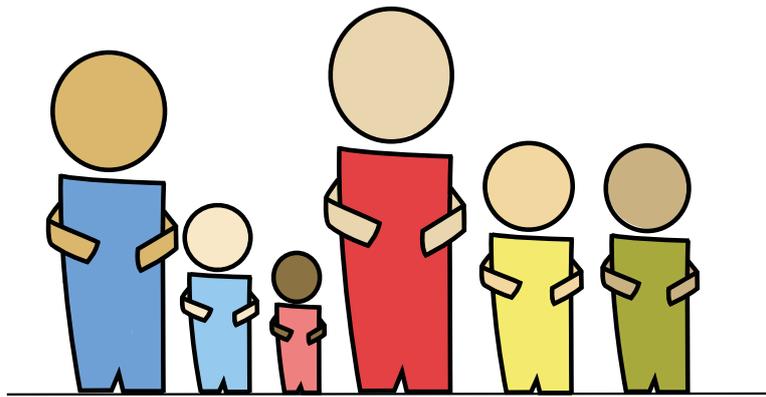


MAKING PEOPLE COUNT

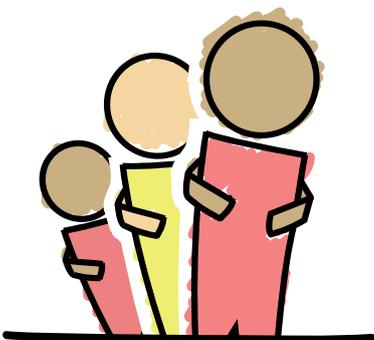


**FUTURE
FOCUSED
FINANCE**

Diversity in NHS Finance Leadership: beliefs, behaviours and barriers

A report from Future-Focused Finance

TIME FOR CHANGE



Despite women making up

77%

of staff in the NHS, only around a third of chief executives are women and women make up just a quarter of medical and finance directors.

Pressure on both the finance profession and the NHS to improve gender diversity, particularly at senior levels, has ramped up significantly over the last six months. The recent Government-backed [review](#) into Women in Finance has highlighted that the profession is trailing behind others when it comes to enabling women to reach senior levels and reducing the considerable gender pay gap. At the same time, HSJ has set an [ambitious target](#) for NHS boards to achieve a 50:50 gender balance by 2020 – a challenge which [several NHS leaders](#) have already agreed to back.

Despite women making up [77% of staff in the NHS](#), only around a third of chief executives are women and women make up just a quarter of medical and finance directors. Equivalent figures for the finance profession in general are harder to pinpoint but the picture is similar – significant differences in male-female representation at senior levels that aren't evident in junior ranks. The [Financial Reporting Council](#) says the total proportion of female members and students in the accountancy profession is around 50% while a recent [ILM report](#) suggests women make up around a third of managers in the financial sector and around one in 10 senior executives in banking.

With significant improvements in gender diversity being sought in both finance and the NHS, what is the current picture for the finance function in the NHS?

GENDER DIVERSITY IN NHS FINANCE

Since 2009, the HFMA and NHS Finance Skills Development (FSD) have conducted a biennial census of NHS finance staff, part of which looks at diversity.

The findings suggest little progress has been made in addressing the imbalance in the proportion of male to female staff in senior roles. Women have continued to make up almost two thirds of the NHS finance workforce over the six years the census has run – currently 62% are women. The proportion of women that make it into senior roles is, however, much smaller. Currently 26% are finance directors, a figure which has increased only slightly since 2009 when it was 21%.

This imbalance is also reflected in the salaries male and female staff command, with women more likely to be in lower paid roles. Women make up almost three quarters (71% in the 2015 census) of those in the NHS finance workforce who earn salaries at band six or below.



HFMA and FSD census figures on ethnicity revealed the NHS finance workforce in general to be predominantly White British (72%), a proportion that grows to

88%

at director level.

GOING BEYOND GENDER

While the focus might not be as visible, moves are also being made to improve diversity in the NHS in other areas, including ethnicity, disability and age, to bring about improvements in performance.

In the most recent HFMA and FSD census, figures on ethnicity were collected for the first time. These revealed the NHS finance workforce in general to be predominantly white British (72%), a proportion that grows to 88% at director level.

DOES DIVERSITY MATTER?

There is significant international evidence that gender imbalance is detrimental to organisations, board effectiveness and patient outcomes. When other diversity imbalances are factored in, such as ethnicity and disability, performance is further negatively affected.

The current financial challenges the NHS is facing are unprecedented and the whole NHS finance community is pulling together so it can play its part in helping make the efficiency savings and service transformations needed to build a fit-for-the-future NHS.

Diversity within the workforce, and in particular finance, can be used to drive business success, enabling organisations to become

more successful, sustainable and better equipped to meet future challenges.

For example, research shows a diverse workforce is more likely to be innovative, that diverse workplaces are better able to attract and retain talented employees through improved job satisfaction levels, and that a diverse leadership composition, which bears a good resemblance to the community which it serves, is better able to deliver patient-focused care.

Given the current operating conditions, NHS finance can't afford not to make moves to improve diversity.

Future-Focused Finance conducted new research with a sample of

1,129

members of the NHS finance workforce.

39%

MALE

61%

FEMALE

LOOKING AT BELIEFS, BEHAVIOURS AND BARRIERS

Future-Focused Finance's goal is 'Making People Count' – ensuring that everyone connected with NHS finance has access to the relevant skills, methods and opportunities to influence decision making in support of the provision of high-quality patient services. As part of this mission, Future-Focused Finance is spearheading an initiative to improve the performance of the finance function by bringing more diversity to its leadership. Its areas of focus include gender, ethnicity and disability.

To help paint an accurate picture of the current situation and to begin to establish what the main barriers to greater diversity at senior levels are, Future-Focused Finance conducted new research with a sample of 1,129 members of the NHS finance workforce (39% male and 61% female).

The research sample mirrored the findings of HFMA and FSD's census, with White men dominating the upper ranks. Just 23% of those at director or very senior manager level were women. 86% of directors and 92% of very senior managers described their ethnic background as White, with the remainder identifying themselves as Asian or from 'any other ethnic group'.

The research revealed the following areas as potentially hindering progress in improving diversity:

CURRENT POLICIES LACK EFFECTIVENESS

The vast majority (90%) of respondents are aware that their organisation has an equality and diversity policy in place, however less than a third (30%) believe their Board fully represents the community it is supposed to serve when it comes to diversity. A small but substantial group of respondents believed their organisation's policy was merely a 'box ticking exercise' or 'waste of paper'.

FEMALE-ONLY FLEXIBLE WORKING?

On the surface, those working in NHS finance appear to have embraced flexible working. 13% work part time and 62% practice some form of other flexible working, from compressed hours to job sharing. However, further analysis shows the vast majority of flexible and part time workers are female. Women make up 100% of job sharers, 92% of part time workers, 75% of those working compressed hours, 72% of home workers and 67% of those who work term time hours.

71%

of women believe it would be harder for them to maintain a work-life balance if they moved into a senior role

WORKLOAD (MIS)PERCEPTIONS

The majority of women working in NHS finance (71%) believe it would be harder for them to maintain a work-life balance if they moved to a more senior role. However, the difference between the number of men and women regularly working more than their contracted hours is relatively small – 58% of women report doing so compared to 65% of men. As there are significantly more men than women in senior roles, these figures suggest that some of these women's concerns may be unfounded.



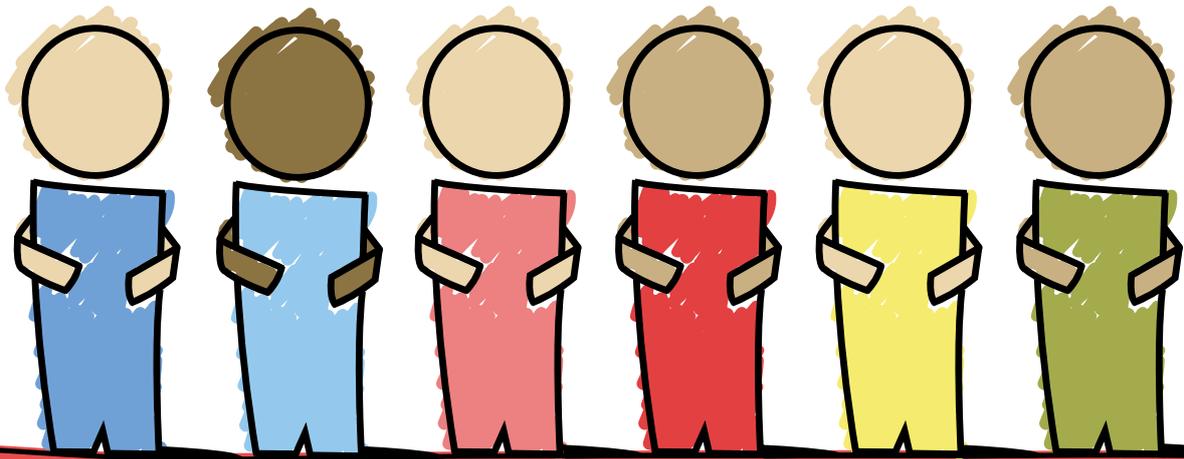
GENDER DIFFERENCES IN BEHAVIOURS AND BELIEFS

Women are less likely to believe men and women are treated equally in their working lives across a range of measures.

For example, women are 46% more likely than men to think their gender is under-represented in senior roles, 40% more likely to have experienced bias and 28% more likely to have experienced barriers to career progression that have stopped them applying for promotions or other positions.

Similarly, when it comes to progression opportunities, men are 20% more likely than women to believe these are equal and 19% more likely to see men and women as having the same chances to progress into senior roles. Less than half of women working in NHS finance (43%) think promotion processes are fair and based on merit.

There are also differences in the way men and women are treated by their superiors – men are 15% more likely than women to say their manager holds regular one-to-one sessions with them and other team members and 14% more likely to feel senior managers in their organisation are open and accessible.



TAKING ON THE CHALLENGE

Future-Focused Finance has brought together a group of senior leaders from all corners of the NHS to build and implement a programme of change that will support organisations to improve and individuals to aspire to achieve their full potential. This programme will be informed by these research insights, other existing evidence and the findings of Future-Focused Finance's Diversity Series Events.



For more information contact futurefocusedfinance@nhs.net
or visit www.futurefocusedfinance.nhs.uk