

The power of language

The lack of positive images showing women being effective in the workplace is one known barrier to increased diversity. The language used is another, as captured in this recent research:



Words used to describe men:

Analytical	
Competent	
Athletic	
Dependable	<i>Arrogant</i>
Confident	
Versatile	
Articulate	
Level-headed	
	<i>Irresponsible</i>
Logical	
Practical	
POSITIVE	NEGATIVE



In descending
order of relative
frequency



Words used to describe women:

Compassionate	
	<i>Inept</i>
Enthusiastic	<i>Selfish</i>
Energetic	<i>Frivolous</i>
	<i>Scattered</i>
Organised	<i>Opportunistic</i>
	<i>Gossip</i>
	<i>Excitable</i>
	<i>Vain</i>
	<i>Panicky</i>
	<i>Temperamental</i>
	<i>Indecisive</i>
POSITIVE	NEGATIVE

Nine practical steps organisations and individuals can – and should – take

As part of the group discussion, those attending the **#boarddiversity** day gathered their collective thoughts on great practice, recommended actions and brilliant single idea that would make a difference.

Here's a summary of the recommendations:

1. Plan ahead

A longer lead in time for recruitment means a greater chance your HR team or specialist search agency (such as ema...) can do a good job for you by directly targetting candidates. It also means time to create and use digital content, social media campaigns and other tools which feature a diverse range of board members.

Organisations know their board tenure period, so a year in advance start to think about the behaviour and skills needed and if board members have prospective board candidates in their own networks. It became clear at our event that women who were in board positions were there because someone – male or female – had directly encouraged them to apply or that they already knew someone on the board.

2. Reduce commitment and consider co-optees

Six-year tenures might be great for those considering retirement and keen to know there is a chance to make a long-term difference and also have a reliable income stream in some cases. However, this may not be so appealing to younger people. Six years is a long time. So, instead of talking about maximum terms, consider softer routes in such as the Progress Housing Group apprentice board member route or adding co-optees to committees.

3. Make it visible

Sharing the joy was one theme from the discussion. If every board member invited an observer – an underused governance practice – then more people would see what actually happens at board level and how they might contribute.

The mystery of what goes on at boards and the perception that they may be boring, was a key discussion point at our event.

4. Have a personality

Boards aren't boring (well, perhaps on the odd occasion), but often there seems to be a sense of formality and process which – whilst it has its place – can serve as an isolating factor. Allowing time for board members to interact socially and get to know one another was felt to be important in creating a sense of belonging and greater teamwork.

5. Describe how people should act as well as skills

How many adverts start off, “We are seeking someone with financial skills, governance understanding and knowledge of the sector.”

Stop seeing board recruitment as a challenge of fitting in every word from your (albeit important) skills gap analysis. Behaviours are as much a crucial part of an effective board as skills. Giving that aspect as much focus is likely to attract a wider pool of candidates.

6. Put it on your agenda

Acknowledging the need for and value of board diversity is a first step in changing the status quo. The Charity Code expects boards to have such discussions and that each charity publishes an annual description of what it has done to address the diversity of the board and the charity’s leadership and its performance against its diversity objectives. Boards are required to provide an explanation where they have not been met.

Chairs and individual board members should take individual and collective responsibility for ensuring diversity is discussed and how their board can remove, reduce or prevent obstacles to people becoming trustees. We would also welcome professional bodies offering additional commitment to this work.

7. Peer support

Shadowing, mentoring and even the American idea of sponsorship were all suggested as great options to reduce barriers to entry. Creating a pipeline of potential candidates (and peer mentoring those who applied but may not have been successful on that occasion). A new ema/Creative Bridge LinkedIn group is one small step to help build up this peer support network. **Do join!**

8. No expense spared

Everyone in the room agreed that money wasn’t a key driver for board membership for them. Many put more hours in than they’d get remunerated for (if paid at all). Being open about allowable expenses and inclusive when writing that policy could send a clear message of welcome. Flexibility may be the key: could you pay reasonable childcare, offer a training fund, or carer allowance to enable someone to attend a meeting?

9. Be the change you want to see

The need for existing women board members to share their experience and encourage applications from others in their network was put forward as a way of increasing diversity. A key recommendation was the need for case studies on social media, in particular, to show the varied people and routes into governance. **Please share your story.**

Could this be you?

A key pledge we've made is to support nine people to apply for a board role before the end of 2019. If you are passionate about making a change to an organisation, enjoy listening to others to shape your own opinion, absorbing evidence to make important decisions and being part of a collective team striving towards a common purpose, please let us know.

From a review of your CV, a pre-interview or a word with connections we have, we may be in a position to

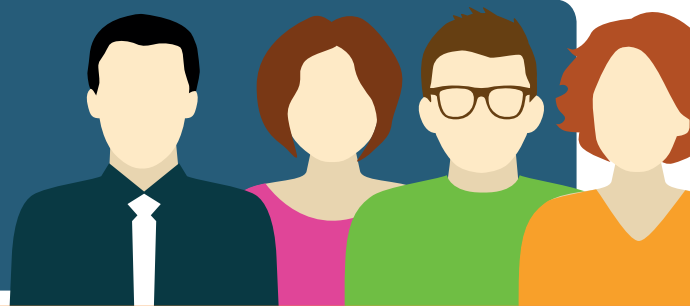
advise where a vacancy might be coming up or just reassurance that your skills do match. We've also a LinkedIn supportive group on hand.

And as a first tip, check out www.gettingonboard.org/events/4594104203 for some more case studies and free events to help you discover what being a board member entails.

We'd love to help you.



Someone like you



One of the biggest challenges identified so far in our diversity work, is the lack of visibility of boards.

Being able to see what governance entails and how 'people like me' have achieved board posts and what impact they've made as a result makes a significant difference to the likelihood of someone making an application.

So, here's a small insight into the role of someone who is not only a board trustee themselves, but also champions non-exec and exec role diversity...



Name: **Jo Tilley**

- Roles:
- **Executive director corporate services at emh group**
 - **Chair of National Housing Federation Midlands' Governance Forum**
 - **Trustee of Age UK Coventry & Warwickshire**

How did you get into your current executive role?

My housing career started in 1986, when I beat more than 100 graduates to join North Warwickshire Borough Council as a housing trainee. On qualifying, I gained employment as a housing officer and subsequently research manager with national housing providers, before moving to emh group in 2004.

What prompted you to address diversity?

When emh group advertised for a new chair, just one woman applied from 29 candidates. As a group we subsequently set a business plan target for 50% of board members to be female and appointed a board diversity champion. My research showed that women were less likely to apply for board positions unless they met all person specification attributes, owing to low self-confidence and a greater tendency for compliance with rules. So I, supported by others, created the 'Women on Boards' initiative to address the balance. Potential female board members were given guidance to make their application stand out, and maximise impact at interview. They observed board meetings, and met a leading female chair and CEO role model. This programme led to a board appointment and helped another participant secure employment.

Since 2016, women board members at emh have increased from 27% to 50%; and black and minority ethnic board membership has increased by eight per cent over the same period. Women also account for 57.5% of the Group's leaders' forum.

What challenges have you faced when progressing your career?

I first identified potential challenges facing women in leadership when appointed at 28 to a senior management role. Whilst the senior team was diverse, the executive team was exclusively male. When someone told me I was "not director material", I saw this situation as a development opportunity. Alongside my day job, I completed an MBA while bringing up my young daughter. Gaining an MBA with distinction helped me defy predictions and secure my first executive position. This led to the confidence to later apply for non-exec roles.

Would you recommend board membership to others?

Absolutely! Effective boards need the right people around the table - that means the optimal mix of skills, experience, age and background. My own experience as a trustee of a local charity has taught me that if you want to make a difference and give something back, whilst contributing to your own personal development, then board membership is definitely an option you should consider.

As for whether boards should change to encourage more diverse candidates, I couldn't agree more. Whether that's extending recruitment lead-in times; developing a candidate pipeline; adding softer skills to person specifications; using more accessible language; adding positive imagery of women; and promoting development opportunities to help candidates build expertise and fulfil their potential; I've a host of evidence to prove it works. Not only for individuals but for the boards themselves and for the people the board serves.



Join the conversation: **#boarddiversity**

Join our private LinkedIn group:

email michelle.hallmark@creative-bridge.com

Join with others:

email michelle.hallmark@creative-bridge.com,

anne.elliott@emaconsult.co.uk or lindsey.williams@futureshg.co.uk

if you've a story to share about your board membership journey which might inspire others.



This report was jointly produced by **ema consultancy**, **Creative Bridge** and **Futures Housing Group**.

For research into board diversity, pay and benefit trends or to support your own non-exec and exec recruitment, please contact **Anne Elliott** at **ema consultancy** on **01926 887272** or email: anne.elliott@emaconsult.co.uk