



**STRENGTH  
THROUGH  
DIVERSITY**

# **WOMENCOUNT2020**

Role, Value, and Number of Female Executives in the FTSE 350

# Foreword

Companies with women in senior leadership roles are more profitable. They are better innovators. They are more respected in their fields.

Yet, as this report lays out, across the 350 biggest British PLCs, fewer than two in ten Chief Financial Officers are women, only 4% of investment managers are women, and just 5% of firms are led by a female CEO. In the FTSE 100, there are more CEOs called Peter than there are women in the top job. Depressingly, that is one fewer female CEO than last year.

Whenever data reveals a disparity of outcome between groups, the challenge to those in power should be – explain it or change it. There can be no good explanation for the massive underrepresentation of women at the top of British business – so it must change.

To succeed in getting more women into senior leadership roles, you need to have a healthy pipeline of female talent running right through an organisation. That means identifying and removing barriers at every stage which prevent women from making progress in their careers.

That needs buy-in from the top. Every single male CEO who looks around his boardroom table to see nine out of ten male faces staring back at him needs to ask himself what he is doing to make his business one which his daughter or granddaughter can get on in.

Government has a crucial role to play too. It must create a regulatory environment which promotes

good business. Mandating companies to publish their gender pay gap figures – as I did in 2017 – is just one of the things government can do to drive improvement.

Whether it be on female representation in the boardroom, action to address racism, inclusivity for LGBT+ people, or policies to promote environmental sustainability and tackle climate change – staff members, clients, and customers are demanding change.

A generation is entering the workforce which simply views with incredulity the absurdities of women being paid less than men for doing the same job, or 95% of bosses being male.

Very quickly, firms which find themselves on the wrong side of history on this and other social issues will discover that they cannot recruit the talent they need to succeed. This report should be a wake-up call to them.

Act now to change your businesses, to make the most of every talent, and to play your part in making our economy one which works for everyone.



**Rt Hon Theresa May MP**

*Former Prime Minister of the UK*



**“Whenever data reveals a disparity of outcome between groups, the challenge to those in power should be – explain it or change it. There can be no good explanation for the massive underrepresentation of women at the top of British business – so it must change.”**



# Foreword

Covid-19 is disrupting everything. The economic and social impact of the pandemic is severe and demands us to think about building back better in a way that long-standing questions of equity, justice and sustainability are addressed. UK companies are responding to the 'new normal' by innovating and adapting and there is a great opportunity for them to do more.

The final shape of our future remains uncertain, but it is abundantly clear that some things do need to change, and fast. As **Women Count 2020** reveals, one area requiring urgent attention is gender diversity at the top levels of British business. For many years, successive governments have sought to drive increases in female representation through reviews and targets, and it is good to see progress being made amongst non-executives on company main boards. However, slow progress is still the norm on the executive side of many UK businesses.

This report shows how the failure to develop and promote women into CEO or C-Suite roles has serious consequences, not least for profitability, especially for those companies who have yet to place a single woman onto their executive committee. We must do better than this.

When I arrived in Britain as a 19-year-old student there was a glass ceiling stopping people like me, who came from overseas, from getting to the top. Thankfully, I and a small number of others were able to break through and, over the last three decades, we have begun to become a country of aspiration and opportunity. But despite this progress there is still much to do for many women of talent in our businesses.

Dealing with the legacy of Covid-19 will require us to create and sustain an economy that works for and recognises the value of everyone, where we achieve a better Britain by all working together. To see the scale of the challenge ahead and the urgent need to change, I recommend this report as essential reading.



**Lord Karan Bilimoria**  
of Chelsea CBE, DL  
*President, CBI*



**“This report shows how the failure to develop and promote women into CEO or C-Suite roles has serious consequences, not least for profitability, especially for those companies who have yet to place a single woman onto their executive committee. We must do better than this.”**

# Letter from the Authors...

*Dear Reader,*

Before we start on the data, we'd like to thank the Rt Hon Theresa May MP and Lord Bilimoria for writing their personal forewords to **Women Count 2020**, and for all they've done to support the economic case for greater diversity and inclusion. As Prime Minister and Government Minister, Theresa May has been exceptional at introducing measures to reduce discrimination at work, including the legal requirement for all firms with more than 250 employees to report their gender pay gaps. We know too that Lord Bilimoria will use his year as President of the CBI to advocate for the inclusion of all, as we navigate this perilous period ahead for our economy.

**Women Count 2020** is the fifth in our series of annual tracking reports on the number of women on executive committees and main boards in FTSE 350 companies, as it stands at 17<sup>th</sup> April 2020<sup>1</sup>. Using independent research, the data shows how little progress has been made over the last five years and proves conclusively how, more than ever, companies with diverse leaderships perform better and have higher profit margins, indicating that they are making better commercial decisions than companies without diverse leadership. **Women Count 2020** reveals that the British economy and shareholders have missed out on a gender dividend of £47 billion<sup>2</sup> in pre-tax profits, enough money to keep the NHS running for a full 5 months.

As businesses grapple with the severe economic challenges caused by Covid-19, it is essential that every company leaves no stone unturned in the fight for survival and the search for maximum returns. However, it seems that for many businesses, the calls for action over decades from government, external organisations and female leaders and executives, have been ignored. Which is why the financial year closed with more FTSE 100 CEOs named 'Peter' than

**The British economy and shareholders have missed out on £47 billion of pre-tax profit**

women<sup>3</sup> in these roles. In any age, let alone in the third decade of the 21st century, and during a Covid-19 economic crisis, this position is scandalous.

**Women Count 2020** provides compelling evidence as to

why it is in companies financial self-interest to improve gender diversity at executive committee level. And quite frankly in the interest of governments and society.

This census should be a huge wake-up call for corporate Britain, especially as emerging evidence is showing that organisations and governments headed by women are faring better during the Covid-19 crisis. In business, we see noteworthy examples in the world of Hedge Funds, with female-led organisations outperforming their male-led competitors.

Some nations are showing that they understand the need to remove barriers to women occupying positions of leadership. In Germany, there are long-standing quotas for numbers of women in non-executive roles on company boards, and government ministers are indicating they are now prepared to go further, with legislation being proposed to extend a similar requirement to executive committee positions. British business should take note.

Covid-19 is testing most companies to the limit, but it truly exposes those which lack resilience. **Women Count 2020** shows that businesses which make the most of all the talent at their disposal, both female and male, without discrimination, will be best placed to win in the post Covid-19 world.

Yours,

**Margaret McDonagh  
& Lorna Fitzsimons**  
*Co-Founders, The Pipeline*

# Executive Summary & Key Themes

## Key Theme 1: *Lost profits*

- ▶ **FTSE 350 companies which have executive committees with female membership of more than 33% have a net profit margin over 10 times greater than those companies with no women at this level.** Companies with no women on their executive committees have a net profit margin of 1.5%, whereas those with more than 33% women at this level reached an impressive 15.2% net profit margin<sup>4</sup>.
- ▶ **The UK economy and shareholders have missed out on an additional £47 billion in pre-tax profit.** This is how much money could have been gained if the companies with no women on their executive committees this year had performed with the same net profit margin as companies with more than 33% female membership on their executive committees.

## Key Theme 2: *Going backwards on women leaders*

- ▶ **In 2020, there are just 13 women CEOs of FTSE 350 companies.** That's a mere 5% of company leaders. On the 17<sup>th</sup> April 2020 there were more CEOs named Peter (6) than there were women (5)<sup>3</sup>.
- ▶ **Women CEOs are critical to driving gender diversity at senior levels.** Companies in the FTSE 350 led by women have an average 1 in 3 people being women on their executive committees, which falls to an average of 1 in 5 for companies led by men.
- ▶ **Chief Financial Officer (CFO) is another important company role where women fail to get to the top.** Women enter finance in large numbers, but few make it to CFO. This year just 16% of CFOs are women, with men taking 84% of these roles<sup>5</sup>.



If companies with no women executives...

...were to perform with the same net profit margin as...

...companies with any women executives

# Executive Summary & Key Themes

## Key Theme 3: *Preparing women for the next level - a broken springboard*

- ▶ Executive roles containing a profit and loss (P&L) responsibility<sup>6</sup> are considered to be key for future CEOs, yet **in the FTSE 350 90% of P&L roles on executive committees are held by men and only 10% of these roles are held by women**<sup>7</sup>.
- ▶ **A staggering 68% (over two-thirds) of FTSE 350 companies do not have a single female executive committee member in a P&L role**, raising serious questions about the desire for positive change in so many businesses and the prospects for women seeking to make it to CEO.
- ▶ **The story for men could hardly be more different** with just 1% of FTSE 350 companies having no men with P&L responsibility on their executive committees.

## Key Theme 4: *Worrying signs amid the green shoots of progress*

- ▶ **We welcome the 2.7% increase of female membership** on executive committees in the FTSE 350. Women now make up 19.8% of total executive committee roles, compared to men who make up 80.2% of these roles. We note most of this increase comes from the FTSE 250, as the increase of female membership on FTSE 100 executive committees has slowed to 1.4%.
- ▶ **This year, it's heartening** to see more women in functional roles, for example, HR roles, begin to break through in larger numbers to top jobs. We also observe that those companies which are already good at promoting women are doing even better.
- ▶ **Unfortunately, similar numbers of companies as last year remain all-male bastions**, with 15% of FTSE 350 businesses refusing to have a single woman on their executive committee. As we've explained, we see no change to P&L roles or women succeeding to the top job of CEO.
- ▶ **This is another generation of female talent lost.** At the current rate of growth, we will miss another generation of female talent before we have any hope of parity.

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# The Count

**Women Count 2020** is the fifth annual study of women executives, their roles on executive committees, and the impact on business performance in FTSE 350 companies, as it stands at 17<sup>th</sup> April 2020<sup>8</sup>. This report reveals, in stark detail, how the failure to advance women to leading corporate positions has become a significant drain on profitability. Instead of seeing increases in the numbers of female leaders, this year there are fewer women CEO's who are taking the reins of FTSE 100 businesses. There are also worrying trends for the next tranche of female leaders. Profit and loss (P&L) roles within organisations are key for those seeking the very top jobs, especially CEO.

We are seeing some progress in total numbers of women on executive committees. However, a deeper dive into this data shows that the 2.7% increase of women on executive committees since last year comes from only a small number of companies, which were already doing well. The increase also mainly sees women going into functional roles, not those all-important P&L roles. It's clear: the UK remains in the slow lane on gender diversity at the top of its biggest companies, and until it takes effective action, we will all pay a heavy price.

## There are four key themes in this report:

1. Lost profits
2. Going backwards on women leaders
3. Preparing women for the next level - a broken springboard
4. Worrying signs amid the green shoots of progress

### 1. Lost profits

FTSE 350 companies are missing out on sizeable profits through a failure to appoint more women to key executive roles. Reading this section, you will realise that the net profit margin peaks at 15.2% when there is over a third (33%) women on executive committees, and starts to tail off, to a respectable 12.5%, when we have 50% or more women on executive committees (see figure 1). Readers should

note that there are only five companies with 50% or more women on executive committees, so it makes a negligible difference when these companies are subsumed in the >33% band.

The profit margin for companies with no women on their executive committee is a paltry 1.5%, for those with 1-25% it is 6.9%, and for those with 26-49% it is 10.6%. For companies with 50% or more women on their executive committee the net profit margin climbs impressively to 12.5% (see figure 2).

The last year has not been a good one for those FTSE 350 companies still without a single woman on their executive committee. In 2019, the net profit margins achieved by these businesses stood at 6.1%, but in 2020 this has collapsed to just 1.5%. The failure

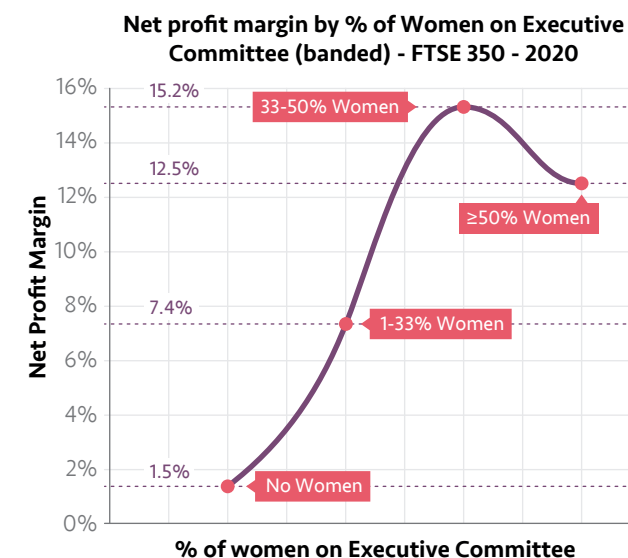


Figure 1



# The Count *continued*

to look beyond outdated employment and promotion practices is resulting directly in poorer business performance. The gap between the net profit margin for companies without any women on their executive committees and those which do embrace a level of gender diversity in senior positions is the biggest we have seen in the five years of this research (see figure 3). The difference of 9.1% net profit margin between companies with no women and those with 25% or more women on their executive committee is extremely significant.

Although there has been a general reduction in profit margins across all groups of companies, the level of reduction for those without any women on their

executive committee is quite staggering. Last year in 2019, the difference in net profit margin between companies with no women and companies with women was around double (x2). However, this year the difference is approximately five-fold (x5.5), and the difference in net profit margin between companies with no women on executive committee and companies with 25% or more women is 7-fold (x7.1).

Companies which had no women on their executive committees in 2019, and now have female membership of 1-24% at this level, achieved, on average, an increased profit margin of 1%. In stark contrast, companies which had no women on their executive committees in 2019, and still don't have any women

**Net profit margin by proportion of women on Executive Committee (banded) - FTSE 350 - 2020**

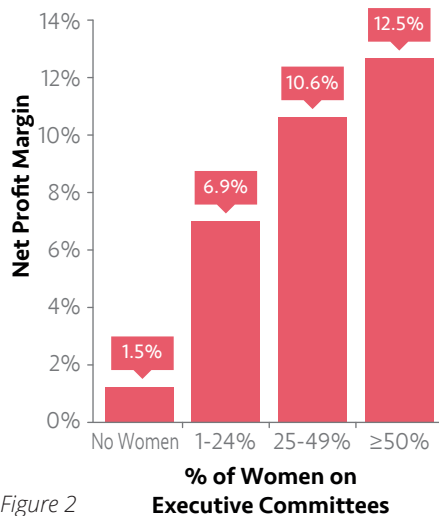


Figure 2

**Net profit margin by proportion of women on Executive Committee - FTSE 350 - 2017-2020**

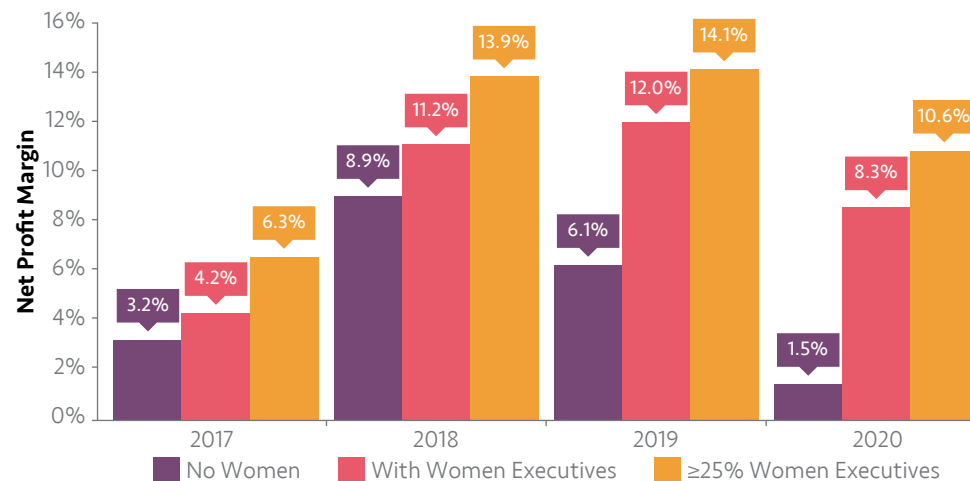


Figure 3





# The Count *continued*

here in 2020, on average saw a 5% decrease in profit margin. This is a 6% difference – a really positive outcome for those companies making efforts on gender diversity<sup>9</sup>.

The differences in net profit margin are even clearer when we categorise companies by those with no women on their executive committee, those with 1-33%, and those with over 33% (it is worth noting that there are no companies with over 63% female membership of their executive committee). There is a 13.7% gap between companies with no women on their executive committee and those with over 33% (see figure 4).

The sums being lost in unrealised pre-tax profits for FTSE 350 companies are huge. If the 33 companies with no women on their executive committees performed with the same net profit margin as companies with over 33% female membership at this level, this would be an astonishing additional £47 billion in pre-tax profit for the UK economy and shareholders. If the 195 companies with 33% or less women on their executive committees performed with the same net profit margin as companies with over 33% at this level, this would be a staggering additional £195 billion in pre-tax profit for the UK

economy and shareholders, equivalent to an average extra £1 billion in pre-tax profit for each company. These are huge sums of money to miss out on.

The failure to maximise company profits by recognising the positive influence of women on executive committees is a scandal that hurts our national wealth and limits financial returns to hard-pressed investors, most notably pension funds, so it's a double whammy. The case for change here is unarguable, yet it seems many companies are ignorant, wilfully, or otherwise, of the opportunities on offer for improved company performance.

**Net profit margin by proportion of women on Executive Committee (banded) – FTSE 350 - 2020**

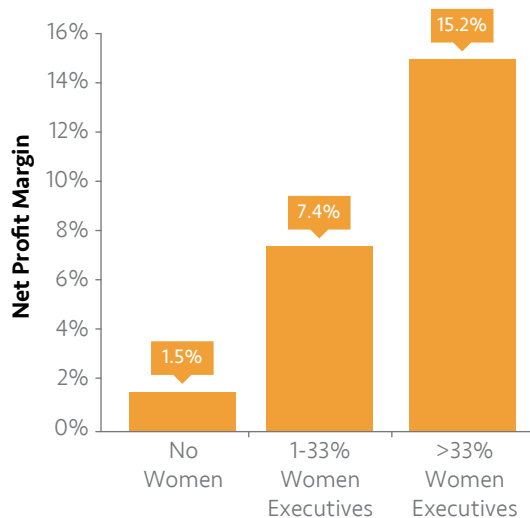
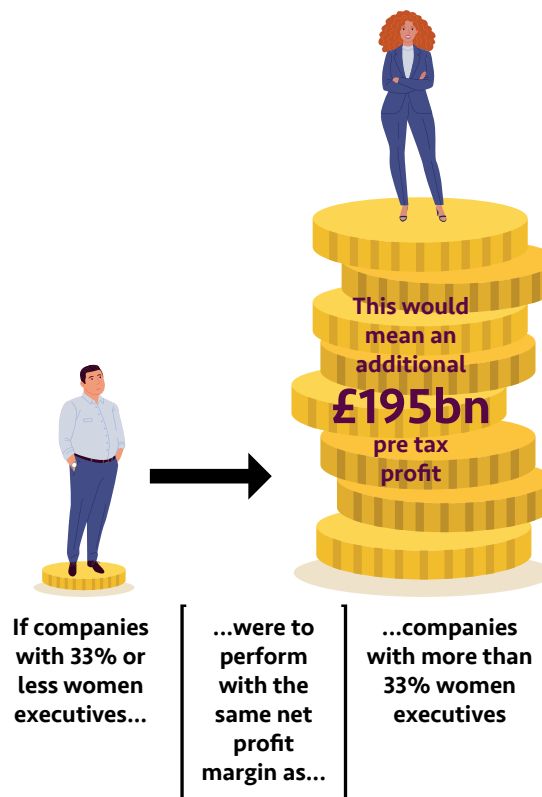


Figure 4



**Proportion of CEOs in the FTSE 350 by Gender**

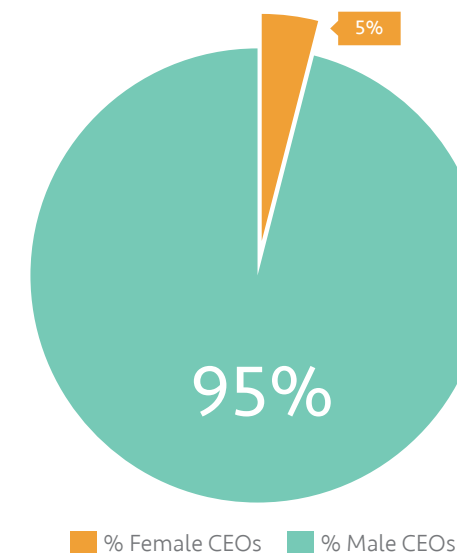


Figure 5

# The Count *continued*

The Pipeline has worked with numerous large organisations who do want a better future. We help them to better understand how their cultures and practices affect progress on achieving sustainable diversity. Using our own quantitative analytic tool, GENIE™, we have accumulated thousands of responses from people working in widely different areas of business. Almost 65% of total respondents

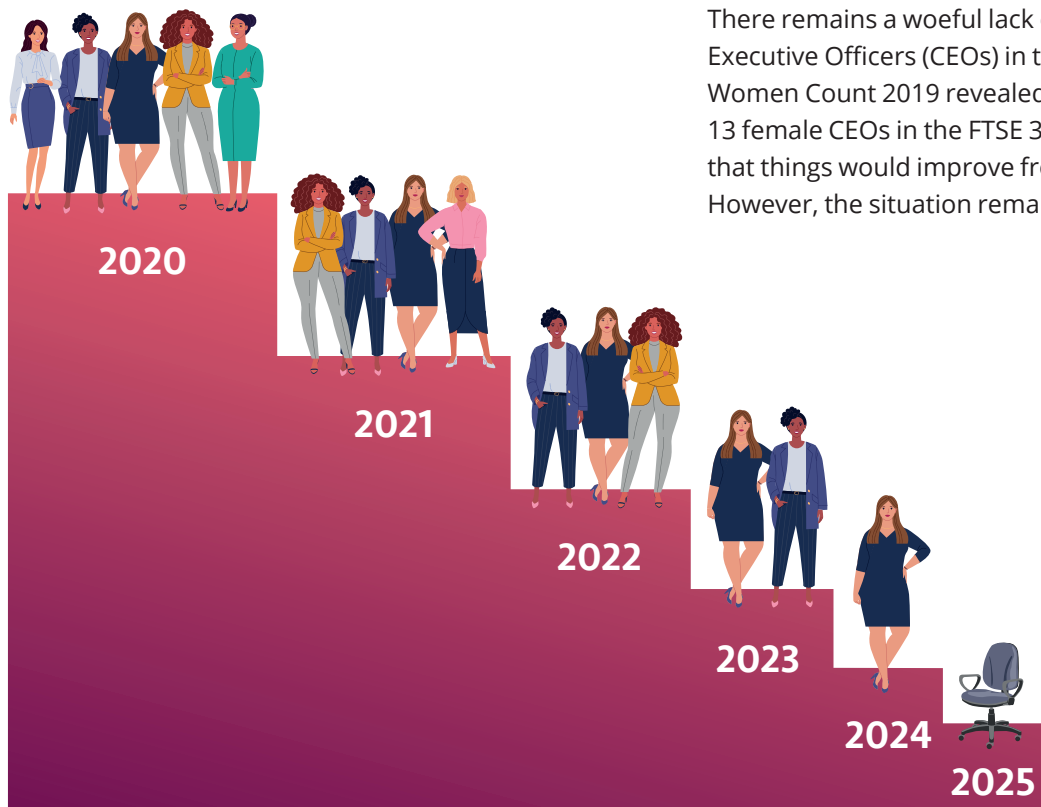
say that their manager has never spoken to them about how a good mix of men and women in leadership roles is good for business. This lack of appreciation of the benefits of gender diversity to company success goes a long way to explaining the prevailing culture in some businesses.

women still leading FTSE 350 companies (at the time of data collection). This represents a mere 5% of FTSE 350 company leaders (see figure 5)<sup>3</sup>.

In the FTSE 100, the situation has worsened. In 2020 (at the date of data collection – 17<sup>th</sup> April 2020) there are currently 5 female CEOs in the FTSE 100. It is hard to believe that things could get worse than 2019, when there were just 6 female CEOs in the FTSE 100, but 2020 sees another backward step. If maintained, this rate of regression will result in there being no women CEOs in the FTSE 100 by 2025. A depressing thought.

The lack of women company leaders is extremely worrying. **Women Count 2020** shows, in line with previous studies<sup>10</sup>, that female CEOs are much more

## Female CEOs - FTSE 100



## 2. Going backwards on women leaders

There remains a woeful lack of women Chief Executive Officers (CEOs) in the FTSE 350. Last year, Women Count 2019 revealed how there were only 13 female CEOs in the FTSE 350, and it was hoped that things would improve from this very low base. However, the situation remains abysmal, with 13

Average number of female executives split by CEO gender

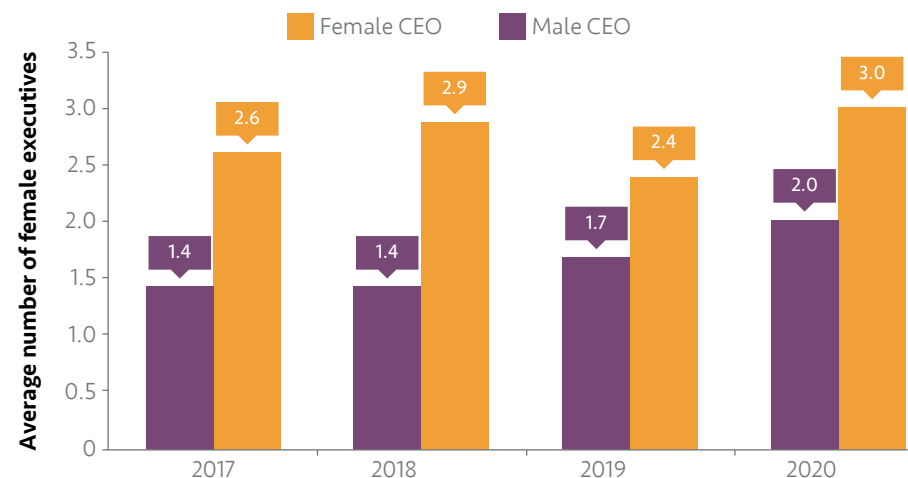


Figure 6

## The Count *continued*

likely to prioritise gender diversity at executive committee level than their male counterparts (see figure 6). The average percentage of women on executive committees led by female CEOs is 32%, outperforming male led businesses which sit on average at just 19% women executives.

To illustrate the appalling failure of our nation's major businesses to diversify their top positions, it is worth considering this: in 2020 Britain there are more CEOs in the FTSE 100 called Peter (6) than there are female CEOs (5). Despite repeated government initiatives, targets, and reviews, it seems that having a particular male first name gives you a better chance

of becoming a CEO than being a woman. Perhaps women executives should change their name to Peter!

There is also huge female underrepresentation in the position of Chief Financial Officer (CFO), a critical role that significantly influences company performance and one that usually sits on company main boards.

**Women Count 2020** shows that in the FTSE 350, 84% of CFOs are men, and just 16% are women.

When looking further at leadership positions there is some damning data within specific groups of companies, which reveals a dire situation. Investment trusts are significant drivers of economic activity

but do not have a traditional executive committee structure. In these organisations the role of Investment Adviser or Investment Manager is central to the strategic decisions and daily activity, so the fact that in FTSE 350 investment trusts, 96% of investment managers/advisers are men with just 4% being women should concern all (see figure 7).

The failure of companies to move away from male dominated leadership positions is felt keenly by women. The Pipeline's extensive data, gathered through GENIE™, shows that when asked whether they can see people who have the same background as them at the top of their organisation, we tend to



Investment Managers by Gender – FTSE 350

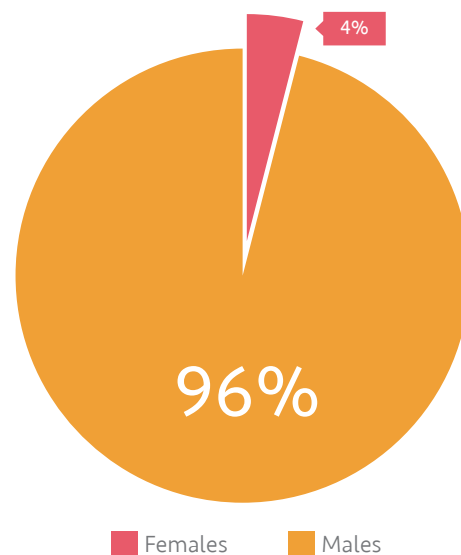


Figure 7

Proportion of P&L Roles by Gender - FTSE 350

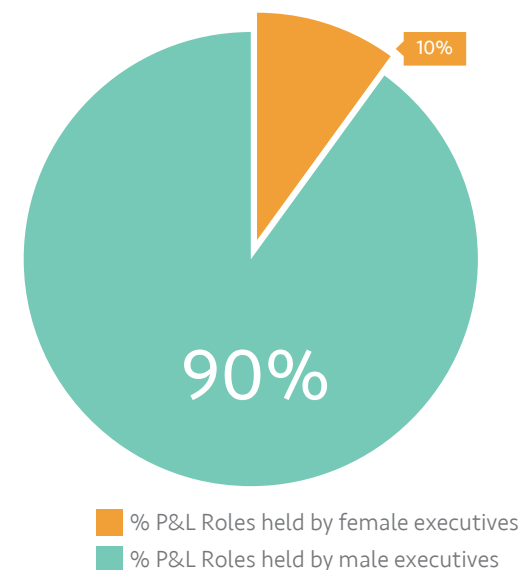


Figure 8

# The Count *continued*

see around 75% of black colleagues disagree, and 50% of women disagree. This is in comparison to around 36% of men and 37% of white colleagues who disagree.

## 3. Preparing women for the next level – a broken springboard

The type of role undertaken by women who have become members of FTSE 350 executive committees really matters. There is a hierarchy of positions on executive committees and those jobs holding a profit and loss (P&L) responsibility are more highly valued. These are seen as essential roles for people looking

to make the final step to Chief Executive Officer, often referred to as springboard positions and, in 2020, the evidence shows that women are just not getting the same opportunities here as their male contemporaries.

**Women Count 2020** shows that women hold just 10% of P&L roles that sit on FTSE 350 executive committees (see figure 8), an extremely concerning level of representation for future prospects of arresting the decline in numbers of female CEOs in the FTSE 100, let alone beginning to make advances on improving gender diversity at the most senior corporate level.

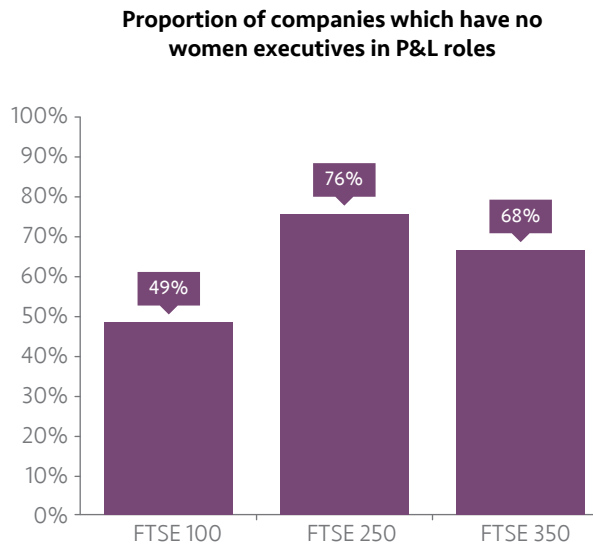


Figure 9

% of FTSE 350 companies with women in P&L Roles (banded)

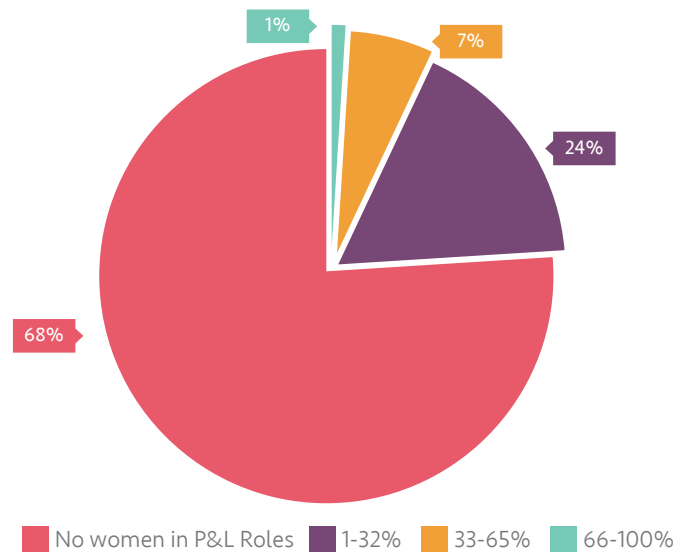


Figure 10





## The Count *continued*

The comparison with the number of male executive committee members in P&L roles is instructive. Women in P&L roles constitute 6.9% of total executive committee members in the FTSE 350, whereas men with P&L roles make up 60.3% of these positions. The situation is even worse when we dive further into the data and see that 68% of FTSE 350 companies do not have a single woman executive member in a P&L role (see figure 9). The figure is even worse for companies in the FTSE 250 (76%), showing many smaller companies outside the FTSE 100 are giving zero opportunities for women to obtain key P&L executive roles and, therefore, creating conditions where it is highly unlikely they will see a woman CEO in their business any time soon.

The situation for women here is grim. 92% of FTSE 350 companies have less than 33% women in P&L roles (see figure 10). Again, the comparison with male colleagues is startling, with only 1% of companies having zero men in a P&L role on their executive committee.

The importance of women occupying P&L roles is evident in GENIE™ data, with over half of all respondents across numerous organisations agreeing that you can't get to the top without significant budgetary responsibility.

The lack of women executive committee members holding P&L roles is also a big problem for wider corporate governance within FTSE 350 companies. Performing functional roles without P&L responsibility means that it is unlikely that such female executives will be sitting on company main boards. The consequence is many non-executive directors will not have sight of female talent within their organisation, limiting the opportunities for positive change on gender diversity when the time comes for decisions on executive succession planning and new leadership.

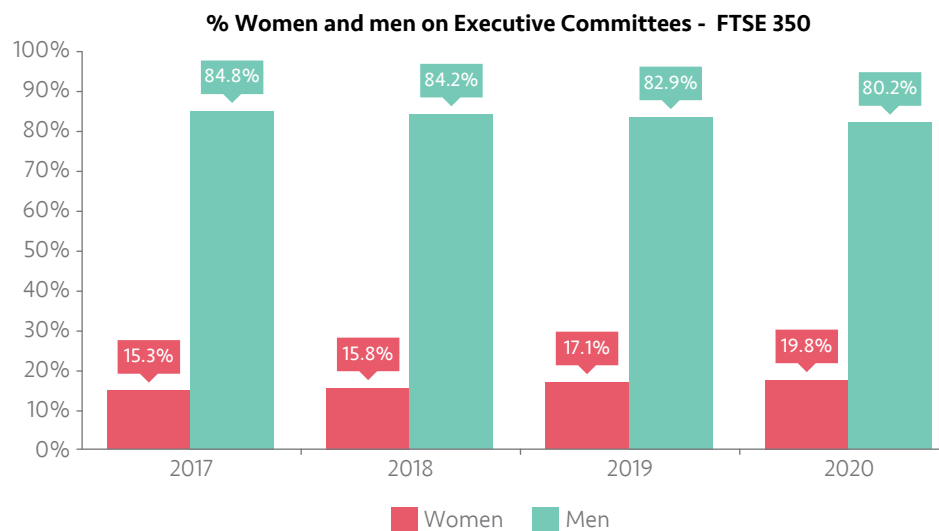


Figure 11

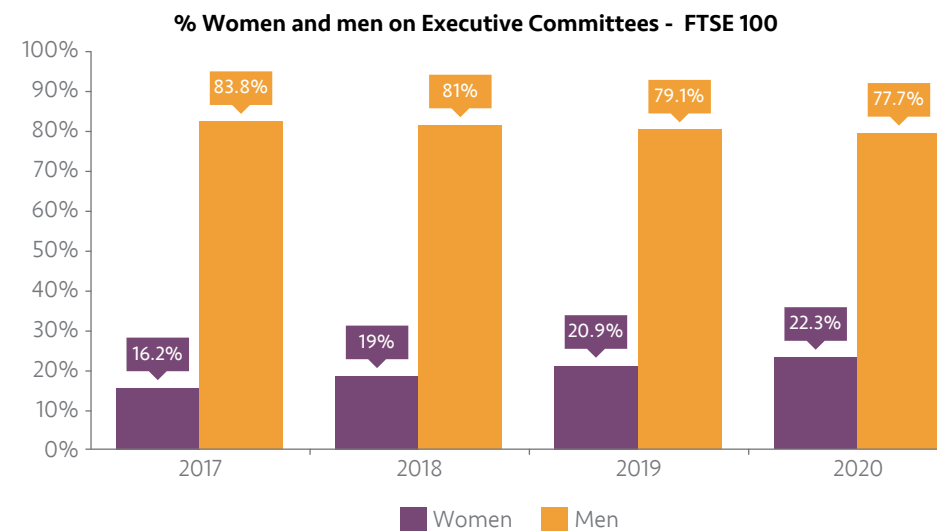


Figure 12

# The Count *continued*

## 4. Worrying signs amid the green shoots of progress

**Women Count 2020** shows that in the last year there has been progress in getting more women onto FTSE 350 executive committees. Women account for 19.8% of executive committee members this year, an increase of 2.7% since last year (see figure 11). This is an encouraging rate of growth compared to previous years but is still way below what is required to achieve gender parity on these critically important committees. If this year's rate of growth were to be maintained, it would be 2032 until there was a 50-50 split between women and men for FTSE 350 companies.

Looking further, we see a slower rate of progress in this area from the bigger companies listed in the FTSE 100, where the situation is almost flatlining (see figure 12). For these companies the rate of increase in women on executive committees in the last year is just 1.4%, and at this rate of progress it will be another 20 years before there is parity between men and women on the executive committees of the FTSE 100.

The data is also clear on where things are improving and failing; increases in the numbers of women on executive committees is largely being driven by companies which had previously made steps, however small, to improve their gender diversity at this level. Companies with 25-49% are up 6% since

last year, and companies with 50% or more women on their executive committee are up 1%. The story for companies at the other end of achievement in this area is markedly different, with those which had no women on their executive committee being down 5%, and companies with 1-24% women falling by 2% (see figure 13).

To begin achieving a step change in behaviour and results on gender diversity at executive level, rather than the minor advances seen here, there needs to be action across the FTSE 350. The data suggests that, this year, the increase of women on executive committees is due to companies which already have women at this level further increasing the proportion

**% of Executive Committees with women (banded) - FTSE 350 - 2016-2020**

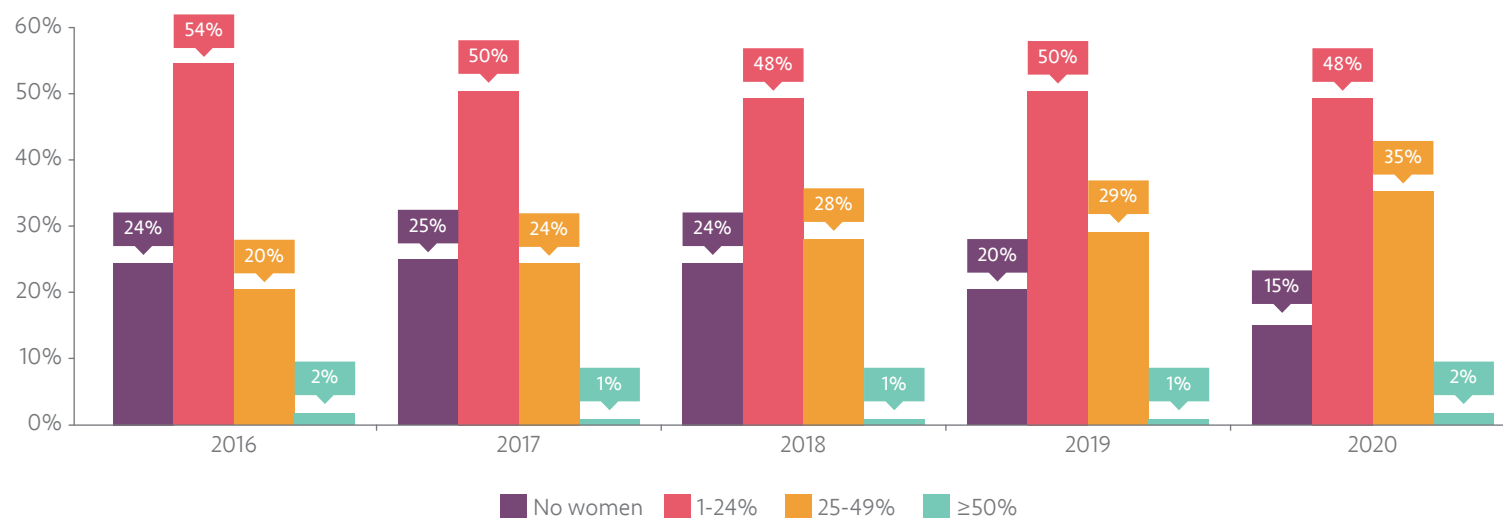


Figure 13

## The Count *continued*

of female executives. Instead, we need to see increases in female executives across the whole of the FTSE 350.

If we consider the same data but categorised in thirds, we see there is not a single FTSE 350 company with over two-thirds of women on their executive committee. Under this categorisation, 14.8% of companies have no women on their executive committee, 72.6% have between 1-33%, and just 12.6% have over 33% (see figure 14).

There are also concerns that women on executive committees are being appointed to functional roles, where prospects for future advancement to CEO level are extremely limited. As detailed above (pages 10-12), just 10% of executive committee members holding roles with P&L responsibility are women, a level that needs to increase rapidly if improvements in overall female executive committee numbers are to transfer into meaningful, long-term change in gender diversity and better business outcomes.

The headline figures for company main boards also appear to offer encouraging signs of progress. There has been an increase of women executive committee members sitting on main boards from 9.4% in 2019 to 13.1% in 2020, and this is welcome news (see figure 15)<sup>11</sup>. However, there are still a huge number of FTSE 350 companies who do not have a woman executive on their main board (74%) and a further 21% only have one woman here. There is still much to do.

**% of FTSE 350 companies with banded proportion of women on Executive Committees**

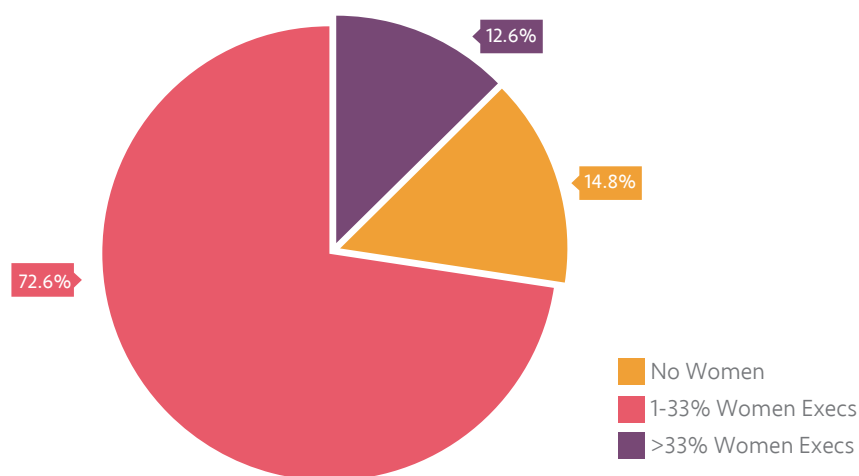


Figure 14

**% Female executive directors on main plc boards - FTSE 350**

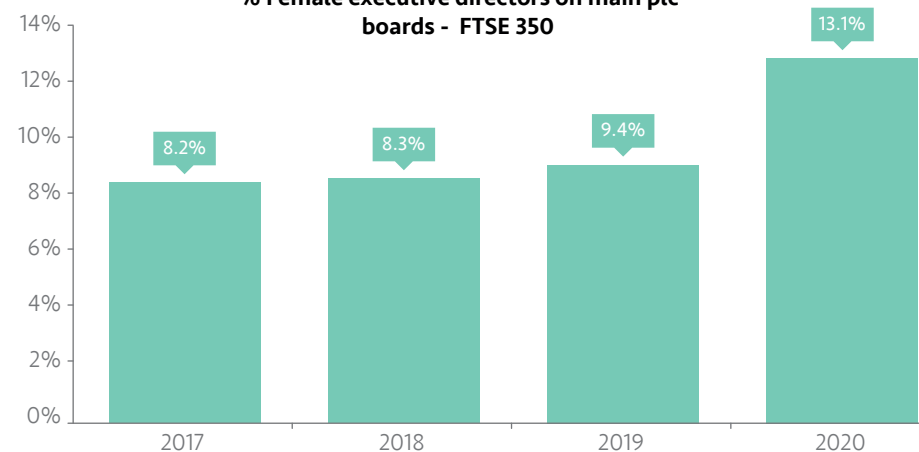


Figure 15

# Conclusion

We are nowhere near the end of the crisis caused by Covid-19, but we are at the end of the beginning. It is already clear that things will not, cannot, should not, return to business as usual. The question everyone should ask themselves is: what have I learned from this experience? What do I need to do differently to make us better? What will the new normal look like? Therefore, as we get things moving again, it is imperative that we all show we understand the need to change. And one of the crucial arenas for change is in the leadership of our companies.

**Women Count 2020** shows the consequences of inertia. Quite simply, if the companies with no women on their executive committees this year had performed with the same net profit margin as companies with over 33% women at this level, this would mean an additional £47 billion in pre-tax profit for the UK economy and shareholders. The failure to

embrace gender diversity has created the conditions where there may not be a single woman CEO of a FTSE 100 company in just five years' time. Keeping women away from critically important positions with profit and loss responsibility chokes off the development of future women leaders.

The cost of these failures is bad enough when times are good. In the tough times of the foreseeable future, adopting the same outdated attitudes and wasteful practices will simply not do. Britain needs its biggest businesses to show they understand the problem and lead a national renaissance that harnesses the best of everyone, regardless of gender. Then we will emerge from this crisis together, stronger, and more united than ever.

There is no time to lose. Come on British business, the people of your country need you.







**STRENGTH  
THROUGH  
DIVERSITY**

# About The Pipeline & The Authors

The Pipeline was established in 2012 to enable organisations to achieve their diversity goals through outstanding diagnostic tools, excellent leadership programmes, and bespoke consultancy. We begin by providing organisations with data and insights on diversity across all

groups. Once these results are known we can help organisations achieve sustainable gender diversity by focusing on the best interventions from our holistic range of services, including highly acclaimed executive programmes and consultancy projects.

## Margaret McDonagh

Co-Founder

Margaret McDonagh is a dynamic businesswoman and member of the House of Lords. She has had a successful corporate career serving as a NED for both Standard Life and Spanish based infrastructure company Abertis-TBI (global airports). Margaret was also the founding Chairperson of Smart Energy GB.

Margaret actively supports several charities, including serving as trustee of the AFC Wimbledon Foundation and is the Chairperson of the Orthopaedic Research & Education Fund, which uses big data to improve outcomes for patients. By profession, Margaret is a global expert in leading 'big campaigns'. She ran Labour's 1997 and 2001 General Election campaigns, which produced the most successful results for any party in Britain's history.



## Lorna Fitzsimons

Co-Founder

Lorna Fitzsimons is a trusted advisor to blue chip companies and Whitehall on gender diversity and developing executive female talent. She is also a Board member of the UK Fashion Textiles Association (UKFT), the Greater Manchester Local Enterprise Partnership, and a trustee of the education charity, SHINE. Lorna is deeply committed to unlocking women's potential at the top of corporate Britain and realising growth in the Northern Powerhouse.

Lorna was the Founder and Director of The Alliance Project, a £150m public-private partnership to bring back textile manufacturing to the UK, and CEO at the Britain Israel Communications and Research Centre (BICOM). She turned BICOM into an internationally renowned centre of excellence. She was also a visiting Fellow at the Defence Academy's Advanced Research and Assessment Group, and a former Member of Parliament.

# Our Programmes & GENIE™

The Pipeline is a leading diversity business, working with organisations to develop all their talent to deliver better results. Our diagnostic tool, GENIE™, shows organisations where and how to intervene so that all of their workforce maximises their career and feel supported to

thrive. It also is the largest bank of data on the barriers facing women, to evidence our tailored interventions for organisations who are losing their female talent. This provides the basis of the leadership programmes we design and run for individual women and organisations.



## GENIE™

GENIE™ is a diagnostic tool based on six years of primary research in the largest study of its kind, including executive interviews, focus groups, quantitative work and a longitudinal study of over 500 female executives, Boards, CEOs and C-Suites in over 100 large organisations. GENIE™ signposts where and how senior management might need to focus to help women within their workforce maximise their contributions as well as their career and provide the support to allow them to flourish and grow.



## Top Flight

Our flagship programme for women with potential taking that last difficult step to secure the most senior roles.



## Leadership Summit

Our results-driven programme for women stuck in middle management trying to break through to executive roles.



## Mastering Communications

Our transformational programme turning solid communicators into those rare individuals that motivate others to achieve more than they thought possible.



## Leading Diverse Teams

Our practical workshop building senior leaders' and line managers' confidence to advance diverse talent and make developmental breakthroughs.

## Methodology

Women Count 2020 is the fifth annual report by The Pipeline on the role, value, and number of women executive directors on FTSE 350 executive committees and main company boards. The data contained within was gathered through a mixed-methods approach, including research of company websites, annual reports, and other company communications, as at 17<sup>th</sup> April 2020.

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## Get in touch

For further information please contact us at: [admin@execpipeline.com](mailto:admin@execpipeline.com) or 020 7636 9002

# Endnotes

1. For consistency, there is a fixed point in the calendar for this annual count when data is captured, so that direct comparisons can be made year-on-year. In line with company reporting, this data was collected on the 17<sup>th</sup> April 2020. Any subsequent changes during the year ahead will be counted and published in Women Count 2021.
2. For 5 years now, Women Count has found that FTSE companies with women on executive committees have higher profit margins than those with no women at this level. These findings are consistent with research carried out by the IMF and McKinsey. They are also sector agnostic i.e. we see the same increase in profitability even in low profit sectors like retail. This year, we found that companies with more than 33% women on their executive committees made a net profit margin of 15.2%, falling to a net profit margin of 1.5% for those companies with no women at this level. If the companies with no women on their executive committees had performed with the same net profit margin as companies with more than 33% women on their executive committee, they would have gained an additional £47 billion for the UK economy and shareholders. The NHS budget for the year 2018-2019 was £114 billion. Therefore, £47 billion is enough to keep the NHS going for a full 5 months.
3. On the 17<sup>th</sup> April 2020, there were five female CEOs in the FTSE 100 and six male CEOs called Peter. We welcome Amanda Blanc's subsequent appointment as CEO at AVIVA on 6th July 2020 and will be reporting her appointment and any other additional changes in Women Count 2021. Unfortunately, even with Amanda we are only back to the six FTSE 100 female CEOs achieved in the financial year ending April 2019. This is still below the seven achieved in 2018.
4. Net Profit Margin is the ratio of net profits, before tax, to turnover (i.e. revenue). Expressed as a percentage, Net Profit Margin expresses how much of each pound collected in revenue is converted into profit.
5. There are 67 companies which have investment managers rather than CFO structure (out of which 64 investment managers are male and 3 female) and they are missing from the dataset used for this calculation. It should also be noted that 5 companies have 2 CFO/ FD roles, which are all included in this dataset. One company does not seem to have a CFO/ FD role, so is not included in this dataset.
6. For the purpose of this research, we identified the following roles as having P&L responsibility: Chief Executive, Deputy Chief Executive, Chief Finance Officer, Finance Director, Managing Director, President/ Executive Vice-President/ Senior Vice-President/ Director of a division, country/ region or product, Chief Operations/Supply Chain Officer, Chief Commercial Officer, Sales Director and Trading/Merchandising Director. We also analysed biographies on company websites to determine if the roles involved responsibility for running P&L accounts.
7. For the 288 companies which reported their executive committees this year, this data analyses all P&L roles on their executive committees. For investment trusts within that 288 (which do not have the same governance structures as other companies) we have used only the investment manager in this data (i.e. 1 P&L role for all investment trusts). For the companies which did not publish their executive committee data – 1 is an investment trust, so we have used their investment manager (i.e. 1 P&L role), and for the others we have used both the gender of the CEO and the CFO/FD in this dataset (i.e. 2 P&L roles).
8. In the FTSE 350, 288 (82.5%) companies published full details on their executive committees.
9. There were 46 companies last year with no women on their executive committee. This analysis looks at the 9 companies which have gone up to 1-24% women on their executive committees, and the 24 companies that still have no women on their executive committee. One company with no women has been removed from this analysis as an anomaly - it was greater than 4 standard deviations from the mean. The average profit margin of companies which still have no women on their executive committee dropped by 5%, whereas the average profit margin of companies who had no women and now have 1-24% women has gone up by 1%. A 6% difference.
10. See, for example, The Pipeline (2019) Women Count. Available from: <https://bit.ly/2ZMr4c7>; and The Pipeline (2018) Women Count. Available from: <https://bit.ly/2CY3kss>
11. This report focuses on women executive directors only and must not be confused with non-executive directors. FTSE 350 company boards are made up of executive directors and non-executive directors. Executive directors are responsible for running the organisation full-time on a day-to-day basis. Whereas, the non-executive director's role on main boards is to represent shareholders' interests and, more broadly, of wider stakeholders including responsibility for oversight and governance.



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# **WOMENCOUNT2020**

*Role, Value, and Number of Female Executives in the FTSE 350*

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