

# Women, Boards and the UK Built Environment

Investigating the business case for improved gender diversity on the boards of UK built environment firms

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This project was been commissioned by the Equilibrium Network, a group of senior industry women aiming to improve the sector by addressing the high rates of female attrition and poor board diversity level. More information on the Equilibrium Network is available at <https://equilibrium-network.com>

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## Executive Summary

The most recent 2017 statistics have seen a small increase in women holding technical roles in UK industry. However, despite years of attention from industry leaders, activists and government, the built environment sector has failed to achieve female participation anywhere close to parity. Meanwhile, construction continues to suffer from a poor public image, and there is a skills shortage of tens of thousands of employees predicted over the next decade.

This report investigates the impact of women at senior professional levels, focussing on the positive correlation between gender diversity at board level and business performance in the built environment. A synthesis of academic research and industry reports outlines the state of corporate governance, organisational performance and female career progression. This is assessed against an analysis of UK industry data to provide detailed contextual information, and to consider the complex factors at play.

Trends found in international and cross-industry studies show that there is a correlation between a greater number of women on boards and company financial performance. Three mechanisms underlying this have been found within the literature.

Firstly, it is shown that having better female representation on boards will reduce attrition rates of women throughout the workforce, by providing role models and by influencing high-level engagement with diversity issues. This in turn is positively correlated with firm innovation and performance. Secondly, having more women on the board will improve board operation, due to: a greater range of perspectives and insights; better representation of a demographically diverse set of stakeholders; and improved board cohesiveness. Finally, higher proportions of women on boards will improve company image given the increasing social, corporate and political pressure for female workplace representation. This will improve both employee engagement and, increasingly, investor perceptions.

The report thus provides a positive, performance-based argument for increasing gender diversity within the UK built environment, at board level and throughout the pipeline, and reveals the extent to which there are opportunities for real improvements in the sector.

However, the desk study is based primarily on non-built environment companies due to lack of publically available data. It therefore also reveals the acute lack of transparency in, and understanding of, gender diversity within built environment firms. The absence of standardised monitoring of gender data has contributed to the distinct lack of change apparent over the last ten years. In order to alleviate predicted severe skills shortages, to improve sector image, and to increase profits, it is critical that this situation is changed.

Expanding on the pilot study of the Equilibrium firms, this report therefore recommends that routine monitoring is introduced, and that a major data collection and analysis exercise is now undertaken, to investigate the relationship between firm performance and gender diversity in the UK BE sector. This investigation will also need to consider the many possible variables in a series of studies, in order to draw clear conclusions for the way forward.