



**JERSEY
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TRUST**

JERSEY WOMEN IN BUSINESS

Report by The Jersey Community Relations Trust

October 2015

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Introduction:

The Jersey Community Relations Trust is a States' funded organisation which is committed to equality and diversity across all areas of society. Gender imbalance has been a specific area of focus globally as it relates to diversity on boards and senior management positions within organisations. During 2014/2015 JCRT held a series of workshops designed to help women advance in politics and business. The workshops highlighted the challenges faced by women in the workplace because of a perceived lack of diversity across all sectors of industry.

It is commonly agreed, that the composition of businesses and boards should reflect the market in which they operate. There have been numerous studies confirming the premise that businesses and boards are more effective if recruitment is from the broadest pool of applicants. Gender diversity on boards and throughout senior management nurtures diversity of thinking which enhances the decision making process and promotes stronger leadership. The strongest and most successful businesses are those which embrace and support diversity. Companies which actively promote programmes supporting gender equality achieve better financial performance than their peers (Catalyst 2004).

The major industry in Jersey is finance which is inherently risky because of high transaction volumes, complex structures and high value commercial activities. Aaron Dhir of Yale Law School interviewed a number of Directors and reported in "The Atlantic" (May 2014) "that women were more likely than men to thoroughly deliberate and evaluate risks. Women, in their view, showed a greater propensity to monitor firm management. Many male directors thought that women's status as outsiders to the corporate boardroom, and the male networks that constitute it, contributed to their independence and introduced new perspectives born of different experiences into the boardroom". This is a powerful argument for Jersey to support the appointment of more women at board and senior management level to provide a counter-balance to the risk decisions which have to be taken in the financial services industry and to support good corporate governance. It is interesting to note that 9 out of 10 Commissioners on the Financial Services Commission are male. (October 2015). The senior management of the Commission has 21 Directors of which 18 are male.

Jersey also has a low percentage of women elected to political office. There are 12 women politicians out of a total number of 48 sitting States Members. However, there are three women Ministers running important ministries: Home Affairs, Social Security and Housing. The number of political roles held by women has a direct

correlation and positive impact on the number of women on boards and in senior management. The higher the proportion of women in the States Assembly the more possibilities there are for women to rise to senior positions because women politicians provide positive role models, have the ability to campaign for family friendly legislation which is beneficial to women and actively promote gender diversity.

Objectives:

The objectives of this report are to:

1. Assess the gender diversity of board members and senior management of business organisations operating in Jersey.
2. Assess “Why” there is not greater diversity of board members and senior management of business organisations operating in Jersey, if that is the case.
3. Assess if women within the Jersey workforce feel that they are supported by employers to reach board or senior management positions.

Methodology:

Questionnaires were distributed at seminars discussing “Women at Board Level” and “Women in Politics”. The information contained in the completed questionnaires has been collated and forms part of this report.

A number of personal interviews were held with women in senior positions working in business organisations operating in Jersey.

Conclusion:

Analysing information collated, reporting results and making recommendations.

Gender Diversity Overview:

A number of countries in Europe including France, Italy and Germany have taken action to improve the gender imbalance in boardrooms and at senior management level including the introduction of mandatory quotas for public companies. Germany has gone one step further and has mandated that all public and private companies above a certain size will be obliged by law to set themselves targets for numbers of women on supervisory boards and senior positions , publish them and report on their progress in meeting them.

Norway introduced a 40% quota of women directors with the ability to penalise companies if they did not comply. The percentage of women on Norwegian boards as a result of the compulsory quota has increased significantly. However, the

number of women CEO's is still only 6% and only 10% of women are on Executive Boards within companies which indicates that there has not been a cultural change despite the legislation.

In Jersey 4,625 persons are categorised as Corporate Managers and Directors of which 3,060 are male and 1,565 are female (Jersey Census 2011). Therefore, 33.9% of roles which are classified as senior within industry are occupied by women which is slightly ahead of many countries within Europe both with and without quotas. However, this may be distorted by titles given within the Finance Industry which categorises employees as Managers and Directors when they may have very little decision making or influencing power. There is no split between Directors on Boards taking strategic decisions and leading the organisation and those persons who may bear the title for other reasons. Nevertheless, it is encouraging to have over one-third of women in senior managerial positions.

The number of women undertaking administrative work is substantially higher than men in similar positions which may be an indicator that men move up the career ladder more successfully than women.

Occupation working adults of working age: (Jersey Census 2011)

| Occupation | All | Males | Females |
|---|------------|--------------|----------------|
| Corporation Managers and Directors | 4,625 | 3,060 | 1,565 |
| Other Managers and Proprietors | 1,614 | 1,032 | 582 |
| Administration Occupations | 5,698 | 1,575 | 4,123 |
| All | 49,988 | 27,306 | 22,682 |

A review of States of Jersey appointed bodies, Jersey utility companies, Jersey law firms and international banks operating in Jersey highlights that the majority of appointees are predominantly male. It is also noted that a number of the male Directors hold more than one position within the States' appointed bodies and utilities which limits new entrants into directorship positions, and perpetuates similar thinking which impacts on how decisions are made and can increase the risk profile of the entities.

As at July 2015

| Organisation | Total Number of Directorships/Partnerships | Male | Female |
|---|--|------|--------|
| States' Appointed Bodies and Utility Companies | 79 | 67 | 12 |
| Law Firms (5) reviewed with 10 partners or more | 90 | 71 | 19 |
| Banks (5 largest) CEO positions | 5 | 5 | 0 |

The reason for a person holding several directorships may be that board members are largely selected by tapping into the networks of existing Directors who are people with a similar profile i.e. in this case male. There may also be a perception that men are better suited for the Director roles on offer. This is an unconscious bias which can hinder the appointment of women to the boardroom or to senior positions and needs to be dispelled.

When a mandatory quota for female Directors was introduced into Norway it forced companies to extend their search for new directors. As a result, Norwegian society's understanding of high-level leadership is beginning to change, valuing a wider variety of backgrounds and experiences.

From this initial research it appears that there is a gender imbalance at the top of many organisations in Jersey in favour of the male gender. What are the reasons for this and what can be done to achieve a better and more equitable balance?

Barriers to Success:

According to McKinsey (www.Mckinsey.com) there are four types of barriers holding women back from fulfilling their potential:

“Structural issues:

Lack of access to networks, lack of sponsorship and mentors and lack of female role models higher up the network

Lifestyle issues:

Desire for a work/life balance. The 24/7 executive lifestyle and travel requirements are difficult for women. Difficulty in adjusting to flexible working.

Imbedded Institutional mind sets:

Women are often evaluated for promotions on performance whilst men are often promoted on potential

Imbedded individual mind sets:

Women have less job satisfaction than men, less desire to advance and personal reluctance to step up for promotion”

Each of these barriers will be reviewed in the Jersey context:

Structural Issues: Mentoring and Sponsorship

Mentoring is an important development tool. It is particularly important for women who may have challenges in building social capital in the workplace or who lack confidence in their ability to develop their career to the highest levels.

However, many women who completed the questionnaire did not have a mentor or even considered taking steps to identify and access a mentor or perhaps even understood the importance of having a mentor. The lack of a mentor may be a critical factor in women being poorly represented at the highest levels of companies and organisations and for them continuing to feel that they lack access to critical networks.

An analysis of the completed Questionnaires which asked women

“Does your company support a mentoring programme and have you accessed the programme” provided the following information:

| Employers with mentoring programmes | Employers without mentoring programmes | Women participating in mentoring programmes |
|-------------------------------------|--|---|
| 57% | 43% | 26% |
| | | |

Whilst more than 50% of employers supported a mentoring programme, a number of the programmes were aimed at trainees or employees at the beginning of their career. The programmes appear to be less developed for senior employees and there may be a perception that when a person has achieved a certain position in a company it is no longer necessary to support that person in a mentoring programme.

What is significant is that only 26% of women who worked for employers with a mentoring programme participated in the programme. Many women who worked for

an employer with a mentoring programme but did not have a mentor did not answer the question of “Why do you not have a mentor?”

If the respondents’ employers did not have a formal mentoring programme the majority of women had not sought a mentor external to their company or approached an informal mentor within their company.

“Not really explored this (having a mentor) or had anyone suitable “turn up” – not sure how I would find someone suitable”

“I have never found anyone to mentor me and I have been too embarrassed to ask”

A number of senior women, mentoring junior members of staff, no longer felt it was necessary to continue to have their own mentor although research suggests that as women advance through an organisation it is more important to have a mentor.

“I have been a mentor but do not feel the need to have an actual designated mentor”

It may be that many women are without a mentor because they want a mentor with whom they can identify for example a women leader with family commitments. There are a fewer women at the top of organisations fitting this profile which may make it more difficult to identify a suitable mentor.

“Not sure what to expect from this relationship I haven’t identified an appropriate mentor”

Likewise, successful women may have time constraints which make it difficult to provide mentoring so the pool of mentors is not large. However, a women could have a male mentor or a women mentor with a different work/life profile.

For those women who had a mentor there is a consistent theme that they had found it extremely valuable and a help in becoming more successful in their career. The women with mentors appear to have progressed further in their career than those women who have never had a mentor.

“Extremely beneficial as she has given me the right direction in work and also in my studies”

“I have a mentor – she is very supportive and helps me regularly and it is easy to have discussions on my career and ambitions”

Sponsorship:

It is important that a mentoring programme includes an element of sponsorship. A sponsor should actively promote the individual by aligning their key skills with career development opportunities.

Sponsorship is a career enhancer because it can give the person being sponsored higher visibility within an organisation, therefore opening up new opportunities and challenges. Organisations are competitive environments and sponsorship can give a woman a competitive advantage.

Sponsorship becomes more important as women strive to reach the highest levels of a company or organisation because the competition is fiercer as the number of jobs at senior level become fewer. To reach the “pinnacle of the pyramid” it is important to have people who are supporting women’s career advancement. Sponsorship can be a powerful differentiator at the top where there are fewer positions available. Therefore, although sponsorship is important throughout a woman’s career as one nears the tops of the pinnacle it is imperative.

Sponsorship is a necessary and powerful means to overcome the barriers that women still face in reaching the highest organizational levels in meaningful numbers.

Sponsorship also matters to women because, as research from Catalyst (www.Catalyst.org) states

“Women who advocate for themselves can be penalized in the workplace. Because sponsorship involves speaking up on behalf of others, it offers a solution for navigating the double bind women face”

The key to making effective sponsorship happen is educating women to the benefits of sponsorship and mentoring.

The survey revealed that many women do not consider that a formal mentoring or sponsorship programme is important for the development of their career plan but rely on informal relationships which they tap into when an issue arises. However, mentoring or sponsorship are essential for executing a successful career plan.

“There are many informal opportunities for mentoring which I have availed myself of”

“No formal mentoring in place at present. However, I regularly ask others for advice and support because it makes me feel happier and more confident than going it alone”

“I don’t have a specific mentor but look to certain individuals to mentor me with issues when required on an informal basis”

Studies indicate that men are better at working with an informal mentor or sponsor approach as they have more networking opportunities and instinctively ask for support. Women require a more structured approach to acquiring a mentor and sponsor.

Recommendation:

To support and promote mentoring and sponsorship programmes. To work with industry, professional bodies and education to ensure that business organisations in Jersey support and encourage mentoring and sponsorship programmes

To support and promote employer training programmes for potential mentors and sponsors which will enable women to clarify and drive career goals.

To link with organisations via social media having similar aims in promoting the development of women through mentoring and sponsorship programmes.

Constituents: Institute of Directors, Chamber of Commerce, Highlands College, JEND

Lifestyle Issues: Flexible Working:

In a survey conducted by Opportunity Now, 82% of women recognised the need to balance work and family as a barrier to gender diversity, compared to just 54% of men. Moreover, 57% of women believe they are seen as less committed to work because they often have family responsibilities.

Source: Opportunity Now 2011

There are differences in employment patterns of men and women over a working lifetime. However, women’s working-time arrangements and hours are more sensitive to different life phases than men’s (Eurofound 2012a) and because of this flexible working options can help to retain and develop women in the workforce.

In Jersey, the survey highlighted that the majority of respondents felt as women they suffered from a lack of time which impacted on their ability to perform at the highest level. This was exacerbated if the respondent had children which put increased stress on women in creating an acceptable work life balance. When asked what were the biggest challenges in progressing their career the following answers were given:

“Children. It’s impossible or very difficult to commit the hours required to progress career”

“Work life balance/ hours/culture”

”Too much on my plate at the moment which makes it hard to invest in self-development/ networking”

“Balance my career with my family life”

“Being a mother and wanting to stay in my role however the business saying it is difficult for me to be client facing and have some flexibility regarding my role.”

“Already the business is starting to see me differently (after having a child) – I haven’t changed, nor has my experience, qualification or tenacity”

| Employers providing flexible working | Employers not providing flexible working | Women using flexible working |
|--------------------------------------|--|------------------------------|
| 67% | 33% | 58% |

Only 58% of women having access to flexible working take advantage of the facility. The lack of take-up of flexible working may be because there is no formal recognition of the benefits of flexible working to an organisation.

The view may be that women taking up flexible working hours are not contributing as significantly to the business as employees who are working conventional hours. There may be a perception within the workplace that there is a higher value placed on the number of hours spent in the workplace than in the productivity of the individual. Very few companies record flexible working i.e. home working or the work achieved in compressed working weeks.

Women may have insufficient confidence in their ability or how they are perceived to take advantage of flexible working. Lack of confidence leading to lack of recognition is a continuing theme in the Jersey survey. Women often felt difficulty in expressing their opinions for fear of being seen as aggressive.

“Women definitely have to work harder to be promoted and are still seen as the main family carer and therefore not as committed as men to their careers if they have a family”

“To succeed in my career the expectation is long hours and lots of networking. This is very hard to manage whilst working with children”

Legislation has been in place in a number of European countries for many years stipulating that employees with care responsibilities are entitled to flexible working and reduced hour options. The introduction of family friendly legislation in Jersey may lead to a greater understanding of the relationship between working hours, lifestyle choice and life stages and women should take advantage of flexible working during those years when more childcare is needed.

However, research suggests that employers are more willing to negotiate flexible hours with existing employees than with prospective employees and this may be a hindrance to women either returning to the workplace or changing jobs to achieve promotion. We will wait to see if this is an issue which arises in Jersey.

Recommendation:

Legislation has been introduced which provides for employees to have the right to request flexible working if employees have care responsibilities.

However, legislation will not overcome women's perceptions with regard to their value within the workplace. The value of flexible working to an organisation and to society needs to be clearly articulated by employers, employees and Government. Women are often reluctant to take advantage of flexible working so that they can achieve a work life balance as they feel they may be considered a less valuable employee. The perception that childcare is still a female issue is outdated. Childcare is a parenting issue and not a mothering issue and it is important that society recognises and values this premise. The States of Jersey to put in place a mechanism to assess the beneficial impact of the family friendly legislation and publish the results.

The promotion of a programme whereby successful women are encouraged to talk in schools and higher education establishments about their experiences and how they have successfully challenged stereotypes and overcome obstacles to career advancement and managed their career opportunities would be beneficial.

The 30% Club in the UK sponsors a “Women for Media” database. JCRT to sponsor a “Women for Media in Jersey” or “Jersey Women to Watch” database of female leaders who are available for media comment on current topics including issues impacting women’s career advancement. This would give career women greater visibility and promote debate on gender issues which affect society and particularly women’s role within society and the workplace.

Constituents: States of Jersey, Education Department, Media

Breakfast Meetings co-hosted with JEND

Diversity and Inclusion:

As stated above, gender diversity is important if a company is to be representative of the markets in which it operates. Gender diversity maximises the skills of the workforce and capitalises on important human resource talent. From an employee’s perspective there is certainty that discrimination will not take place and that the employee will be assessed solely on ability with no artificial barriers to their progression.

However, a diversity programme has to be robust. There has to be continual assessment of the programme to ensure that it is understood by the workforce and that it is meeting the objectives of a company and its workforce.

In Jersey, the information from the survey indicated that many companies have an equality and diversity programme but that it is not always clearly understood by employees and may not be actively promoted.

| | | | |
|--------------------------------------|---|---|---|
| Employers have a diversity programme | Employers do not have a diversity programme | Respondents did not know if company had a diversity programme | Respondents agreed policy was beneficial and understood |
| 55% | 27% | 18% | 34% |

Imbedded individual mind sets:

The questionnaires indicated that even where a company had an equality and diversity programme which was understood by the employees there were still significant issues and mind-sets which are highlighted

“4 of 20 Directors in my company are women. 2 don't have children. I have a husband who does not work. That is 1 in 20 who made it to director with children and a husband who works”

“Women definitely have to work harder to be promoted and are still seen as the main family carer and therefore not as committed as men to their careers”

Imbedded institutional mind sets:

“Macho culture within the firm but mostly at Board level”

“I do think it is improving. Top level of finance is very male orientated and is difficult to “get in””

The States of Jersey must take a lead in promoting and supporting an equality and diversity programme for its senior workforce and in business areas where it has influence. By leading from the front the States of Jersey can encourage Jersey companies to develop active equality and diversity programmes which will enable senior management and boards to become a true representation of the market in which they are operating.

Gender equality is a core component of good corporate governance. A business or board which fails to have a diverse gender profile represents a risk to investors, to the workforce and to the sector in which the company operates. Legal & General Investment Management the UK's largest fund manager has taken a decision to vote against boards that fails its diversity criteria. Auditors are becoming increasingly aware of the risk of non-diverse business organisations and boards and are recommending that business organisations have equality and diversity programmes in place so that the widest range of key skills and knowledge are available for the benefit of business. Equality and diversity programmes should be dynamic and actively challenged, monitored and reviewed on an annual basis.

The issue of pay parity was also raised with the perception being that women were paid less than men for performing a similar role.

Recommendation:

Lobby Government to achieve a gender balance in senior positions within the civil service and in companies in which the States of Jersey have an interest or can influence decisions. In addition, States' funded bodies or boards where Directors or senior managers are appointed by the Appointments Commission or the Human Resource Department of the States of Jersey to be gender balanced.

There should be a clear statement on all States of Jersey Department websites supporting gender equality.

The States of Jersey to set an aspirational gender equality target of 50% for senior States appointments and States' funded bodies or boards. The States of Jersey to publish the aspirational target, benchmark against the target on an annual basis and publish the results. By taking this lead the States of Jersey will demonstrate its

commitment to equality and diversity and become a role model for business organisations to develop and support equality and diversity programmes and adopt their own aspirational targets.

The ability of women to progress is often hampered by childcare considerations. Therefore, the question of childcare should also be addressed by the States of Jersey in terms of quality, availability and cost. Career aspirations should not be tempered by the quality, availability or cost of childcare.

Equality and diversity also relates to pay parity. It is recommended that the States Statistical Unit or another States' funded organisation undertakes a review of pay parity to ensure that men and women performing the same job are equally compensated.

Constituents: States of Jersey, IOD, Chamber of Commerce,

Conclusion:

Many companies in Jersey have equality and diversity policies and support mentoring and sponsorship schemes. There are a number of professional networks in Jersey which women can join and many websites, publications and fellowships external to Jersey which provide career guidance. However, women in business still feel that they are not supported in a way which will enable them to fulfil their true potential.

The major issue appears to be the balance between career and family life. Even for very senior women who can afford high level paid support the issue of child care is still cited as a reason why men and women do not have equal opportunities within the workplace. For the pipeline of women who aspire to furthering their career childcare is seen as a major issue because of the cost and inflexibility of available childcare.

One senior women interviewed had to think long and hard before accepting a partnership position because she had young children. The decision she made was based on the fact that she had worked hard to achieve her qualifications and even harder to be recognised as partner material. She ensured that her childcare was adequate and had advised her employer that she would leave the office each evening at 6.00 p.m. which was accepted. The decision had been a good one and was working successfully but the pipeline of younger women wishing to follow in her footsteps is not healthy and many are putting their careers on hold because of the difficulties they perceive in respect of work/life balance.

In the questionnaires there is a distinction in the answers to a number of questions depending on whether or not a women has children. When asked "What is your biggest concern regarding your career" women without children answered that there only concern "was their own ability to succeed", that they "made the right career

choice” and that they would be perceived by their employer as “being on top of my game”.

Almost without exception women with children felt that having children could be a barrier to success or certainly child care responsibilities made it more difficult to succeed. It was certainly perceived by some women that having children had set their career back by a number of years and that those years were the years when men had forged ahead in terms of promotion and pay.

Women also often thought that they were not paid at the same level as men for performing similar jobs and this was a result of institutional mind sets in that men were paid based on potential and because they had more ambition.

Therefore, Government has to support parents during the lifetime of their working career so that each gender has similar career and pay opportunities.

The States of Jersey has an opportunity to do this with the newly implemented sex discrimination legislation and JCRT should ensure that it has a place at the table to influence decisions.

