



Gender Pay Gap Review Panel

Witness: Institute of Directors

Monday, 28th January 2019

[Note: The witness's views were her own and not on behalf of the Institute of Directors]

Panel:

Deputy L.M.C. Doublet of St. Saviour (Chairman)
Deputy K.F. Morel of St. Lawrence (Vice Chairman)
Senator K.L. Moore
Deputy J.H. Perchard of St. Saviour

Witnesses:

Chair of Board Apprentice and the Institute of Directors
[15:04]

Deputy L.M.C. Doublet of St. Saviour (Chairman):

Could everyone make sure their phones are turned off, please, before we start?

Chair, Institute of Directors:

I am glad I am protected from being sued.

Deputy L.M.C. Doublet:

We do not plan on suing you.

Chair, Institute of Directors:

Yes, I am happy with that.

Deputy L.M.C. Doublet:

Let us begin then. We are the Gender Pay Gap Review Panel. Welcome, everybody, to members of the public and media. I am Deputy Louise Doublet, Chair of the panel. I will let my panel introduce themselves.

Deputy K.F. Morel of St. Lawrence:

Deputy Kirsten Morel, Vice Chair of the panel.

Senator K.L. Moore:

I am Senator Kristina Moore, I am a member of the panel.

Deputy J.H. Perchard of St. Saviour:

Deputy Jess Perchard, member of the panel.

Deputy L.M.C. Doublet:

We have our officer.

Scrutiny Officer:

Kelly Boydens.

Deputy L.M.C. Doublet:

We are very pleased to welcome you to the hearing today. Could you introduce yourself and your role, please, for the record?

Chair of Board Apprentice and the Institute of Directors

I am Charlotte Valeur and I do different things. I am the Chair of I.o.D (Institute of Directors).

Deputy L.M.C. Doublet:

We are also really interested in your Board Apprentice role as well. Are you happy to talk about both?

Chair of Board Apprentice and the Institute of Directors

I am happy to talk about whatever you would like to talk about.

Deputy L.M.C. Doublet:

Wonderful. We have established this panel to investigate whether there is a gender pay gap in Jersey and, if so, what the causes might be and the impacts of it. Can you just start maybe with a brief overview of your 2 roles, the I.o.D and the Board Apprentice and what you do?

Chair of Board Apprentice and the Institute of Directors

So with Board Apprentice we work to equalise some of the differences there is between male and female leaders and at the leadership level introduce more female leaders to the top. That goes ... that is where we focus but it is also one step down with the Executive to work the pipeline so that we get more ... the pay gap, the way they calculate it here is basically because there is more male leaders than there is female and therefore it seems as if they are not looking at it on a - I do not know if you do the same here - equal working for pay basis. It is more that when there are more male leaders there will be a gap. So we are trying to equalise that and that is what we do at Board Apprentice, which is a not for profit. The Chair of the I.o.D. is obviously we are pushing governance, best practice, we are talking about gender pay gap as well in the U.K. (United Kingdom) and everywhere else and we are trying to support businesses to make sure they can equalise so that we do not have it and aside from the gender pay gap we are now discussing the ethnicity gap as well and trying to find ways where we can equalise those things. I am sure we will come back to the different things that play into that, but those are the 2 roles that I deal with right now.

Deputy L.M.C. Doublet:

Excellent. I think we are working off the same definition. We have just taken the definition that the U.K. Government use. So just to clarify for the record, we are looking at the gender pay gap as being the difference between the average men's pay and the average women's pay. So we are working from the same definition. Going by that definition then, do you think that there is a gender pay gap in Jersey?

Chair of Board Apprentice and the Institute of Directors

I am a one-man band business. In my business there is not. I would expect there is, yes, because what you do meet in the senior positions that I work in and around, you do meet mainly men. In itself there is nothing wrong with that but there is something wrong if you want everybody to contribute on an equal basis, then it becomes a problem. You need everybody to have equal opportunities and equally the ability to get to the top otherwise we just do not use our population in the way we should, to the full productivity that we want. Productivity is a big thing that has been discussed in the U.K. a lot generally and we want high productivity, we want everybody to be able to have ambition to rise up to wherever they can. For sure, where I go I see most men, that goes for the States, for the private sector, everywhere I go it is just the majority. Balance is what we are looking for with the pay gap. So I am on the board of a large construction company with 15,000 people, their pay gap is very small, less than 5 per cent because the women they do have are all in senior positions. The way it is done is a bit arbitrary in a way but it gives you an overall picture. For each organisation you go into you could see different pictures depending on just how it functions.

Deputy L.M.C. Doublet:

You have spoken about a specific organisation, have you seen any organisations that are really balanced and how have they achieved that?

Chair of Board Apprentices and the Institute of Directors

No. It just is not there. I have had meetings with many organisations who wish to be balanced, so a couple of law firms for example, but the problem for them is if they do not have the balance with male and female partners they lose business these days. So the conversations have changed into: "If we do not have a balance we cannot show that to our suppliers, whatever stakeholders we have and they will stop doing business with us." On my boards we are implementing procedures that will ask all our service providers, whatever they might be, to evidence to us what their gender balance is. If they cannot evidence that they have policies and things in place and that they have some level of moving towards a balance - because none of them have a balance - then we do not do business with them. That is more and more what is happening. The accountancy firms, the law firms, they are all feeling that. Those are probably the ones that you will see first because for pure business reasons we will go in and try to get it equalised. But because the pipeline has not been worked on, the way they can do that is by nicking each other employees, so that is what is going to happen, the senior people are all going to be taken ... it is going to be bigger all the time as opposed to really focus on developing the pipeline and getting that out on an equal basis.

Deputy K.F. Morel:

You mentioned that essentially clients are the driving force behind law firms, for instance, trying to get more balanced boards.

Chair of Board Apprentices and the Institute of Directors

I think so, it is bottom line business as opposed to sustainability, we would like it to be a bit more but we are not quite there.

Deputy K.F. Morel:

I was going to ask, is this a new phenomenon, because I have done a search of partner make ups of law firms in Jersey and there are very few with balanced boards, I think one and that was it? The rest were highly imbalanced. So is it a brand new phenomenon this kind of client side demand?

Chair of Board Apprentices and the Institute of Directors

I think it is. The ones that crack it first could potentially grow their business on the back of that substantially, over and above the others.

Senator K.L. Moore:

When you talk about the pipeline not being there, what exactly do you mean?

Chair of Board Apprentice and the Institute of Directors:

It is ensuring that ... so, for example, in accountancy and legal you get the same amount of men and women coming in and then you have the funnel that goes up to the partner level and then somehow people just fall away. While that pipeline of senior people in terms of partners grow up in a sense ... of course we are getting the family planning but it is not just about children, we have to be very aware that we have moved to it being about older people as well. Because we have a population that gets older and older and older, in fact I believe the median age in Jersey is about 47, which I think is the same as Japan, where the median age in Africa is 19, so with the population becoming older all the time we will, at some stage, run out of old people's homes effectively to look after them. Families will have to look after their own family. That will come back more and more, simply because of the sheer numbers and that we do not have infrastructure to deal with that. So family planning is looking after old family and children. It becomes something else. You would also start thinking maybe interviewing someone in their 40s: "When are they going to start needing time to look after their parents?" So it not just looking at someone in their 20s when they have children, you have a second layer that is coming in very strongly now that we need to be very aware of. Change the language, it is not about maternity or paternity leave, it is about family leave to look after whatever needs to be looked after in your family and men and women will do that together.

Deputy L.M.C. Doublet:

I was going to ask you what you think about that from a gender perspective in terms of caring for parents. Do you think that is something that women are doing more than men?

Chair of Board Apprentice and the Institute of Directors:

I think it will be a greater level of equal measures in that one potentially. I certainly have had a couple of ... I am in my 50s, all my friends are in their 50s, there have been a couple of instances where it is the man who took that job up and did that as opposed to the woman. I think that is maybe more socially ... I do not know. In Scandinavia we see things differently obviously but maybe here that feels more okay than looking after children, I do not know.

Deputy L.M.C. Doublet:

Do you think that would contribute less to a gender pay gap than the care of children?

Chair of Board Apprentice and the Institute of Directors:

Potentially, but I think it would still be very much women who would take the caring role, but if some men have had a good enough career that they can semi-retire when they are about 50 then it is okay for them maybe to do that. There are different factors that would play in in this. I think we need the awareness around family caring being different things today, and increasingly so.

Deputy J.H. Perchard:

I would just like to ask you about your opinion of quotas when it comes to senior leadership and boards in particular.

Chair of Board Apprentices and the Institute of Directors:

Well, at this stage I am hoping that the support, the insight, the research, and everything that we give is enough to move the dial, however that is quickly falling off the cliff. By the time we get to 2020 very much the mood of people like me who have worked in this space for over a decade is that they are quite tired of no movement so from 2020 you will see a push ... I get called into U.K. Government with other senior women and we are all coming to what we are looking at seems to be much more wilful blocking and we are tired of that. We need to see things move. If a law is what moves it then a law is what is needed and that will be ... from next year I will probably be up with banners on a law. I have not done so so far, because I felt that we could work this out, we could do it. It is just that the results have not been good enough and we cannot keep having this imbalance because it is holding the country back. We are not having the productivity that we need to have and that is just does not make any sense to anyone. Socially it is becoming an issue where you ... will we have female riots at some stage? Well, we might if it does not change. All over the world this is happening, marches, what have you. People are getting eager to see real change. So if the law is what makes that - California just had that - so that is what we will do.

Deputy K.F. Morel:

There is the famous women's strike in Iceland in 1979. It changed everything.

Chair of Board Apprentices and the Institute of Directors:

Yes, if all women decide to let us just do nothing for a month, they would be quite ...

Deputy K.F. Morel:

I think it only took a day in Iceland to change their ... **[Laughter]**

[15:15]

Chair of Board Apprentices and the Institute of Directors:

A day was enough. It is just something we have to be acutely aware of the potential social impacts. The impact on the country's economic, the impact of just general welfare and happiness. When people want equality, you have to give it to them. You can only hold back for so long. We have had managed to hold it back for about 100 years, apart from the thousands of years before that, but 100 years where people have been pushing for it and we have to say: "This is being pushed hard, we

have to make something happen.” If a law is what it takes then that is what it takes. This not the official opinion of the I.o.D. because we represent our members’ opinions and the majority of our members would not like to have a quota, but unsurprisingly the majority of our members are also men.

Deputy K.F. Morel:

You have talked about productivity and you also mentioned the social impacts, are there any other impacts of the gender pay gap?

Chair of Board Apprentice and the Institute of Directors:

Of course, apart from the fact that the women are often left, in case of divorce - which we have a fair amount of all over the world - with the children and left with less to go around, less pension, less ability to look after themselves, less savings and I think that financial impact on certain families could be detrimental to the old age of people. We are living longer and longer. I expect to be working until I am 75 and then hopefully have enough money until I die, which would be no earlier than 94, I have decided. But we do not know. It could be long and we need to make sure we have enough. I have also told my children they have to look after me.

Deputy L.M.C. Doublet:

Just staying on the impacts of a gender pay gap, you mentioned the effect on happiness and well-being, if we did have an equal society what impact do you think that would have?

Chair of Board Apprentice and the Institute of Directors:

The negativity we see now around the whole why women feel they have to go march, they have to do this, they have to do that just to get on par would hopefully fall away. I have noticed and increase about of anger among men who are feeling that they are completely left out of the equation with regards to boards. I am having discussions with men who are very upset that they cannot get any positions anymore, except that statistics show that 81 per cent of new positions still go to white men of a certain background, so it is not quite true. If we think about it, if we have that angst at 20 per cent share of the pie, what kind of angst are we going to have at 50 per cent. That is something we need bear in mind, that we are having a group of people who have had certain privileges for a long time and they are getting taken away from them, you will have a reaction to that. I am not quite sure how to deal with that reaction. We are now having parity, we are now having equality but there will be a reaction. I am not clear what that will be other than I am seeing anger coming in stronger in the last year or 2 than I saw before.

Deputy K.F. Morel:

Could that anger be whipped up by external sources, such as the media? If it is only 20 per cent then it is not real, there is nothing to be angry about.

Chair of Board Apprentice and the Institute of Directors:

But they feel genuinely angry. I have just gone through an appointment process for a board and we really needed more ethnic diversity. When you do things consciously it happens, right. So I said to the agent, I said: "I need a full layout. Whoever you are getting I want the gender and the ethnic groupings and how many is in each application list, for the short list, for the long list" and so we see the full list. We have all this here and we end up with that there. If you do that consistency now and you then end up with the same product at the end, despite having all the diversity out here, that is proof enough that you have some biases or whatever you cannot get passed, it is not that you have not got the candidates. I am trying to make that more public - that was for I.o.D - and write a blog about it where we can show that when you do things consciously you find talent that you did not think was there. So we have to just keep trying to push our positive messaging and tools of how to get there and to throw mud at each other is just not helpful, we have to be mature.

Senator K.L. Moore:

In an interview with a local business magazine, you mentioned the financial cost to Jersey as an Island community by not having diverse boards ...

Chair of Board Apprentice and the Institute of Directors:

Which is just a very small part of the financial cost for the 100 listed companies we have here, not all the other ones around here have the same issue. I am on the board of a Norwegian private company and they have a law around gender, it has to a minimum 40 per cent either gender and we did not have that on the board and I was struggling finding females that could fill it. They thought if anyone one can find them, I can, so I had 2 ... this went on over 4 years and either the ones I could draw on were full, the capacity was not there, or the time commitment was too much or whatever and I just could not so we got another man and then in the third year the chairman of the company said: "You have got to have a woman here because we are very uncomfortable, we have a law here, if our stakeholders here start looking at this it is going to be a problem for us." So I pushed a lot harder and I had to touch on certain boundaries that some stakeholders were not so comfortable with in that we had to bring a woman in who was marginally competing with some of the other stakeholders. I said: "Look, if you are all not working together to develop this pool this is what will happen. You cannot just complain that you do not want this, that and the other, you have to work together collaboratively to resolve the problem." So just in listed companies 33 per cent is the guidance, if we have a law I do not think they can get away with saying 33. Saying 33 per cent women is saying 67 whatever per cent men. What are we saying there? We have to probably say: "Well, minimum amount of either gender" that is the kind of thing that we need to use and it is

probably not going to be 20 or 30, it is probably going to be more like 40. It is a very simple number, it is an average of 5 board members on each ... 2 or 3 of them on each of those 100 companies has to be female and that is 300-odd positions. I might know about 50 women who ... we cannot put them together, any listed or unlisted that want to be on the list because we lose independence so we just cannot fill those 300 positions just for the 100 companies. Bearing in mind that we have thousands of companies on this Island, we are finding ourselves, by having all these companies operating here, we need to be able to service them. But just on those 100, if we can cover 50 of those, that leaves us 250 where we have to bring in women from outside to cover, to make sure we keep that balance on the board, which makes it more difficult to set up the board. Generally we would prefer to have Jersey residents for tax reasons and everything, but the average pay on a listed company is about £35,000 so you can do the maths yourselves, £35,000 times 250, that is about 8.5 million or whatever it is, and 20 per cent of that is taxes. We are just sending that money out of the country and that will only be more going forward. That is just a very small fraction of the impact that it has and makes no sense. It is just about productivity and upskilling and making sure we can service the business that we have, it is all of that. It is not like it is a nice to have, it has gone way beyond nice to have.

Senator K.L. Moore:

But if we were to impose a quota of 40 per cent, let us say, would that be shooting ourselves in the foot because we did not have the skills available in the Island to fulfil that immediately?

Chair of Board Apprentice and the Institute of Directors:

Well, you would have an implementation period. You will have some time to deal with it. What I have seen in California, for example, I got contacted by 4 large pension fund companies and they have 94 companies who still have all male boards and they want to use the Board Apprentice concept to just push into it and say: "Here is a quick scalable solution where you can make this happen within a few years if you are all working at it. We would very much recommend you to do so because we are large shareholders in your companies." So with the law and that push things will happen. I think you would need to give it a year or 2 transformation period or whatever you want to call it. While this is now the law it will be implemented here, make sure you work it ... it is not as if they have not had warnings. We have been talking about this for how long?

Deputy L.M.C. Doublet:

It is doable, is it?

Chair of Board Apprentice and the Institute of Directors:

It is doable, absolutely. You have 50:50 men and women on the Island, I am sure we can find a few thousand women that would be as capable as the men. Let us face it, for many years if you knew

the right people you would get on to a board, whether you had the ability or not, it was just the way it was. That is what people did as a favour to each other.

Deputy K.F. Morel:

With quotas, though, do you think women need to buy into the idea of quotas as much as men do? When I have asked people, it does not matter whether they are women or men, they usually start their response by saying: "Well, I would not agree with quotas."

Chair of Board Apprenticeship and the Institute of Directors:

I know, I think it is because they do not like to feel that they might have been put on a board because there is a law that means that they have to. Nobody should. I mean I started being on boards 12 years ago, I do not think any of the boards I am on is because I am a woman, it is because I had skills. They would not even talk to me in the first place if I did not have the skills that they were looking for. When you then have 2 next to each other, you need more diversity, they have the same quality, they score the same in whatever interviewing you do with them, then you will look at the one that will give you that diversity, it is just a process, it is not rocket science. It is easy to do that if you are conscious about it. It is all about being conscious and doing the right thing and just give people tools to understand what it is they should be doing to ensure ... so, yes, women will ... I think it is just a misguided idea, I do not know why they would think that that is an issue. I do not think men for 100 years had an issue that it was only men they looked at. I really do not think any of them felt that was an issue. They knew they would never compete with a woman because women would not be put forward. So why do we have an issue the other way? Even though it was not a law before it was just a fact that it was just men.

Deputy L.M.C. Doublet:

Some of the other people that have spoken to the panel quoted research saying that women have less confidence in terms of putting themselves forward and they will not apply for a job unless they meet 100 per cent. Is that something that you think might be holding women back and how can we tackle that?

Chair of Board Apprenticeship and the Institute of Directors:

I think it is but women are women. We are what we are, I do not think that we should be changed into something else. What should be changed is the leadership style that is too male-dominated. The leadership style needs to be much more balanced as well. So even when you put an advert in for jobs you cannot choose all male words, you have to balance the words that you put in so that they appeal to both men and women of all kinds. I think that is where the conversation needs to go. I am not a supporter of women having to be more assertive, more confident, apply for jobs they do not feel qualified for. Maybe some people do that but if that does not come naturally I am not going

to be anything else but what I am and no woman should have to be, or man, anything else than what they are. Therefore we have to look at that and say: “Yes, that is probably the case so what do we do to equal that out?” The thing is that the whole culture of leadership needs to be shifted towards the middle where the male and female aspect of it shares ... we do that in Scandinavia and they call it feminine leadership which I do not think it is, I think it is just balanced. But, of course, compared to the rest of the world it seems to be because we concern ourselves with values, social impact, purpose, all these kinds of things. We have concerned ourselves with that for decades. That seems to be leaning more in to the female aspects of how women operate in business and also good aspects that nature intended for us to have equal measures at all levels. For some reason we just came out of whack and did not take that into account enough and this is where it has ended up. We do not need to change women, let women be what women are.

Deputy L.M.C. Doublet:

You have mentioned changing the system rather than changing women and you talked about changing leadership styles and the culture at that level and then changing the way that job advertisements are worded, what about before that, maybe in education or very early on in a person’s career?

Chair of Board Apprentices and the Institute of Directors:

We have to be very careful with what we do in education. I have 2 sons and a daughter, my daughter is very on the ball with everything and very on top of everything that she wants to do and together. She came back to me when she was 8 or 9 and we talked about what she would do for the future, she seemed to do well in the very early stages of sciences and I said: “You could be a doctor.” I always wanted to have a doctor in the family. They need to look after me when I get old. **[Laughter]** She said: “No, I cannot be a doctor, that is a man, I could be a nurse.” I was like: “Oh my God” you can imagine me, right, I almost had a heart attack. “I am not hearing this, this is my daughter, I brought her up, how can she have this perception? What has gone wrong? Where has she been other than in my house?” She has been in school. So I went to school and said: “Can I just talk to you about this because my daughter seems to have this idea.” Television is not something we do much in my house, I never watch television, it is never on. I told any nanny we had that they were not allowed to put it on. So it was not so much that influence, there was not a lot of that going on, it clearly must have come from school. That was a big problem for me.

[15:30]

I said: “You have to look at all your books, everything, so you are not putting these conditions on the children. Do you think that I have taught my daughter she cannot be a doctor, she could be a nurse? I do not think so, but thanks.” It has come from somewhere else. It could have been her friends as

well but I do not know that they have these discussions at 8 or 9 about what we want to be. Luckily now she wants to be the C.E.O. (Chief Executive Officer) of Apple, which is good, and hopefully she will get there, right, then she can pay for me when I am old.

Deputy L.M.C. Doublet:

I wanted to ask you about the general public understanding of the gender pay gap. Do you think that there is a lack of information about the issue?

Chair of Board Apprentices and the Institute of Directors:

I think people are well aware of it. I think there is a level of wilful blindness to a lot of things because it is just easier to leave things as they are. Again, what I think we need to consider is privileges. People have different privileges. In the current world if you are born a boy you have a privilege over someone born a girl. We cannot say that is not the case, because that is the case. Also like inborn privileges. You have privileges if you are born at a higher level of society than others and they are just there. You are growing up with these sort of privileges that you can take for granted. Then when people start tearing them away from you, that is really uncomfortable, even if you were never that aware that you had them it is really uncomfortable. I think society knows that this is there, they know about the gaps but they are also unwilling to change it because it feels like ... it is privilege. Even if they do not say that consciously it is still there and why would they share. It is a bit like asking, you know, people with money to share with everybody. We kind of do it through taxes. I am sorry to keep going back to Scandinavia but that is what I have been brought up in and what I can compare to when I am in other countries. When I left Denmark I paid 73 per cent tax on anything I earned over £35,000 and I thought: "Yes, that is fine because it means that we have a really nice society" and people do that in Denmark and they are happy with it. They are happy doing that because it makes a happier society and people do not have to die in the street or have nowhere to live. It is that cultural thing that if you are not that willing to share anything, when people then ask you to share your privileges and you have never been used to that, that is uncomfortable and you will get big resistance. People are aware, how can they not be aware? It is everywhere all the time.

Deputy J.H. Perchard:

How do you take people with you? How do you tackle that wilful blindness in a way that does not result in conflict?

Chair of Board Apprentices and the Institute of Directors:

I know, it is a real problem. It really is a real problem. We are seeing on the boards where we get some of those conflicts. I am not sure it can be dealt with without a level of conflict. I think we just have to accept with these kind of changes there will be a level of conflict and there will be push backs from the people whose privileges you are taking away.

Deputy L.M.C. Doublet:

Do you think it helps the conversation to have this statistical information like in the U.K.?

Chair of Board Apprentice and the Institute of Directors:

I think you need to lean into statistics. We have all the statistics by now in terms of diverse leadership teams, the upskilling of the population, and everybody should see that it makes sense for all of us to contribute. I think in Jersey you have about 10,000 people of working age that are not contributing. You cannot afford that. That is 10 per cent of the population, that is just not in the gift of this Island to afford and that needs to be considered. Why are they not contributing? What can we do to make them contribute in equal measures so that we, as a country, will survive where everything is going?

Deputy K.F. Morel:

Could you just repeat that, sorry? How many are not ...

Chair of Board Apprentice and the Institute of Directors:

I think about 10 per cent. We had someone from the States presenting in one of the policy forums. We were talking about demographics and I said: "So how many people of working age who could work are not working?" and he said it was about 10 per cent.

Deputy K.F. Morel:

So we are talking about people who are early pension and things like this as well?

Chair of Board Apprentice and the Institute of Directors:

Yes, mothers at home or fathers at home or family carers and all of this, then on top of that there was unemployment and disability. That was away from the 10 per cent.

Deputy K.F. Morel:

Absolutely, yes.

Chair of Board Apprentice and the Institute of Directors:

But you would have access to those numbers. It is good to look at. If you can compare yourself to other countries and who is not contributing, female labour participation is one that a lot of countries look at. For example, Japan has a big problem, that their female labour participation just is not high enough. The World Bank has impressed that on them and said: "You have got to make that happen." But they cannot if they do not have females at the top. I was in discussions about board participation with the Government in Japan. I said: "If we could get 1,700 of the biggest listed companies to put women on boards, because it is such a strong cultural thing, then maybe it will come down that

women are present everywhere and it is something that the leaders are embracing.” You have to get the leaders to lead the way. If the leaders are not willing to do that, they are not leaders, right? That is lack of leadership skill, to not be willing to lead the way to make the country balanced.

Deputy J.H. Perchard:

Following on from what you have just said about leadership, what is your perception of the States of Jersey in relation to diversity, particularly at the senior level?

Chair of Board Apprentice and the Institute of Directors:

If I look at, for example, the States-owned entities that you have, I just think there should be absolute parity on the boards of those and there is not. I think you might still have a few banging around with all men and this is not ... but the States is a shareholder. Just tell them what to do. That is what shareholders do. It is called stewardship. If they cannot lead the way, who can then? If the top of the pie cannot show this is what ... I mean, on all my boards pretty much we have got parity because I am leading by action. That is what leaders need to do. If you cannot do that, you cannot expect the levels down to do it if you are not doing it in your own circles. I think that is one of the key problems, when we do not have leaders who want to show the way. All countries, this is not just Jersey, this is everywhere.

Deputy L.M.C. Doublet:

You might have covered this, but what do you think the risks are to Jersey of the States of Jersey not having a balance at senior levels and on boards?

Chair of Board Apprentice and the Institute of Directors:

It is very difficult. If the States are not showing the way, then it is difficult to tell the businesses to do it. I do not think politicians can with any reason go out and say to businesses: “Oh, you need to be more diverse” if they are not leading the way themselves. That is kind of a big problem. If there is a law of any kind, obviously it is also for boards of States-owned entities. You cannot just say: “That is for listed companies” or whatever it might be, it has to be across the board, both States and private. I think some governments are trying to say, like in the U.K., that all the F.T.S.E. (Financial Times Stock Exchange) companies need to be more diverse and that you need these percentages, but in their own ranks, they do not have that. It kind of just clashes a bit.

Senator K.L. Moore:

Do you think that the employment and discrimination legislation in Jersey is effective in achieving any change?

Chair of Board Apprentice and the Institute of Directors:

If it was, would it not have happened by now then?

Senator K.L. Moore:

That is a good point.

Chair of Board Apprentices and the Institute of Directors:

I think it is not effective enough. I cannot say that I have a solution for you on how to make it more effective, but you can only look at what the result is. Something that is effective yields a result and yields a result fast, not slowly.

Senator K.L. Moore:

For example, one item that has come to our attention is a lack of pay transparency and it is commonplace that confidentiality ...

Chair of Board Apprentices and the Institute of Directors:

It should not be. There should be no confidentiality, but again, in Denmark everybody knows what everybody makes. When I moved to London in 1991, I asked one of my British colleagues, I said: "What are you getting in salary?" He was like: "Are you crazy? I am not going to talk to you." I said: "Why not?" He said: "We do not do that. It is all confidential." I said: "No, it is not. We all do that" because that is the only way you know. Transparency changes a lot. This is a cultural thing. I do not think British culture is naturally transparent; we would not like to have C.P.R (Det Centrale Personregister). Obviously in Denmark we have a number, that is our birthday, and that is a unique number that belongs to us all our life. Everything is in that number, your tax, your banking, your bills. Whatever happens is registered to that number and we know what the next door pays in tax. That transparency, there is nothing to talk about, there is nothing to gossip about because everybody knows everything. It makes everything a lot easier. It sounds really scary when you are not used to that, but it really is not that scary.

Deputy L.M.C. Doublet:

Does that contribute to a smaller pay gap then in the countries that ...

Chair of Board Apprentices and the Institute of Directors:

I think it does. I do not know if they do have pay gaps there - I have not lived there since 1991 - but it could be interesting to look at. They still have inequalities at the top in terms of more male leaders than female, but it is a lot less. But they are pushing for the same things as we are doing here. It is fair to say that Jersey and the U.K. are just behind the curve compared to Scandinavia. I do not know if it comes from the Vikings or whatever. I do not think they discriminated against who they raped and pillaged, they just went for whatever, so it is that comparison. I think it is just when things

are much more transparent and open you get away with a lot, you just take a lot of noise away. I had a discussion in one company where I talked about ethnicity gap and reporting on it. The company was uncomfortable doing it because in fact they knew there was one and it was rather large. I said: "If you are happy to have that state, if you are happy to have that in the company, then you should be happy to have an open face with it." Anything you feel you cannot be transparent with, it is generally because you know it is out of whack.

Deputy L.M.C. Doublet:

Gender pay gap reporting measures, if they were voluntary, do you think that would be effective?

Chair of Board Apprentice and the Institute of Directors:

No.

Deputy L.M.C. Doublet:

No. You think it needs to be legislative?

Chair of Board Apprentice and the Institute of Directors:

Yes. It is sad. I do not really like all the laws on all this. I would love it if all the leaders could embrace it and just make it happen, because it is good leadership, it is good for the country, it is good for society and it is good for business, but it just is not what we are seeing. We have information right in our hand; we have no shortage of information. It is having had all of that information for at least the last 10 years and still no substantial movement is disappointing. I would like to see a change before my children grow old, within the next 10 years, substantial change. For that, I think we need to have, unfortunately, laws in certain areas.

Deputy L.M.C. Doublet:

I wanted to ask you about some of the societal cultural factors. When we have been looking at some of the research in this area, although there is a small pay gap when men and women are in their 20s, the pay gap gets larger around the 30s, when couples are starting to have children. What impact do you think maternity and paternity rights have on the gender pay gap?

Chair of Board Apprentice and the Institute of Directors:

I think it has a huge impact, unfortunately. It does not feel as if it has changed much since I had my first child 20 years ago. I was interviewing for jobs just before that and one of them was like: "Oh, so are you going to have children? You are in your 30s. You do not have any" and that is like: "I do not think you are allowed to ask me that question." He said: "No, I know, but I am doing it anyway. So what is the answer?" so it is kind of difficult to get around. I said: "Even if I did, then I would have maternity leave and I would come back. What, is that a big deal?" So companies feel it is a big

deal, so first we have to change the language to “family leave”. We have to allow men the same access to spend time with their children and have the ability to be fathers, because the younger generations want that. We have to look at the whole family and even how it is shared between men and women. It is a lot less here than in Scandinavia. Even 20 years ago we would get 12 months. Now it is shared, it is 12 months, and it is 6 months for the father. You need to find a way where it is 50:50 so that it does not matter whether it is a man or a woman who sits in front of you. If they are so kind as to do all the hard work it takes to bring new taxpayers into the world, then we are not punishing them for it, whether they are a man or a woman. It is just not right. In fact, you could argue that people who do have children should have a salary increase for every child they get because, first, they need it, but secondly, they have served the country by bringing more people in. Is that not how it is? I had 3 children at the risk of my life and certainly it was pretty hard work, but you want to do it, and some people even say to women who choose not to have children that that is a duty for them to have children. That is kind of interesting, so it is a duty, but you get punished for having them. Some of that is just I think we need to look at equalising it so that when a child is ill, it could be shared equally. My brother has small children and he is in a high-level position in a bank and his wife is a part-time nurse, but it is equal. It is her one time and him the next time. When the child is ill, they share it 50:50 because they have equal respect for each other’s careers and choices of work. That is a real deep cultural change that needs to happen.

Deputy L.M.C. Doublet:

How do you think the States of Jersey could encourage that cultural change and encourage fathers to make use of the paternity?

Chair of Board Apprentice and the Institute of Directors:

Lead by example. We are back to the leaders, so it is not helpful to say: “Oh yes, you can have paternity leave” but none of the bosses at the top would ever do it. Then you cannot implement. You have to lead by example and do it yourself. Whatever you want people to do, I think you can have as many words as you want; if you do not do it yourself, it is kind of hard to show the way. It starts at the top. I think we have to have a real firm commitment to telling leaders to lead in all those aspects. If they are unwilling to do that, it is going to go a lot slower.

[15:45]

Deputy K.F. Morel:

With parental leave in Jersey, certainly beyond the kind of statute, it is down to the employer to pay for it and most businesses in Jersey are very small. Do you think that in itself can have an effect in stopping the hiring of younger women in particular?

Chair of Board Apprentice and the Institute of Directors:

Undoubtedly it is hard for a small business. I run a small business myself and it is hard for a small business to pay someone who is not there and you have to have someone else to do the work. It is, however, part of society and part of human beings.

Deputy K.F. Morel:

But should the Government potentially step in, in your view?

Chair of Board Apprentice and the Institute of Directors:

There is a level where you can say there is a statutory minimum piece ...

Deputy K.F. Morel:

Yes, there is a minimum.

Chair of Board Apprentice and the Institute of Directors:

... that the Government should ideally help with, but I think for Jersey, with the rate of tax that you have, it is going to be difficult to find that money. It is very different for you. Given the taxes they have in Denmark, you can offer all these kind of things. But if people want to be here and retain the 20 per cent, I think you have got to be reasonable with what you look at. What are we getting for our money? I think you get a lot for your money for the 20 per cent, from my point of view, a lot. When you want to go into the more welfare place, as you will see in Scandinavia, I personally just do not think you could do it with 20 per cent tax.

Deputy K.F. Morel:

I agree.

Chair of Board Apprentice and the Institute of Directors:

So you have that, that is a decision, but if you up the tax to 30 per cent or 40 per cent, you will probably lose a large part of your finance industry.

Deputy L.M.C. Doublet:

That is not good. Thank you. I wanted to ask you about family-friendly hours and family-friendly culture. How would you describe Jersey in terms of that? Are we good at that or ...

Chair of Board Apprentice and the Institute of Directors:

I think you are pretty good at that. I think there is a British culture of long hours, but I think Jersey seems to have shorter hours like that. I see people leave around 5 o'clock or it is flexible because it is a small place, you can get around. I see fathers and mothers at the school gates picking up

their children when they are young because they can pop out and do it. I think Jersey is pretty good like that. It gives a higher quality family life and balance because it is small and easy to get around and everything. I think the companies have flexibility in that as well. I think that piece of it is pretty okay is my feeling. I could be wrong, but that is what I feel.

Deputy K.F. Morel:

What about things like the cost of childcare and school holidays?

Chair of Board Apprentices and the Institute of Directors:

Yes, cost of childcare is high here, without any doubt. Again, in Denmark you have fulltime nursery for everybody for about £400 a month. Here you do not get even near it, right? I mean, I think part-time for my daughter was £1,200 a month for the mornings only for nursery. That is just crazy. That is a lot to pay. That means that for some it is not worthwhile going back to work because the cost, it gets swallowed up in the cost of childcare. Again, that is a major piece of the G.D.P. (Gross Domestic Product) spend on that, because the real price is probably £1,000 to £1,500, so if you want a job, someone has to pick up the bill in between. Again, I just do not think that that fits in with a low tax jurisdiction.

Deputy L.M.C. Doublet:

In terms of if the Government were subsidising in that way, would those costs be offset by a benefit if the mother was working?

Chair of Board Apprentices and the Institute of Directors:

The tax income.

Deputy L.M.C. Doublet:

Do you think it would be offset completely or partially?

Chair of Board Apprentices and the Institute of Directors:

It might be offset partially in tax income but, I mean, that is a calculation you will have to make, because then more people will take it up as well and then they might take it and still not work. That is a cultural thing, so if it is: "Oh, it is £400 a month. Yes, let me have some of that and I will send my child in whenever I am going to the hairdresser's." We do not know for sure.

Deputy L.M.C. Doublet:

There would have to be conditions on it, yes. Any further questions?

Deputy K.F. Morel:

I was just going to ask one about leadership, and styles of leadership. You mentioned Scandinavia being seen as a feminine style of leadership at the top, but ...

Chair of Board Apprentice and the Institute of Directors:

I think it is just balanced, but they call it feminine for some reason.

Deputy K.F. Morel:

Yes, it has been called that. It does fascinate me that in Jersey lots of women seem to get to senior management level and then no further. Do you think the concept of what good leadership is has a big bearing on that?

Chair of Board Apprentice and the Institute of Directors:

I think it can, because I think a lot of women choose not to take it any further because this is not the kind of environment they want to be in when it gets too masculine. I think the same goes the other way. If there is an organisation that has all women at the top and a man comes into that and it is all feminine and the talk is feminine and everything, how far will a man want to talk about whatever women talk about? The fact is we are different. We have to embrace it and just get that balance so that you do not come in feeling that you are in an all-male or all-female environment. I do not think it should be all female. It is the balance we are looking for because the balance is really good. When you have a good balance, men/women, it is more than one plus one. You look at marriages that are amazing: that man and woman together is creating more than just 2 people together. That is where we are meant to be in this balance. When that works, it is amazing and people are just happier overall. I think it just brings all these things in the water, it just makes an overall happier country. That is what you get in Scandinavia. That is why we keep being top of the happiness ratings, because people do not feel discriminated against to the same degree at all. There are some niggles, but people just feel more able to be who they are and still have the same opportunities and access to things and it just makes people happier. Whether they take those opportunities or not, it makes them happier. It is not rocket science; that is how it works.

Deputy K.F. Morel:

In your experience looking at schools and workplaces over here, do we teach leadership, from your perspective? If so, do we teach a particular type of leadership?

Chair of Board Apprentice and the Institute of Directors:

I do not think we do, but I do not think that is only this country, I think that is more probably worldwide. I try to, with younger people, teach them different levels of leadership. In the beginning you lead yourself. How do you lead yourself? Are you aware of your values? You can teach young children that pretty early on. I think the whole values agenda is a huge one that is coming up. In the next 5

or 10 years, it is going to be what everybody talks about. When I interview people under 40, the interview goes along purpose, values, social impact, all that. When I interview people over 40, those words are not used at all. There is a stark difference between those 2, the younger generations and the older generations, but this generation here in 5 to 10 years will be more than 50 per cent of voters, of buyers, of employees, of everything. Are we prepared for that? As leaders you have the 3 levels. You lead yourself first, then you probably lead a team, but you work in the team as well, then the final level of leadership is what you do is you create an environment for other people to succeed. It is not about you anymore, it is about other people succeeding. The people in senior leadership we see not worrying about other people succeeding just have not reached that. They are still at the second level. They have not reached where they are properly serving, not for your own betterment or for your own things, but for the betterment of someone else and for the country. That is the third level of leadership. The more people that exercise that, you will automatically have a better society, a better company, a better country. But maybe we need more clarity on those 3 levels of leadership that people can see it and the values as well. I have now put my values on the top line of my LinkedIn. It is like I have made a social contract with the world that what I stand for is collaboration, honesty, transparency and trust. If anyone wants to ever point out that I did not follow those, do pick me up on it, because I have made a contract with the world to say that is who I am. If more people did that, maybe they could see that we are here to eventually make other people succeed, not ourselves, other people. Again, leaders need to lead the way with that way of being. If they cannot figure that one out, it is very sad, and someone should point it out.

Deputy L.M.C. Doublet:

Wow, you have certainly given us a lot to think about this afternoon. Any final ...

Deputy J.H. Perchard:

Yes. Just looking at the States of Jersey as an organisation and looking at the senior level, we have 7 out of 8 male Director Generals under a male C.E.O. I was just wondering if you felt that that posed any international reputational risk to Jersey.

Chair of Board Apprentice and the Institute of Directors:

Absolutely, yes. Absolutely. It is not looking good. We had 3 shareholders calling us last year around issues with another company I chair, as a company, they did not have enough females at the top and they wanted to pull their investment. These were very large investments they were looking to pull, and they basically said: "If you do not sort that out, you will never see our money again." That is just a small example. That is going to only grow, because the biggest pots of money around - and money still talks in the world, we would like values to be what talks, but money still talks and drives a lot - are pension funds and sovereign funds that are dealing with the money of the people. They are responsible and accountable to all their stakeholders, which are all the pensioners,

which are equal amounts of men and women and whatever, and all the stakeholders in the countries, which are equal amounts, and they are taking that accountability more and more seriously. Why would people go out and do business with a country that so clearly does not? That again is not rocket science, it is logic. Yes, it will affect who will want to do business with Jersey, other countries, other politicians, because there is a reputational risk from doing that.

Deputy L.M.C. Doublet:

Did you have anything else that you would like to add before we bring the hearing to a close?

Chair of Board Apprentice and the Institute of Directors:

I have probably said enough.

Deputy L.M.C. Doublet:

Thank you very much, Ms. Valeur, that has been extremely enlightening.

Chair of Board Apprentice and the Institute of Directors:

My pleasure, thank you.

Deputy L.M.C. Doublet:

We are very grateful for your time today. Thank you very much indeed. I will draw the hearing to a close. Thank you to everyone who attended as well.

[15:55]