

## Why Gender Diversity Matters

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Last year, I heard gender equality described as the great unfinished business of the last century. I see that every day. Today the railway is still a predominately male environment.

A hundred years ago, in the First World War, many women took the place of men to help run the railway. Those women were trail blazers, but they would be disappointed, shocked, at the progress that has been made since then.

And this shouldn't be the case because this is a fantastic business to work in. 4.5 million people depend on the railway every day. In Network Rail, we manage 15,000 live projects – 22% of all infrastructure investment in the UK, including some of the most complex and challenging projects in the world. We're transforming our business so that we become more customer focused, innovative and more efficient.

We are responsible for a railway network that represents the economic arteries of our country, supporting jobs, businesses and housing.

There are almost 40,000 people working with me at Network Rail to do this, but only 16% are women. And, in the operationally focused parts of the business - the bits that actually run the railway - it's more like 10%. Just 280 of our 3100 engineers are women. It is shocking isn't it?

Today I'm going to talk to you about why we need to tackle that. I'm going to talk about the four areas that we at Network Rail need to focus on to achieve a better gender balance.

But importantly I'm also going to talk about why gender balance matters – why it matters for our business, why it matters for society and why it matters, personally, to me.

## **Why we need diversity**

I have been lucky enough to have worked in many countries around the world, in teams of different gender, ethnicity and religion and to experience first-hand the power of diversity.

But I've also worked in male-dominated teams long enough to learn that a culture of sameness can be a very damaging thing.

When a workforce is made up of similar people – when they all think the same and have the same background – it encourages conformity and stifles creativity.

It doesn't help us to challenge the way we've been doing business for decades.

It doesn't help us to drive up productivity and offer better value for money.

It doesn't help us to keep making our railway safer.

It doesn't help us get better every day.

Everyone knows that great businesses depend on great teams. And the libraries of books written about teamwork all agree on one fundamental point:

Great teams successfully bring together a wide range of different skills and ways of thinking.

Great teams use diversity of skills and perspectives to constructively challenge each other.

Great teams are ones where people respect and value difference.

And this is important because everyone needs to feel able to be themselves to perform at their best.

Regardless of their gender, ethnicity, sexual orientation, age or religion, people need to be able to bring 100% of themselves to work. Every day.

But I'll be honest. I'm not sure that everyone in our business agrees...in fact I know they don't.

Some research we did recently showed that 60% of people at Network Rail believe that greater gender balance will have a positive impact on the business. A staggering 37% didn't have a strong view or didn't think it would make a difference. And 3% believe it would have a negative impact!

I was honestly dumbfounded that so many people were uncertain about the merits of gender balance

So I decided I needed to get the proof to help these people understand what I, and I'm sure many of you, passionately believe - clear evidence that gender balanced teams are better. Hard numbers that would allow me to silence the sceptics.

## **Our research**

McKinsey has already done some fantastic work around gender parity and productivity.

Their first 'Women Matter' study showed that where there are three or more women in a senior management team, those organisations have higher than average scores of organisational excellence.

But I wanted to see if this held true at Network Rail. So we carried out our own smaller research project looking at our own teams.

I won't talk about the research in detail now but I'll give you a sneak summary of the results because what we found was remarkable.

We found that, at Network Rail, teams with 20% or more women were more engaged.

That's important because we know that engagement drives business performance. Engaged teams are more productive, have more satisfied customers, have lower rates of absence and sickness.

And that wasn't all we found out.

We found out that teams with more than 20% women are more collaborative.

We found out that teams with more than 20% women are safer.

We found out that teams with more than 20% women are more motivated.

And in teams with up to 40% women these scores have got even higher.

The results of our research are clear.

20% is a critical minimum threshold for positive gender impact and the closer teams get to an even gender balance, the better they get.

So we have set ourselves an initial challenge that all our business units need to have clear action plans to help them achieve the 20% threshold.

And for those achieving 20% already, we want them to set ambitious plans to improve further still.

I expect them to be leading by example looking at other aspects of diversity and creating truly diverse and inclusive working environments.

This is a significant challenge for us given where we are now.

So how will we get there?

There are four key steps: attraction, recruitment, retention and progression.

### **Attraction**

The reality is that we are not alone in the engineering sector in struggling to get a good number of quality female applicants for our roles.

There are simply not enough young women studying STEM subjects – science, technology and maths – after the age of sixteen.

And there's no good reason for this.

Girls do just as well as boys in STEM subjects at GCSE, yet only 20% of girls go on to do maths and science A Levels. This number is virtually unchanged in 25 years.

At university, only 16% of engineering students are women. Compared to 30% in India.

And only 47% of female engineering and tech students actually pursue a career in the sector after their studies – 20% fewer than their male counterparts.

This means that, by the time we are looking to recruit into technical roles we are already fishing in too small a pool. Just 14% of applicants for graduate engineering roles at Network Rail are female.

That's why the first part of our challenge is to help change the society in which we do business – we need to help increase the number of young women studying STEM subjects.

Some research we commissioned with child psychologists, Innovation Bubble, told us that female role models working in engineering are a critical influence in changing young women's attitudes about engineering as a profession.

This is why we are working with an excellent programme run by Women in Science and Engineering (WISE) called 'People Like Me' – where our women in technical roles go into schools and talk to girls about their work.

This helps to attract girls into studying STEM subjects by introducing them to people with similar personality traits and aptitudes who are happy and successful working in STEM careers.

On International Women's Day we had 43 of our female employees visiting schools up and down the country as part of the 'People Like Me' initiative. Over the next years we will train a further 100 people as part of this programme, to engage with young people.

And we need to raise awareness among parents of the exciting careers available in engineering.

But we have to be realistic.

The work we are doing is not enough on its own to achieve the degree of culture change required. This culture is very deep set.

I remember only a few years ago going to a large famous toy shop in London and seeing that they had separated the departments into sections – toys for boys and toys for girls.

The boys section was full of stuff that moved and things to build – Lego, Meccano, science projects, toy cars.

The girls section was full of castles and play houses, clothes for dressing up, art supplies, toy animals, hoovers and ironing boards!

As a father of two girls that made me angry. My girls were just as capable as any child of building a robot or a train set or a volcano.

But this shop had chosen not to offer that option to them. Not to even show it to them as a possibility.

We are all products of our environments. How can we possibly expect girls to grow up wanting to do something that conflicts with the programmed view of what is expected of them?

We're pigeon-holing our children before they're old enough to make their own choices. Not just girls, but boys too.

These social norms aren't harmless. They're limiting the way our children think about themselves.

And by doing that they're actively damaging the diversity of our workforce.

It has to stop.

We need to work together – employers, schools, parents and Government to stop limiting the potential of our young people. We must see gender stereotyping of young children as something profoundly wrong.

## **Recruitment**

This societal change will be hard and take time, but there is a lot that we can fix in the shorter term.

There is a lot that we can do to bring more women into our business and we must take direct responsibility for doing that.

The first of these is how we recruit.

Yes, we're fishing from a small pool, but are we doing everything we can to make ourselves an attractive employer for women?

Are our job ads in the right place? Or are we subconsciously putting them on websites and in publications predominantly looked at by men?

We've already made a very deliberate change in the photos we use.

You'll notice that the old pictures of middle-aged white men working on the track aren't about much anymore. The photos we use for our recruitment and indeed any of our public facing campaigns now reflect the diverse mix of people we want to attract into our business, and the customers we serve.

And over the next three years, further improving the way we recruit will be crucial.

Take our graduate scheme as an example.

We have already introduced gender neutral advertising to try to attract more female applicants.

And next year we will also have female graduate ambassadors who can go out to young women still at university to tell them all about the variety of careers that we can offer.

For the rest of the business we're learning from pilots and we're developing a gender neutral advertising toolkit for all business units to use. We will also be explicitly promoting flexible working in most of our external recruitment.

But recruitment is about much more than job ads.

Are we also dealing with conscious bias during the recruitment process?

Is there resistance within our teams to hiring someone 'different' because of genuine fear about the impact they will have on the team?

I don't want to belittle that concern.

Recruitment is tough and there is a lot of pressure on our managers to make good hires – people that will “fit in”.

So we need to provide support for our managers to help them understand the positive impact that difference can bring and how to offer the right kind of support for a new member of the team that might feel like they're in a minority.

That is why our flourishing staff networks are so important. That is why I'm so proud that we have over 400 members of Archway, our LGBT network.

And what about unconscious bias? Harder to tackle but just as damaging.

This is why we have introduced anonymous or 'name-blind' shortlisting to eliminate any chance of bias affecting which candidates we take forward.

This is why we have rolled out 'Inclusive Leadership Training' which includes a focus on unconscious bias.

And for anyone who thinks they aren't biased in any way, I urge them to do this.

It's a real eye opener.

We, all of us, can learn to be better.

That's why I'm making this training mandatory for all hiring managers at Network Rail. From April 2018 you won't be able to lead recruitment in my business unless you've done it.

The other key change I'm making is to put diversity and inclusion into the objectives of my top team and our Route Managing Directors.

This will make them personally responsible for driving improvements in diversity and inclusion within their respective business units.

These parts of the business are very different, with different challenges. But wherever they are now, I'll be asking them to put ambitious but achievable diversity targets in place and create action plans to meet them.

## **Retention**

The next step for us, beyond recruitment, is to be the best employer we can be for our existing female employees; to make sure they want to stay with us.

The reality is that even if you've got the best and fairest recruitment process, it counts for little if you aren't retaining your female workforce.

And we aren't doing as good a job here as we need to.

Women working at Network Rail are significantly more likely to leave the business than men and, after the age of 30, the number of women working for us drops off considerably.

We need to understand why we're losing our women and how we can be a better employer to women, particularly those in their thirties.

We already know from anecdotal evidence collated by our fantastic Gender Equality staff network, Inspire, that we urgently need to make our workplaces more open, inclusive environments.

In the battle for female talent we need workplaces that are attractive to today's generation.

Where facilities are designed with women in mind as much as men.

Where no one feels that they have to conform to fit in.

Where nobody feels they have to laugh off offensive sexist jokes for fear of being accused of having no sense of humour.

Where working flexibly is embraced and encouraged wherever possible, not just for working mothers but for working fathers too.

Where career breaks (and returns) are given the full support they need.

This is why I am particularly proud of our Property team who are working with HR and Resourcing to pilot a scheme to attract women returning to work and career break professionals who have been out of the industry for two years or more.

This provides professional surveyors with a 12-week paid project placement with flexible working arrangements. With the aim of a permanent job at the end of it.

The launch this year has already received an impressive response rate from both men and women who have had breaks in their career for a whole host of reasons including childcare and caring for family members.

Our first cohort of returners started just a month ago and we'll be doing all we can to gather feedback from their experiences to see how we might offer similar opportunities in other parts of the business.

Beyond this we need to look at the policies we have in place that help to make Network Rail an attractive and inclusive place to work – including flexible working and parental leave.

We have good policies and I'm proud of what they offer but we need to look at how they work in practice.

Not just for office based staff but those working out on track.

And we need to make sure we have the right culture underpinning them.

A lot of this comes down to good management. I want all of my managers to have the support and guidance necessary to use these policies.

Not just professionally but compassionately.

This is why I am so proud to be here to support our new programme, 'Men As Allies'. The idea of this is to harness male support for gender equality in our business and, crucially, to provide men with the support and resource to be better, more inclusive colleagues and mentors.

I and a number of other senior leaders have already signed up to this and I want as many men as possible within our business to do the same.

Gender equality is not just a women's issue. It is everyone's responsibility and it benefits us all.

## **Progression**

The last area that urgently needs our attention is how we help women at Network Rail progress onwards and upwards to the most senior roles in the business.

It is not enough to just retain our female workforce. We need to identify talent and nurture it.

At Network Rail, as in too many businesses, women are under-represented at the most senior levels. The more senior the position, the less likely it is to be filled by a woman.

Our performance review analysis shows that women are actually slightly out-performing men but, despite this, they are still not progressing at the same rate.

That is just wrong.

We have reached a point where it is clear that equality of opportunity is not enough.

We need to recognise that women working in a male-dominated environment will need more support than their male colleagues to make sure they get the recognition and progression opportunities they deserve.

That is not discrimination.

It is positive action. To end years of injustice through either conscious or unconscious bias.

I am really heartened to see the amazing work that Inspire, our gender equality network, has been doing in this area.

In addition to the personal development planning we offer, Inspire have been setting up groups all around the country.

They are piloting mentoring schemes, creating a development programme for women and, next month, will be holding their first event to support career and personal development.

## **Conclusion**

As many of you will know, the challenge to transform Network Rail is huge.

And it is very clear to me that improving diversity is a critical part of how that transformation will be achieved.

I have talked today about how we will improve gender balance by focusing our efforts on four key areas:

- Acting to reduce gender stereotyping of children that limits their options and potential
- Changing the way we recruit to attract more women
- Retaining more of our female employees by creating a more inclusive and flexible work culture; and
- Making sure the brightest and best women at Network Rail are supported to progress within the business.

Because our own research has clearly shown us that diverse, gender balanced teams are more engaged, more collaborative, more motivated and safer.

Better in every way.

The prize is huge.

But I'll be honest, business productivity is not the only reason that I get up in the morning determined to improve gender diversity at Network Rail

The truth is that we live in a world where 51% of people are women and our workforce should reflect that.

We provide a public service and we will do a better job if the people who work for us reflect those we serve.

The truth is that the stories of the laddish boys' club atmosphere in parts of our industry make me angry.

The truth is that as a leader, a manager, a husband and a father what troubles me most is the thought that the talented women in my life might not reach their potential because men like me did not do enough.

Gender equality is definitely unfinished business, but I want the railway to play its part in finishing what it helped start a hundred years ago.

Thank you.