

The Female FTSE Board Report 2009

NORWAY AND SPAIN JOIN OUR CENSUS
TO BENCHMARK CORPORATE BOARDS



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FTSE FEMALE 100

When I helped set up the Female FTSE Index in 1999 it was clear there was a lack of women in boardrooms. And while there has been some improvement since then, there has been an increase this year in the overall number of companies with men-only boards.

I reject the argument of those who say “because the economy is in difficulty we should put equality on the backburner. It is a luxury we cannot afford right now”. Equality is not just for the good times. It is for all times. It is vital for every individual, for a vibrant economy and for a fair society. There are 5 key reasons why having greater diversity on boards is necessary:

- The talent pool – to sustain our progress towards a strong economic recovery it is imperative that our leading businesses are drawing on the widest possible talent pool, not confining themselves to the old boy network.
- Understanding customers – women represent an increasingly large part of the consumer market. Boards that are more diverse have a better understanding of their customers.
- Tackling group-think – there is a real danger of group-think on homogeneous boards comprised of those individuals who share the same background and experience.
- Family-friendly labour market – Government’s commitment is to a fair and family-friendly labour market for both women and men. This cannot be achieved if corporate employment policies are shaped by men-only boards, without the experience of being the principal family carer.
- Women’s rights – despite being 50% of the population there is an absence of women on boards. This is discrimination.

Businesses that run on the basis of an old boy network and do not draw on the talents of all the population will not be the ones that flourish and prosper in the 21st century. This report shows that we are moving in the right direction, but there is still much more to be done.

Yours sincerely
Harriet

Harriet Harman QC MP

Leader of the House of Commons, Lord Privy Seal
 Minister for Women and Equality



FEMALE FTSE INDEX AND REPORT 2009

Dr. Ruth Sealy, Professor Susan Vinnicombe OBE and Elena Doldor

EXECUTIVE SUMMARY	06
1. INTRODUCTION	12
2. METHODOLOGY	14
3. FTSE 100 COMPANIES	15
3.1 FTSE 100 Companies with Female Directors 2009	15
3.2 FTSE 100 Female Directors 2009	20
3.3 FTSE 100 Executive Committees 2009	25
4. FTSE 250 (101-350) COMPANIES	31
4.1 FTSE 250 Companies with Female Directors 2009	31
4.2 FTSE 250 Female Directors and Senior Executives 2009	33
5. LEARNING FROM OTHER COUNTRIES – A FOCUS ON NORWAY AND SPAIN	36
5.1 Women Board Directors and Executive Directors in Norway and the Nordic Countries	37
5.2 Spain: Moving in the Right Direction	38
5.3 International Comparisons	42
6. CONCLUSIONS	44
Appendix I: Cranfield International Centre for Women Leaders	45

**This report is dedicated to the 2,281 women directors in the pipeline,
still waiting to be appointed to seats on FTSE 100 corporate boards.
And to the many thousands of women elsewhere preparing themselves
for boardroom positions.**

*“Come my friends,
'Tis not too late to seek a newer world.”
Alfred, Lord Tennyson*



FEMALE FTSE REPORT 2009

Norway and Spain join our census to benchmark corporate boards

2009 marks our eleventh annual report with a small incremental increase in the percentage of women on boards. Overall, there are 12.2% women directors on the FTSE 100 boards. There is a discouraging decline in the number of companies with female executive directors to 15 (from 16). Also disappointing is a decline in the number of boards with multiple women directors to 37 (from 39). In addition there is a decline in the overall number of companies with women on boards, and once again one in four companies have exclusively male boards.

TOP RANKING OF FEMALE FTSE 100

In joint top place for the 2009 ranking are Alliance Trust and Burberry. Alliance Trust was new to the FTSE 100 last year and top of the rankings with three of its seven (43%) board members being female. It is a similar story with Burberry, new to the FTSE 100 this year, and also with three out of seven female board members. In Alliance Trust both the Chairman and the Chief Executive are women, whereas in Burberry both the Chief Executive and the Chief Financial Officer are women. In both companies an additional woman holds a non-executive directorship (NED). In third place is Diageo, with 36%, the only FTSE 100 company with four female directors (all NEDs). British Airways and 3i are in joint fourth place with 33%, followed by Sainsburys in sixth with 30%. In addition to a female NED, 3i has a female Chair and a female Group Finance Director. Aviva and Marks and Spencer are in joint seventh with 27% represented by three women each. One of M&S's female directors holds an executive director position. Astrazeneca, British American Tobacco, Cable and Wireless, and Pearson are in joint ninth place, all with three women out of a board of twelve (25%), and Inmarsat and Intercontinental Hotels are also joint ninth with two women on a board of eight. On Pearson's board there is a female CEO (first appointed in 1997) and a female divisional CEO. Twelve of the top 14 companies have at least three female directors.

THE POSITIVE FINDINGS FROM THE 2009 REPORT

- Women increasingly play key roles on FTSE 100 boards. Four companies – Alliance Trust, Burberry, 3i and Pearson have two female executive directors.
- Four women hold three FTSE 100 directorships.
- The percentage of new female appointments to FTSE 100 boards has risen from last year's 10.7% to 14.7% this year.
- Of the 23 new female appointees, 14 had not previously held FTSE 100 directorships. It is remarkable that of these 14 new women, only one is a British national, suggesting that nationality may be an important element of their human capital.
- There are now 2,281 women (up from 1,877 last year) on the corporate boards and executive committees/ senior teams of all the FTSE listings, hence there is a huge and growing pipeline of female talent available to the FTSE 100 boards.

LEARNING FROM NORWAY AND SPAIN

- In 2004, 83% of ASA companies (now regulated) in Norway had women on their boards. This has now moved to 100%.
- 30.5% of directorships on Norway's top 100 ASA companies are held by women. Interestingly the difference in the percentages of women on the regulated and unregulated company boards has narrowed. 26.9% of directorships on unregulated or AS boards are now held by women.
- There are more female executive directorships and female chairs on the unregulated (AS) company boards than on the regulated (ASA) company boards.
- The percentage of companies in Spain with at least one female director is 55% (up from 40% in 2006) and the percentage of companies with multiple female directors has more than doubled, going from 8.7% in 2006 to 19.2% in 2008. If we focus on the IBEX 35 (largest companies), the percentage of companies with at least one woman director has risen from 54% in 2006 to 74% in 2008. We can conclude that the two major 2007 initiatives of the new corporate governance code and Equality Law have had a positive impact on increasing the number of women holding corporate directorships.
- The common theme characterising both Norway and Spain is that they are actively trying to increase the number of women on their corporate boards and want significant, as opposed to incremental, increases. Interestingly, both countries were at a lower starting point than the UK when their governments took action. But, of course, today due to their action they are progressing at a faster pace than the UK.

CONCLUSION

We endorse the Financial Times in requesting a voluntary quota of 30% of women on corporate boards over a ten year period. We have identified 100 "Women to Watch" who are currently on the executive committees of the FTSE 100 or 250 companies and ready for board positions. These women were selected from the largest organizations, but there are an additional 2,181 women in the pipeline from the FTSE listings.



Rank	% of Women	Board	No. of Women	Company	Female Directors Bold = Executive Director	Chairman
1	42.9	7	3	ALLIANCE TRUST PLC	Katherine Garrett-Cox , Clare Sheikh	Lesley Knox
1	42.9	7	3	BURBERRY GROUP	Angela Ahrendts, Stacey Cartwright , Stephanie George	John Wilfred Peace
3	36.4	11	4	DIAGEO PLC	Peggy Bruzelius, Laurence Danon, Betsy DeHaas Holden, Maria Lilja	Dr Franz Humer
4	33.3	9	3	BRITISH AIRWAYS PLC	Baroness Denise Kingsmill, Alison Reed, The Rt. Hon. Baroness Liz Conway Symons	Martin Faulkner Broughton
4	33.3	9	3	3i GROUP PLC	Julia Wilson , Christine Morin-Postel	Baroness Sarah Hogg
6	30.0	10	3	SAINSBURY(J) PLC	Anna Ford, Val Gooding, Mary Harris	Sir Philip Hampton
7	27.3	11	3	AVIVA	Mary Francis, Euleen Yiu Goh, Carole Piwnica	Lord Colin Morven Sharman
7	27.3	11	3	MARKS & SPENCER	Kate Bostock , Martha Lane Fox, Lady Louise Patten	Sir Stuart Rose
9	25.0	12	3	ASTRAZENECA PLC	Dr Jane Henney, Michele Hooper, Dame Nancy Rothwell	Dr Louis Schweitzer
9	25.0	12	3	BRITISH AMERICAN TOBACCO PLC	Karen de Segundo, Dr Ana Maria Llopis Rivas, Christine Morin-Postel	Jan Petrus du Plessis
9	25.0	12	3	CABLE & WIRELESS PLC	Mary Francis, Penny Hughes, Kate Nealon	Richard Laphorne
9	25.0	8	2	INMARSAT GROUP PLC	Dr Kathleen Flaherty, Ambassador Janice Obuchowski	Andy Sukawaty
9	25.0	8	2	INTERCONTINENTAL HOTELS PLC	Jennifer Laing, Ying Yeh	David Webster
9	25.0	12	3	PEARSON	Rona Fairhead , Professor Dr Susan Fuhrman, Dame Marjorie Scardino	Dr Glen Moreno
15	22.2	9	2	CAPITA GROUP	Maggi Bell , Martina King	Eric Walters
15	22.2	9	2	RSA INSURANCE GROUP PLC	Elizabeth Harwerth, Johanna Waterous	John Napier
17	21.4	14	3	PRUDENTIAL PLC	Ann Godbehere, Bridget Macaskill, Kathleen O'Donovan	Harvey McGrath
17	21.4	14	3	UNILEVER PLC	Professor, Dr Louise Fresco, Ann Marie Fudge, Thembalihle Hixonia Nyasulu	Michael Treschow
17	21.4	14	3	WPP PLC	Esther Dyson, Orit Gadiesh, Lubna Suliman Olayan	Ambassador Philip Lader
20	20.0	10	2	ADMIRAL GROUP PLC	Margaret Johnson, Lucy Kellaway	Alastair David Lyons
20	20.0	10	2	CENTRICA PLC	Helen Alexander, Mary Francis	Roger Carr
20	20.0	10	2	EXPERIAN PLC	Fabiola Arredondo de Vara, Laurence Danon	John Wilfred Peace
20	20.0	5	1	HOME RETAIL GROUP PLC	Penny Hughes	Oliver Stocken
20	20.0	10	2	STANDARD LIFE PLC	Baroness Margaret McDonagh, Sheelagh Whittaker	Gerry Grimstone
25	18.2	11	2	ANGLO AMERICAN	Cynthia Carroll , Dr Mamphele Ramphele	Sir John Parker

Rank	% of Women	Board	No. of Women	Company	Female Directors Bold = Executive Director	Chairman
25	18.2	11	2	SAGE GROUP PLC	Tamara Ingram, Ruth Markland	Tony Habgood
25	18.2	11	2	SEGRO PLC	Lesley Macdonagh, Inès Reinmann	Nigel Rich
25	18.2	11	2	TULLOW OIL PLC	Ann Grant, Dr Clare Spottiswoode	Pat Plunkett
29	17.6	17	3	TESCO PLC	Jacqueline Tammenoms Bakker, Karen Cook, Lucy Neville-Rolfe	David Reid
30	16.7	12	2	BT GROUP PLC	The Rt. Hon. Patricia Hewitt, Deborah Lathen	Sir Mike Rake
30	16.7	12	2	LEGAL & GENERAL GROUP PLC	Dame Clara Furse, Frances Heaton	Sir Rob Margetts
32	15.4	13	2	IMPERIAL TOBACCO GROUP PLC	Alison Cooper , Susan Murray	Iain Napier
32	15.4	13	2	NATIONAL GRID	Linda Adamany, Maria Del Richter	Sir John Parker
32	15.4	13	2	STANDARD CHARTERED PLC	Val Gooding, Ruth Markland	John Wilfred Peace
35	14.3	21	3	HSBC HLDGS	Safra Catz, Rona Fairhead, Rachel Lomax	Stephen Green
35	14.3	7	1	SERCO GROUP PLC	Baroness Margaret Ford	Kevin Beeston
37	13.3	15	2	BP PLC	Cynthia Carroll, Dr DeAnne Julius	Sir Peter Sutherland
37	13.3	15	2	LLOYDS BANKING GROUP PLC	Carolyn McCall, Helen Weir	Sir Win Bischoff
39	12.5	8	1	AMEC PLC	Martha Hesse	Jock Green-Armytage
39	12.5	8	1	KINGFISHER PLC	Janis Kong	Daniel Bernard
39	12.5	16	2	SABMILLER PLC	Liz Doherty, Dambisa Moyo	Dr Jacob Meyer Kahn
39	12.5	8	1	SMITHS GROUP PLC	Anne Quinn	Donald Brydon
43	11.1	9	1	CADBURY PLC	Baroness Sarah Hogg	Roger Carr
43	11.1	9	1	INTERTEK GROUP PLC	Debra Rade	Vanni Treves
43	11.1	9	1	MAN GROUP PLC	Alison Carnwath	Jon Aisbitt
43	11.1	9	1	NEXT PLC	Christine Cross	John Barton
43	11.1	9	1	RECKITT BENCKISER GROUP PLC	Judith Sprieser	Adrian Bellamy
43	11.1	9	1	REXAM PLC	Noreen Doyle	Peter Ellwood
43	11.1	9	1	SMITH & NEPHEW PLC	Dr Pam Kirby	Dr John Buchanan
43	11.1	9	1	UNITED UTILITIES GROUP PLC	Dr Catherine Bell	Dr John McAdam
43	11.1	9	1	WHITBREAD PLC	Wendy Becker	Tony Habgood
52	10.0	10	1	FRIENDS PROVIDENT PLC	Evelyn Bourke	Sir Adrian Montague
52	10.0	10	1	JOHNSON MATTHEY	Dorothy Thompson	Sir John Banham
52	10.0	10	1	LAND SECURITIES GROUP PLC		Alison Carnwath



Rank	% of Women	Board	No. of Women	Company	Female Directors Bold = Executive Director	Chairman
52	10.0	10	1	LONMIN PLC	Karen de Segundo	Roger Phillimore
52	10.0	10	1	MORRISON SUPERMARKETS PLC	Susan Murray	Sir Ian Gibson
52	10.0	10	1	SCOTTISH & SOUTHERN ENERGY	Susan Rice	Lord Robert Haldane Smith
52	10.0	10	1	SHIRE PLC	Kate Nealon	Matt Emmens
52	9.1	11	1	BG GROUP PLC	Baroness Sarah Hogg	Sir Robert Peter Wilson
60	9.1	11	1	COMPASS GROUP PLC	Susan Murray	Sir Roy Gardner
60	9.1	11	1	REED ELSEVIER PLC	Lisa Hook	Tony Habgood
60	9.1	11	1	SEVERN TRENT PLC	Baroness Sheila Noakes	Sir John Egan
63	8.3	12	1	CAIRN ENERGY	Jann Brown	Norman Murray
63	8.3	12	1	EURASIAN NATURAL RESOURCES CORP PLC	Zaure Zaurbekova	Dr Johannes Sittard
63	8.3	12	1	GLAXOSMITHKLINE PLC	Dr Stephanie Burns	Sir Chris Gent
63	8.3	12	1	LONDON STOCK EXCHANGE	The Rt. Hon. Baroness Janet Cohen	Dr Chris Shaw Gibson-Smith
63	8.3	12	1	SCHRODERS PLC	Merlyn Lowther	Henry Miles
68	7.7	13	1	LIBERTY INTERNATIONAL PLC	Kay Chaldecott	Patrick Burgess
69	7.1	14	1	BHP BILLITON PLC	The Hon. Dr Gail De Planque	Don Robert Argus
69	7.1	14	1	BRITISH SKY BROADCASTING GROUP PLC (BSKYB)	Dame Gail Rebuck	James Murdoch
69	7.1	14	1	CARNIVAL PLC	Laura Weil	Micky Arison
69	7.1	14	1	RIO TINTO	Vivienne Cox	Jan Petrus du Plessis
69	7.1	14	1	ROLLS ROYCE GROUP PLC	Helen Alexander	Simon Manwaring Robertson
69	7.1	14	1	ROYAL DUTCH SHELL PLC	Christine Morin-Postel	Jorma Jaakko Ollila
69	7.1	14	1	VODAFONE GROUP PLC	Anne Lauvergeon	Sir John Bond
76	6.3	16	1	TUI TRAVEL PLC	Clare Chapman	Dr Michael Frenzel
77		6	0	VEDANTA RESOURCES PLC		Anil Kumar Agarwal
78		7	0	THOMAS COOK GROUP PLC		Dr Karl-Gerhard Eick
78		7	0	AUTONOMY CORP PLC		Robert Stopford Webb
80		8	0	ASSOCIATED BRITISH FOODS PLC		Charles Sinclair
80		8	0	BUNZL PLC		Jeff Harris
80		8	0	INVENSYS PLC		Sir Nigel Rudd

Rank	% of Women	Board	No. of Women	Company	Female Directors Bold = Executive Director	Chairman
80		8	0	RANDGOLD RESOURCES LTD		Philippe Liétard
84		9	0	ANTOFAGASTA PLC		Jean-Paul Fontbona
84		9	0	COBHAM PLC		David Turner
84		9	0	G4S PLC		Alf Duch-Pedersen
84		9	0	ICAP		Charles Gregson
84		9	0	KAZAKHMYS PLC		Dr Vladimir Sergeivich Kim
84		9	0	PETROFAC LTD		Rodney Chase
90		10	0	BRITISH LAND CO PLC		Dr Chris Shaw Gibson-Smith
90		10	0	FRESNILLO PLC		Dr Alberto Bailleres González
90		10	0	ROYAL BANK OF SCOTLAND GROUP PLC		Sir Philip Hampton
90		10	0	WOLSELEY PLC		John Whybrow
94		11	0	BAE SYSTEMS PLC		Dick Lake Olver
94		11	0	HAMMERSON PLC		John Nelson
94		11	0	OLD MUTUAL PLC		Christopher Collins
94		11	0	RENTOKIL INITIAL PLC		Dr John McAdam
94		11	0	XSTRATA PLC		Willy Reinhard Strothotte
99		12	0	INTERNATIONAL POWER PLC		Sir Neville Simms
100		15	0	BARCLAYS PLC		Marcus Ambrose Agius



1. INTRODUCTION

The continuing financial crisis challenges everyone to rethink the way we manage our businesses. The need to tap into our best talent has never been greater and yet in the UK women's inexplicable, incremental progress into the boardroom has once again stalled.

Writing in *The Observer*, Ms. Ruth Sunderland said that this recession is the first *"fully feminist recession,"* in its detrimental effects on women. Research from PricewaterhouseCoopers (PWC) supports her view that the recession is particularly hard on women in their efforts to reach the top of their enterprises. Disillusioned with their prospects, some women are using the recession to exit from their careers in the big corporates.

In May of this year, several prominent voices spoke up for the critical need for women directors. Mr. Trevor Phillips, Head of the Equality and Human Rights Commission, argued that women's inequality should be at the centre of efforts to restore businesses' reputations. Dr. Helen Alexander, the new President of the CBI employers' group, in her first interview complained about the damage caused to industry by boards composed exclusively of white males. The *Financial Times* in its lead editorial on May 19, 2009, proposed that companies voluntarily achieve at least 30% representation by women on their corporate boards. *"...there is a strong case for a voluntary, time-limited quota. A declaration that at least 30 per cent of board members should be female, applied for the next 10 years, would attest to serious intent. Using the "comply or explain" principle, companies with a lower proportion would have to explain if they proposed to fill a vacancy with a man. Chairmen of companies with all-male boards—a fifth of the FTSE 100—should explain in the annual report why they think this is acceptable."*

The *Financial Times* summed up the urgency of its recommendation: *"If there is ever a time for women to make a decisive breakthrough in corporate boardrooms, it is surely now. Many boards, especially in financial services, are in flux after the testosterone-fuelled excesses that led to financial disaster. There is a desperate need to rebuild trust, more easily achieved if boards better reflect customers and the public."*

Several initiatives followed. Anna Mann, one of the country's leading headhunters, established her Women on Board Programme. Its aim is to help women obtain their first non-executive roles in the FTSE 250 companies, an effort we will watch and monitor. This autumn, evidence of sexism in the City was examined by both the Walker Review and The Treasury Select Committee Review, and we await the outcomes of these two published reports.

Whilst the news on the effect the recession is having on women in the UK is particularly bleak, there have been some positive events elsewhere. In Iceland the three major banks have disbanded their boards and reconstituted them with gender diversity in mind. One bank has 40% women board members, another bank's new board consists of 60% females and a third bank has now 100% women directors. Initial research on the restructuring of these banks shows that the boards are working well, not only due to their diversity, but also because of everyone's willingness to try new ways of working.

This year our report adds two new, dynamic features. First, we explore learning from other countries, namely Norway and the Nordic countries (Norway, Sweden, Denmark and Finland) and Spain. We have invited academic researchers from two research centres, similar to ours, to share their progress on increasing the number of women on corporate boards in their countries.

Second we have added a supplement to our report of 100 “Women to Watch”, giving sketches of senior women we feel should be seriously considered for boardroom appointments.

In their recent report launched at Davos in January of this year, “Groundbreakers: Using the strength of women to rebuild the world economy”, Ernst & Young maintain that:

“There may be no quick fix to the current financial crisis, but a sure-fire, long-term resolution is to advance more women into leadership positions and provide the right environment for new perspectives to be heard. The evidence is clear that doing this improves corporate performance – and the numbers prove it.”

We agree wholeheartedly with that conclusion and now add our own numbers to the considerable, irrefutable evidence.



2. METHODOLOGY

We accessed data on each company from many sources, including the Boardex database, annual reports and corporate websites. The FTSE 100 and FTSE 250 listings were taken on 30th September 2009. All data used for the main study were from the public domain. We contacted company secretaries, media or PR contacts for information on the composition of the executive committees for the firms that did not publish such information. We entered data into Excel spreadsheets, and used SPSS software for detailed statistical analysis. We undertook correlation analyses to examine relationships between variables, using t-tests where appropriate to see if means were significantly different.

Three of our sponsors provided case studies on various gender initiatives in their organizations; they are PricewaterhouseCoopers, HSBC and Aviva. Together they demonstrate the bold steps and visible progress that is occurring in the corporate sector.

Our colleagues in Norway and Spain provided the subsections on each of these countries. They are Dr. Celia de Anca, Director of the Center for Diversity in Global Management, at the IE Business School, Madrid, and Dr. Marit Hoel, Director of the Center for Corporate Diversity, Oslo. In addition, we also spoke with various academic and practitioner experts in the field of women on boards in Oslo and Madrid.

3. FTSE 100 COMPANIES 2009

3.1 FTSE 100 COMPANIES WITH FEMALE DIRECTORS, 2009

This year has been an interesting one. A few months ago it looked as if we would be reporting the first decline in women on boards since we started reporting the figures ten years ago. However, in August and September there was a flurry of board activity and the numbers of female directors rose to finish back at exactly the same level as in 2008. In fact, because of a decrease in the overall numbers of directors, this has led to **incremental increases in the percentages of women on boards**. Yet there is a discouraging **decline in the number of companies with female executive directors (EDs)**, to 15. Also disappointing is a **decline in the number of boards with multiple women directors**. As we reported last year, recent research increasingly suggests that it is only when a critical mass of women in the boardroom is attained – with three or more female board members – that real culture change can occur. In addition there is a **decline in the overall number of companies with women on boards**, and once again 25 out of the top 100 – i.e. one in four companies – have exclusively male boards. (See Table 1).

In joint top place for the 2009 ranking are **Alliance Trust** and **Burberry**. Alliance Trust was new to the FTSE 100 last year and top of the rankings with three of its seven (43%) board members being female (see Executive Summary main table). It is a similar story with Burberry, new to the FTSE 100 this year, and also with three out of seven female board members. In Alliance Trust **both the Chairman and the Chief Executive are women**, whereas in Burberry **both the Chief Executive and the Chief Financial Officer are women**. In both companies, an additional woman holds a non-executive directorship (NED). In third place is **Diageo**, with 36%, the only FTSE 100 company with **four female directors** (all NEDs). British Airways and 3i are in joint fourth place with 33%, followed by Sainsburys in sixth with 30%. In addition to a female NED, 3i has a female Chair and a female Group Finance Director. Aviva and Marks and Spencer are in joint seventh with 27% represented by three women each. One of M&S's female directors holds an executive director position. Astrazeneca, British American Tobacco, Cable and Wireless, and Pearson are in joint ninth place, all with three women out of a board of twelve (25%), and Inmarsat and Intercontinental Hotels are also joint ninth with two women on a board of eight. On Pearson's board there is a female CEO (first appointed in 1997) and a female divisional CEO. **Twelve of the top 14 companies have at least three female directors**. A further 10 companies all have at least 20% female boards – Capita, RSA Insurance Group, Prudential, Unilever, WPP, Admiral Group, Centrica, Experian, and Home Retail Group. **Diageo and Unilever have made the greatest leaps in the rankings since 2008, by adding two further women to their boards**.

Table 1: Female FTSE Index 1999-2009

Female FTSE 100	2009	2008	2004	1999
Female held directorships	131 (12.2%)	131 (11.7%)	110 (9.7%)	79 (6.9%)
Female executive directorships	17 (5.2%)	17 (4.8%)	17 (4.1%)	13 (2.02%)
Female NEDs	114 (15.2%)	114 (14.9%)	93 (13.6%)	66 (10.82%)
Women holding FTSE directorships	113	113	96	67
Companies with female executive directors	15	16	13	12
Companies with at least one female director	75	78	69	64
Companies with multiple female directors	37	39	29	13
Companies with no female directors	25	22	31	36



Overall, there is a disappointing decline in the number of companies with female executive directors (EDs) to 15, with six companies either losing their female EDs or no longer being on the FTSE 100. However, five more FTSE 100 companies have added female EDs. Whilst one of the companies (Burberry) has moved up from the FTSE 250, four others have appointed their **first female board ED**. They are **3i, Segro, Friends Provident and Eurasian Natural Resources**. It is encouraging that the FTSE 100 companies represent a spread of sectors, some of which do not have female-dominated workforces, such as oil & gas, mining and electricity, and yet lead the way with women in their senior-most executive posts. (See Table 2).

Table 2: Profile of 15 companies with female executive directors

Rank Female FTSE	Company	% Female Board	No. of Female Directors	No. of Female Executive Directors	Sector	Total Board Size
1	ALLIANCE TRUST	43%	3	1	Investment Companies	7
1	BURBERRY GROUP	43%	3	2	Food, Drug & General Retailers	7
4	3i	33%	3	1	Private Equity	9
7	MARKS & SPENCER	27%	3	1	Food, Drug & General Retailers	11
8	PEARSON	25%	3	2	Media	12
14	CAPITA GROUP	22%	2	1	Support Services	9
25	ANGLO AMERICAN	18%	2	1	Mining	11
25	SEGRO	18%	2	1	Real Estate	11
29	TESCO	18%	3	1	Retail	17
32	IMPERIAL TOBACCO GROUP	15%	2	1	Tobacco	13
37	LLOYDS TSB GROUP	13%	2	1	Banks	15
52	FRIENDS PROVIDENT	10%	1	1	Life Assurance	10
63	CAIRN ENERGY	8%	1	1	Utilities, Oil, Gas & Electricity	12
63	EURASIAN NATURAL RESOURCES	8%	1	1	Mining	12
68	LIBERTY INTERNATIONAL PLC	8%	1	1	Real Estate	13

CASE STUDY: PRICEWATERHOUSECOOPERS LLP

PricewaterhouseCoopers LLP (PwC) is a network of independent professional services firms with representation in 153 countries. The firm employs over 155,000 partners and staff and 50% of that headcount is female. Globally however, only 15% of the partners are female, though that is up from 12% in 2006 when the firm established its global Gender Advisory Council (GAC). This international group of 14 senior male and female leaders from a number of strategically significant territories came into being to focus on:

- *The retention and attraction of female staff*
- *The growth of women into leadership roles*
- *Ensuring that PwC is seen by our people and our clients as a leader in the field of gender diversity.*

They have done this by educating and raising awareness of the business case for a better focus on female retention and development across all countries; by raising awareness of the current state; by researching, identifying and recommending specific actions to support leadership development for women and improved succession planning/talent management; and by defining accountability.

The success of the GAC can be measured from a sustainability perspective by the improved retention and progression rates of women in the firm. This stems from the fact that the GAC is a 'one-stop-shop' for resources and collaboration; resources are readily available to territories across the globe via websites and databases and the resulting awareness has led to enthusiastic take up (eg Australia recreated the UK firm's film on diversity and bias awareness; Canada reproduced the UK firm's mentoring scheme; India is recreating a version of the Australian firm's work-life balance programme). In fact the GAC website and blog (The Gender Agenda) has grown an international following inside and outside the firm, and was rated number three in Google's chart of blogs on gender.

Top level commitment combined with this knowledge-sharing and collaboration has resulted in impact and improvements across the global PwC network. In 2009, PwC won the Opportunity Now Global Award for the work and achievements of the GAC.



3.1.1 CHARACTERISTICS OF FTSE 100 COMPANIES WITH WOMEN DIRECTORS, 2009

As in previous years, there are some significant differences between companies with and those without female directors. Market capitalisation is again significantly higher ($p = 0.05$) in companies with women on the board, although firms with female directors do not have significantly larger workforces. Board size is also higher ($p = 0.05$), averaging 11.1 directors for companies with female directors compared to 9.5 directors for all-male boards. Similarly, the number of non-executive directors was also significantly higher ($p = 0.05$) in companies with female directors (mean = 7.7 NEDs) than companies with all male boards (mean = 6.7 NEDs).

Table 3 provides evidence of the senior roles that women now play on FTSE 100 boards, a doubling to four of companies with women in two key roles. **Alliance Trust** was previously the only company with a **female Chairman plus a female executive director**, but has been joined by **3i**. **Pearson**, previously the only FTSE 100 company with **two female executive directors** now shares this honour with joint rank leader **Burberry**.

Table 3: FTSE 100 Companies with Women in Top Roles

Company	Top Roles held by Women
ALLIANCE TRUST	Two women: Chairman, Chief Executive Officer
3i	Two women: Chairman, Group Finance Director
PEARSON	Two women: Chief Executive Officer, CEO of Financial Times
BURBERRY	Two women: Chief Executive Officer, Chief Financial Officer
LAND SECURITIES GROUP	Chairman
ANGLO AMERICAN	Chief Executive Officer
FRIENDS PROVIDENT	Chief Financial Officer
EURASIAN NATURAL RESOURCES	Chief Financial Officer
LLOYDS TSB GROUP	Group Executive Director
CAIRN ENERGY	Executive Finance Director
MARKS AND SPENCER	Division Executive Director
CAPITA GROUP	Business Development Director
IMPERIAL TOBACCO GROUP	Corporate Development Director
TESCO	Director Corporate Legal Affairs
LIBERTY INTERNATIONAL PLC	Division Executive Director
SEGRO PLC	Regional Managing Director

3.1.2 FTSE 100 SECTOR COMPARISONS, 2009

For a number of years we have reported which sectors have the most female directors, but it should be noted that there are now no real differences between the sectors.

The financial sector has delivered the biggest disappointment in the past year. With the recent Treasury Select Committee hearing and various government-led research projects, there has been considerable focus on the **financial services sector**. Within the banks among the FTSE 100 companies, today just 9% of board members are female. There are currently only five banks in the FTSE 100: HSBC who have three women on their board, and Standard Chartered and the group now known as Lloyds Banking Group who have two women on their boards. Barclays and Royal Bank of Scotland group have no women on their boards. These numbers of women have fallen substantially since 2004, when there were eight banks in the FTSE 100, all of whom had women on their boards. Not only have the actual numbers of women on FTSE bank boards gone down from 16 to just five, worryingly the **percentage of women on the boards of FTSE 100 banks has significantly decreased from 12.8% to just 9.3%**. (See Table 4).

Table 4: Female directors in FTSE 100 banks

Year	No. of banks in FTSE 100	No. of banks with female directors	Total no. of female directors in banks	Percentage of female directors in banks
2004	8	8	16	12.8%
2009	5	3	7	9.3%

David Walker, a former director of the Bank of England with a career in investment banking, who is currently carrying out a review of corporate governance for the Treasury, was recently quoted in the Independent: *“Boards aren’t golf-club committees, they are challenging environments. The climate - the culture - has to change materially. Challenging the board environment, rocking the boat, is very important.”*



3.2. THE FTSE 100 FEMALE DIRECTORS 2009

3.2.1 WOMEN IN TOP ROLES

There has been slippage in the number of women holding key positions in FTSE 100 companies. Last year saw the highest number of five female CEOs and three regional CEOs. Today there remain only **four female top CEOs**: Cynthia Carroll of Anglo American, Dame Marjorie Scardino of Pearson, Katherine Garrett-Cox of Alliance Trust and new to the FTSE 100 this year, Angela Ahrendts of Burberry. Drax is still headed up by Dorothy Thompson but has moved to the FTSE 250 and Dame Clara Furse has left the London Stock Exchange, and currently holds no executive position in a FTSE company. Of the three further Divisional or Regional CEO positions held by women last year, just Rona Fairhead at Pearson remains. Jo Dawson, who was a divisional CEO at HBOS is now on the executive committee at the newly formed Lloyds Banking Group and Bridget McIntyre, previously at RSA Group, has left and holds no executive position in a FTSE company.

On a more positive note, there is **an additional female chairman this year**. Alison Carnwath from Land Securities Group joins Lesley Knox, of Alliance Trust and Baroness Sarah Hogg, of 3i. There are also **now five companies whose chief financial officer is female**, three of whom are newly appointed this year. They are Julia Wilson at 3i, Evelyn Bourke at Friends Provident and Zaure Zaurbekova at Eurasian Natural Resources, joining Stacey Cartwright at Burberry and Jann Brown at Cairn Energy.

Whilst the numbers of female directors has remained constant this year, the percentages continue to increase incrementally, due to the declining number of available board directorships. The current percentage of FTSE 100 directorships held by women is 12.2%, and the percentage of **executive directors has risen to 5.2%**. The number of women holding these 131 positions remains at 113.

3.2.2 RECENT TRENDS IN FTSE 100 BOARD COMPOSITION

This year saw a continuation of the trend of decreasing numbers of overall executive director positions, following the Higgs review recommendations on a better balance between executive and non-executive directors. Once more, the number of executive directorships and total directorships are the lowest since 1999. With 330 executive directorships, this is a decrease of 49% since 1999, and hence the competition for executive directorships is keener than ever. (See Table 5). **Sixty-one percent (up from 53% last year) of companies now have only one, two or three executives** on the corporate board. In contrast to the trend of the previous years, this year **saw a decrease in the number of non-executive directorships in the FTSE 100 companies**, from 1,116 to 1,078. In the past decade, this is where women have been making progress. This decline in the NEDs for the first time may either be a sign of the economic times, and/or an indication that boards feel they have reached the equilibrium point with the correct ED/NED balance.

Table 5: Composition of Boards 2009

Female FTSE 100	2009	2008	2004	1999
Total FTSE 100 NEDs	748	763	712	610
Total FTSE 100 Executive Directors	330	353	418	645
Total FTSE 100 Directorships	1078	1116	1130	1255

3.2.3 WOMEN HOLDING MULTIPLE DIRECTORSHIPS

In 2009, similar proportions of men and women directors hold one or two seats on the FTSE 100 boards. Four women (3.5%) hold three FTSE 100 directorships (Mary Francis, Sarah Hogg, Christine Morin-Postel and Susan Murray). This compares with 13 men (1.6%) who each hold three FTSE 100 directorships. Interestingly, for both men and women, there has been a decline in the percentage of directors holding two seats and an increase in those holding three seats. This might suggest that some organizations are going for a “safe pair of hands” from the elite pool of extremely experienced directors. Obviously, this does not help expand the talent pool.

Table 6: Multiple Directorships

FTSE 100 Boards	Total Directors	1 Seat	2 Seats	3 Seats	4 Seats
Male Directors	833	88.4% (736)	9.8% (82)	1.6% (13)	0.2% (2)
Female Directors	113	87.6% (99)	8.8% (10)	3.5% (4)	0

Rona Fairhead, Val Gooding, Alison Carnwarth, Ruth Markland, Helen Alexander, Cynthia Carroll, Laurence Danon, Penny Hughes, Kate Nealon and Karen Segundo all hold two FTSE 100 seats. Fifteen of the women FTSE 100 directors also hold FTSE 250 directorships, of these Kathleen O’Donovan and Lesley Knox hold two. (See Table 6).

3.2.4 FEMALE FTSE 100 DIRECTORS’ AGE AND TENURE

The women directors are over two years younger ($p = 0.05$) than their male peers, with an average age of 55, compared to 57.3 for male directors. The women also have significantly shorter tenure ($p = 0.05$). (See Table 7). (Age averages are based on 1,065 directors for whom the information was available.) There is a slight decrease in the gap between the ages of men and women over the past three years, from three years to 2.3 years, something to watch in the future.

Table 7: Age and Tenure

2009	AGE			TENURE		
	All	Execs	NEDs	All	Execs	NEDs
Men	57.3	51.3	60.3	5.0	5.7	4.6
Women	55.0	49.7	55.7	3.7	3.7	3.7



3.2.5 FTSE 100 DIRECTORS' NATIONALITY AND ETHNICITY

Fortunately, this year has seen a small increase in the number of female directors from minority ethnic groups. There are 11 women (9.7% of female directors), and all but one are non-executives. Zaure Zaurbekova, a Kazakh national at Eurasian Natural Resources, is the only executive director. **There are no British nationals among this group of female directors.** At WPP, Lubna Suliman Olayan is a Saudi national, and Orit Gadiesh is American. Michele Hooper of AstraZeneca is African-American, as is Deborah Lathen of BT Group and Ann Fudge at Unilever. Hixonia Nyasulu at Unilever and Dr. Mamphela Ramphele at Anglo American are both South African nationals. Ying Yeh at Intercontinental Hotels and Euleen Goh at Aviva are both of Chinese descent, and Dambisa Moyo at Sabmiller is Zambian.

With 44 directorships held by individuals coming from non-European ethnic backgrounds (down from 47 last year), **the overall proportion of ethnic minority male and female directors in the FTSE 100 has decreased to 4.1%.** The two largest minority groups of non-European descent are from the Indian sub-continent (14 people), and from Africa (14 people). There are six directors each of Middle-Eastern and Chinese/Japanese origin and four directors from Central Asia. Seven of the 33 men are known to have British nationality.

Examining the nationality of directors (89% reported), we find that 66% of all FTSE 100 male directors compared to 55% of female directors have UK nationality, with a further 13% of males and 14% of females having European citizenship. **North Americans (USA and Canada) hold 12% of the male directorships but 25% of the female directorships.**

3.2.6 THE NEW FTSE 100 DIRECTOR APPOINTMENTS 2009

To ensure that current selection of new directors is addressing the need for gender diversity, in addition to measuring the total number or status quo of female directors, we also separately monitor the new female appointees. Of the 156 new appointees in the past year, only 23, just 14.7%, **were women.** (See Table 8). Whilst this is an improvement on last year's very disappointing 10.7%, at this rate it will clearly take decades to substantially alter the percentages of women on boards. In June 2009, in a move unprecedented in the UK (although quite common in many other countries) the Labour Government introduced targets for the 'flow' of new Public Appointments (in line with population percentages) of 50% female, 14% disabled and 11% Black and Ethnic Minorities.

Of the 23 new female appointees, 14 had not previously held FTSE 100 directorships, which is a small increase on last year's new intake to the pool of female FTSE directors. What is different is that **of the 14 women new to the FTSE boards, only one is a British national,** suggesting that nationality may be an important element of their human capital for board appointments.

Table 8: New Appointments

Female FTSE 100	2009	2008	1999
New female appointments	23	16	22
New male appointments	133	133	
Total new appointments	156	149	
Female % of new appointments	14.7%	11%	

The 14 new women to have joined FTSE 100 boards are Betsy Holden and Peggy Bruzelius at Diageo, Louise Fresco and Ann Marie Fudge at Unilever, Sheelagh Whittaker at Standard Life, Inès Reinmann at Segro, Anne Quinn at Smiths Group, Evelyn Bourke at Friends Provident, Dambisa Moyo at SabMiller, Janice Obuchowski at Inmarsat Group, Jacqueline Bakker at Tesco, Euleen Goh at Aviva, Julia Wilson at 3i and Zaire Zaurbekova at Eurasian Natural Resources.

The women with new non-executive positions have **all held executive or non-executive roles in substantial foreign organizations:**

Euleen Goh (from Singapore) has held non-executive board positions in a number of organizations including Development Bank of Singapore and Singapore Airlines. She also holds a public service medal from the Singaporean government.

Jacqueline Tammenoms Bakker (from the Netherlands) has held various directorships in the Dutch government, following roles at Shell and with McKinsey & Co. She has also been awarded a Chevalier 'Knight to the Legion of Honour' by the French government.

Ambassador Janice Obuchowski (American) was an Ambassador of the US Department of State, having previously held a number of positions in the US federal government. She also already holds four directorships in S&P SmallCap organizations.

Betsy de Haas Holden (American) held an executive board position at Kraft Foods Inc, is a Senior Advisor at McKinsey & Co and holds another NED position at an S&P 500 company.

Peggy Bruzelius (Swedish) currently holds six other NED positions in companies quoted on other major European listings.

Professor, Dr. Louise Fresco (Dutch) currently holds board positions at Rabobank, and the University of Amsterdam, and is a previous Director General at the United Nations.

Ann Marie Fudge (American) holds NED positions on the boards of GEC and Novartis and previously had various Division Presidencies at Kraft Foods Inc.

Sheelagh Whittaker (from Canada) holds another NED position in an S&P listed company and has previously had a variety of executive positions, including President, CEO and CFO, in various Canadian media firms.

Anne Quinn (a New Zealander) has held a FTSE 250 board position for two years and is a Group VP at BP Plc. She has had a long career in various companies in the Oil & Gas sector.

Dambisa Moyo (Zambian) holds an NED in a foreign listed organization. She was recently Head of Research at Goldman Sachs for seven years and has a PhD from Oxford University. She is a Director and Patron of two charities. At 40, she is the second youngest female director in the FTSE 100.



Of those women holding new executive directorships, three of the four were internally developed and promoted. Three of the four have assumed financial directorships.

Julia Wilson, Group Finance Director at 3i, was previously the Deputy FD for two years. She is the **only British new female FTSE director**.

Zaure Zaurbekova, (Kasakh) Chief Financial Officer at Eurasian Natural Resources Corporation, was also deputy CFO for the preceding two years, and regional CFO for six years before that.

Inès Reinmann was a regional Chief Operating Officer at Segro plc before being promoted to a regional Managing Director with an executive directorship on the board. She has held executive and non-executive board roles in a significant, listed, French company within the same sector.

Evelyn Bourke (Irish) was a division CFO at another FTSE 100 company for three years before joining Friends Provident as executive board director and CFO. She also holds an NED on a significant charitable board.

CASE STUDY: AVIVA PLC

At Aviva, our corporate responsibility vision is to act responsibly for the long term in how we do business in order to provide prosperity and peace of mind for our customers. Diversity has been an essential component of our CR programme since its inception. Our diversity vision is based on treating everyone with respect, valuing difference and recognising and celebrating everyone for their individuality. Since we launched our diversity programme in 2005 our representation of female senior managers has risen from 15% to 22% in 2008. Diversity is also a key part of our employee promise 'at Aviva I am recognised for who I am and what I contribute matters'. This commitment is at the heart of our culture. Our progress against this promise is measured on an annual basis through our global employee promise survey.

Our group chief executive is the main board sponsor of our CR programme. In addition we established a Board Corporate Responsibility committee in 2006 to approve our CR strategy and review CR performance. The committee meet four times annually receiving a report on progress from our regional businesses. The regions rate their progress on all elements of their CR programme, including diversity; the environment, community initiatives and more. They report against Global key performance indicators, agree targets and share priorities for the following year. The diverse backgrounds and experience of the committee means that not only do they challenge the regions to ensure that they meet their targets but use their expert knowledge to give recommendations on how to do this.

3.3 FTSE 100 COMPANIES AND THEIR EXECUTIVE COMMITTEES, 2009

The Cranfield Female FTSE Index has established an annual benchmark for the progress of women directors onto top corporate boards, but since 2006 we have also monitored women who are members of the group executive teams of the FTSE 100 companies. **These women are a resource pool for future main board directorships.** The executive committees include the executive directors and are chaired by the Chief Executive. A variety of names are used to describe these committees, and 70% of FTSE 100 companies disclose the committees' composition on their website or in their annual reports. We contacted the company secretaries, media or PR contacts of the other 30 companies and asked for this information. Two companies chose not to reply, despite reminders, so we have data for 98 companies. (See Table 9).

Table 9: Executive Committee Members by Gender

Executive Committee Members	2009		Total
	Male	Female	
Executive Directors	313	17 (5.2%)	330
Senior Executives	790	175 (18.1%)	965

3.3.1 FTSE 100 COMPANIES – THE EXECUTIVE COMMITTEES

From Table 10, it can be seen that 77 companies (up from 71 last year) have a total of **175 (substantially up from 139) women** (executive directors and/or listed senior executives) in their top executive teams. This is significant as the percentage is approaching 20%, meaning fewer women are experiencing always being the only woman in the meeting.

Heading the list is **Shire plc**, with more than 57% female committee members, closely followed by Lloyds Banking Group at over 55%. Four companies (Next, Bunzl, Admiral Group and Segro) have more than 40% female committee membership, and two further companies (Burberry and Marks & Spencer) have more than the critical 30%. A further 16 companies have more than 20% female representation at the executive committee level. (See Table 10).

Table 10: Female FTSE Index of FTSE 100 Executive Committees

Rank	Company	Committee	EDs	Size of EC	% Female	Female Executive Directors	Female Senior Executives & Company Secretaries
1	SHIRE	Leadership Team	2	7	57.1%		Barbara Deptula-EVP Chief Corporate Development Officer; Anita Graham-EVP Corp Business Services/CAO; Sylvie Gregoire- Division President; Tatjana May-EVP General Counsel/ Company Sec
2	LLOYDS BANKING GROUP	Executive Management Team	4	9	55.6%	Helen Weir - Gp Executive Director	Carol Sergeant-Chief Risk Dir; Angie Rislely- Gp HR Dir; Jo Dawson-Wealth & International Dir; Margaret Coleman-General Counsel & Company Secretary
3	NEXT	Senior Directors	4	20	45.0%		Nine female directors - details withheld



Table 10: Female FTSE Index of FTSE 100 Executive Committees (cont'd)

Rank	Company	Committee	EDs	Size of EC	% Female	Female Executive Directors	Female Senior Executives & Company Secretaries
4	ADMIRAL GROUP	Senior Management Team	3	32	40.6%		Charlotte Bennett-Head of UK Marketing; Claire-Anne Coriat-Business Development Manager; Milena Mondini-Head of Italian motor business; Cristina Nestares-Head of Spanish motor business; Sian Lewis-Head of UK Renewals; Sita Schwenzer-Head of German motor business; Xuejing Zhou-Italian operations manager; Elena Betes-Head of Spanish aggregator business; Dianne Larramendy-French aggregator start-up; Eilen Merten-German operations manager; Louisa Scadden-Head of Communications; Brigitte Small-Inspop.com (UK aggregator) operations manager; Nicole Gelissen-German operations manager
5	BUNZL	Executive Committee	3	5	40.0%		Celia Baxter- Gp Dir HR; Nancy Lester-Dir Corporate Development
5	SEGRO PLC	Executive Committee	3	5	40.0%		Ines Reinmann-Regional MD; Elisabeth Blease-General Counsel & Company Secretary
7	BURBERRY	Senior Management Committee	2	17	35.3%	Angela Ahrendts-CEO; Stacey Cartwright-EVP,CFO	Joy Frommer-President, Europe; Sarah Manley-VP, Marketing & Communications; Michele Smith-SVP Womenswear; Eugenia Ulasewicz-President Americas
8	MARKS & SPENCER	Executive Committee	5	12	33.3%	Kate Bostock-Division ED	Tanith Dodge-Dir HR; Nayna McIntosh-Dir Store Marketing & Design; Amanda Mellor-Gp Secretary & Head of Corporate Governance
9	EURASIAN NATURAL RESOURCES CORP PLC	Senior Management	2	7	28.6%	Zaure Zaurebekova-CFO	Mounissa Chodieva- Head of Investor Relations & Public Relations
9	LIBERTY INTERNATIONAL PLC	Executive Management	4	14	28.6%	Kay Chaldecott, MD	Caroline Kirby-Divisional Dir; Lorraine Woodhouse-Divisional Director; Susan Folger- Gp Company Secretary
11	RSA INSURANCE GROUP PLC	The Group Executive	3	11	27.3%		Orlagh Hunt-Group Dir. HR; Clare Sheikh- Gp. Strategy, Marketing & Customer Dir; Anne Jaeger-Gp Chief Auditor
11	PEARSON	Management Committee	6	11	27.3%	Marjorie Scardino- Chief Executive; Rona Fairhead-Divisional CEO	Robin Baliszewski-Director for People
13	ALLIANCE TRUST	Senior Executive Group	2	15	26.7%	Katherine Garrett-Cox - CEO	Shona Dobbie-MD Research Centre; Fiona MacRae-MD European Equities; Lynn Smith-Director HR Operations
14	BHP BILLITON PLC	Group Management Committee	1	8	25.0%		Karen Wood-Chief People Officer; Jane McAloon-Gp Company Secretary

Table 10: Female FTSE Index of FTSE 100 Executive Committees (cont'd)

Rank	Company	Committee	EDs	Size of EC	% Female	Female Executive Directors	Female Senior Executives & Company Secretaries
14	SAINSBURY(J)	Operating Board	3	12	25.0%		Imelda Walsh-HR Dir; Gwyn Burr-Customer Dir; Dido Harding-Convenience Dir
14	IMPERIAL TOBACCO GROUP	Chief Executive Committee	4	8	25.0%	Alison Cooper-Chief Operating Officer	Kathryn Turner- Gp HR Dir
14	CENTRICA	Executive Team	5	8	25.0%		Catherine May-Gp Dir Corp Affairs; Anne Minto- Gp Dir HR
18	WPP	Executive Directors	3	49	24.5%		Shelly Lazarus-Division Chair; Donna Imperato- Division President & CEO; Cheryl Giovannoni- Division President; Tamara Ingram-Division CEO; Marcia Silverman- Division Chair; Eileen Campbell-Division CEO; Mary Ellen Howe- Division COO; Ann Newman-Regional EVP; Lynn O'Connor Vos-Division President & CEO; Janine Hawkins- Division Global CEO; Lois Jacobs - Division Global CEO; Marie Capes- Company Secretary
19	UNITED UTILITIES	Leadership Team	3	9	22.2%		Alison Clarke-HR Dir; Gaynor Kenyon-Communications Dir
20	HOME RETAIL	Operating Board	2	9	22.2%		Maria Thompson-Commercial Director; Sara Weller-Divisional MD
20	LONDON STOCK EXCHANGE	Management	3	5	20.0%		Lisa Condron- Company Secretary
22	SAGE GROUP	Executive Committee	4	10	20.0%		Karen Geary-Gp Dir HR & Corporate Communications; Sue Swenson-Regional President/CEO
22	SMITH & NEPHEW	Group Executive	2	15	20.0%		Elizabeth Bolgiano-Gp Dir HR; Liz Hewitt- Gp Dir Corporate Affairs; Susan Henderson-Company Secretary
22	NATIONAL GRID		5	10	20.0%		Helen Mahy- General Counsel & Co Secretary; Alison Wood-Dir Strategy
22	INMARSAT	Executive Management Board	2	10	20.0%		Alison Horrocks-Company Secretary; Debbie Jones-VP Business & Customer Operations
26	INVENSYS	Executive Management	2	11	18.2%		Victoria Hull-Chief Legal Officer & Company Secretary; Paula Larson-Chief HR Officer
26	BRITISH AIRWAYS PLC	Management Team	2	11	18.2%		Silla Maize-Acting Customer Director; Julia Simpson-Director of Corporate Communications
26	PRUDENTIAL	Group Executive Committee	6	11	18.2%		Priscilla Vacassin- Gp HR Director; Margaret Coltman-Interim Group General Counsel and Company Secretary
29	FRIENDS PROVIDENT	Senior Management	2	17	17.6%		Gillian Fox-Dir HR; Sue Kean-Chief Risk Officer; Dawn Reid- Dir. Governance
30	G4S	Executive Committee	3	6	16.7%		Irene Cowden- Gp HR Dir



Table 10: Female FTSE Index of FTSE 100 Executive Committees (cont'd)

Rank	Company	Committee	EDs	Size of EC	% Female	Female Executive Directors	Female Senior Executives & Company Secretaries
30	STANDARD CHARTERED	Group Management Committee	5	12	16.7%		Tracy Clarke- Gp Head of HR; Annemarie Durbin- Gp Company Secretary
30	WHITBREAD	The Management	2	6	16.7%		Louise Smalley-Gp Dir HR
30	BRITISH SKY BROADCASTING GROUP	Senior Executives	1	12	16.7%		Sophie Laing-MD Entertainment; Deborah Baker-Gp Dir for People
30	LAND SECURITIES GROUP	Senior Finance and Group Services Management	3	12	16.7%		Angela Williams-Gp Dir HR; Wendy Antaw-Head of Information Systems
30	PETROFAC LTD	Group Executive Committee	4	6	16.7%		Mary Hitchon-Company Secretary
30	BAE SYSTEMS	Executive Committee	2	12	16.7%		Linda Hudson-Divisional President; Charlotte Lambkin-Groups Communications Director
37	SCOTTISH & SOUTHERN ENERGY	Leadership Team	4	80	15.0%		12 female directors - names withheld
38	BT GROUP	Operating Committee	5	7	14.3%		Sally Davis- Division CEO
38	CAIRN ENERGY PLC	Group Management Board	6	7	14.3%	Jann Brown - CFO	
38	COBHAM	Senior Management	3	7	14.3%		Eleanor Evans- Chief Legal Officer & Company Secretary
38	TESCO	Executive Committee	7	7	14.3%	Lucy Neville-Rolfe- Dir Corporate & Legal Affairs	
42	CARNIVAL PLC	Executive Officers	3	15	13.3%		Pamela Conover-Div President/CEO; Ann Sherry- Division CEO
43	INTERCONTINENTAL HOTELS	Global Executive	2	8	12.5%		Tracy Robbins- EVP Global HR
43	CABLE & WIRELESS	Operating Board	4	8	12.5%		Clare Waters-Gp Dir of External Affairs
45	VODAFONE GROUP	Chief Executive Team	4	25	12.0%		Muriel Anton-CEO Czech Republic; Liliana Solomon-CEO Romania; Serpil Timuray-CEO Turkey
46	MAN GROUP PLC	Management Committee	2	17	11.8%		Fiona Smart-Head of Business Finance; Rachel Rowson-Company Secretary
47	BP	Executive Management Team	5	9	11.1%		Sally Bott-EVP Human Resources
47	STANDARD LIFE PLC	Group Executive Team	3	9	11.1%		Marcia Campbell- Gp Operations Dir

Table 10: Female FTSE Index of FTSE 100 Executive Committees (cont'd)

Rank	Company	Committee	EDs	Size of EC	% Female	Female Executive Directors	Female Senior Executives & Company Secretaries
47	ASTRA ZENECA	Management Team	2	9	11.1%		Lynn Tetrault-EVP HR & Corporate Affairs
47	CAPITA GROUP	Divisonal Directors	5	9	11.1%	Maggi Bell - Business Development Director	
47	AMEC	Senior Management Team	3	9	11.1%		Sue Scholes-Director of Communications
47	COMPASS GROUP	Executive Committee	3	9	11.1%		Jane Kingston-Gp HR Dir
47	RECKITT BENCKISER GROUP PLC	Executive Committee	2	9	11.1%		Liz Richardson- Company Secretary
47	ANGLO AMERICAN	Executive Team	2	9	11.1%	Cynthia Carroll - CEO	
47	3i GROUP	Management Committee	2	9	11.1%	Julia Wilson - Group Finance Director	
47	GLAXO SMITHKLINE	Corporate Executive Team	3	18	11.1%		Claire Thomas- SVP HR; Deirdre Connelly-Regional President
47	RENTOKIL INITIAL PLC	Company Executive Board	1	9	11.1%		Xuemei Bennink-Bai- Regional MD
58	UNILEVER	Executive	2	10	10.0%		Professor Genevieve Berger-Chief R&D Officer
58	AVIVA	Senior Management	3	10	10.0%		Amanda Mackenzie-Gp Marketing Officer
58	EXPERIAN PLC	Senior Management	3	10	10.0%		Charlotte Hogg-Regional MD
61	RANDGOLD RESOURCES	Senior Management	2	21	9.5%		Tania de Welzim-Group Financial Controller; Lois Wark-Group Corporate Communications
62	INTERNATIONAL POWER	Senior Management	6	11	9.1%		Penny Chalmers-Dir. Global Resources
62	SABMILLER	Executive Committee	2	11	9.1%		Sue Clark-Corporate Affairs Dir
62	BG GROUP	Group Executive Committee	2	11	9.1%		Catherine Tanna-EVP and Regional MD
62	ICAP	Executive Team	4	11	9.1%		Deborah Abrehart-Company Secretary
62	SMITHS GROUP	Executive Committee	2	11	9.1%		Sarah Cameron- Company Secretary
67	ROYAL BANK OF SCOTLAND	Executive Committee	2	12	8.3%		Ellen Alemany-Chief Executive Citizens & Head of Americas



Table 10: Female FTSE Index of FTSE 100 Executive Committees (cont'd)

Rank	Company	Committee	EDs	Size of EC	% Female	Female Executive Directors	Female Senior Executives & Company Secretaries
67	SERCO PLC	Group Management Board	2	12	8.3%		Joanne Roberts-Company Secretary
67	THOMAS COOK GROUP PLC	Group Executive Board	1	12	8.3%		Alexis Coles-Barrasso- Gp Dir PR & Communications
70	SEVERN TRENT	Management Committee	5	14	7.1%		Fiona Smith-General Counsel/ Company Secretary
70	AUTONOMY CORPORATION PLC	Executive Officers	2	14	7.1%		Nicole Eagan-Chief Marketing Officer
70	HSBC HOLDINGS	Group Management Board	5	14	7.1%		Bella Ann Almeida-Gp HR Dir
73	BRITISH AMERICAN TOBACCO	Management Board	3	15	6.7%		Nicky Snook- Company Secretary
73	HAMMERSON	Senior Management Team	4	30	6.7%		Sheila King- Gp Retail Leasing Director; Sally Learoyd-Gp HR Dir
75	DIAGEO	Executive Committee	2	17	5.9%		Deirdre Mahlan-Deputy CFO
76	KAZAKHMYS PLC	Senior Management	2	23	4.3%		Gulshat Zholamanova-Vice Chairman Financial & Economic Matters
77	TULLOW OIL PLC	Senior Management Team	5	47	2.1%		Julia Ross- Risk & Marketing Manager

N.B. While some Executive Committees are large, these are the numbers disclosed by the company and show variation in organizational structures

No Females on Executive Committee

Associated British Foods, Barclays, British Land Co., Cadbury, Fresnillo, Intertek, Johnson Matthey, Kingfisher, Lonmin, Morrisons, Old Mutual, Reed Elsevier PLC, Rexam, Rio Tinto, Rolls Royce, Royal Dutch Shell, Schroders, Tui Travel, Vedanta Resources PLC, Wolseley, strata X

Company would not disclose information on Executive Committee

Antofagasta, Legal & General Group

4. FTSE 250 COMPANIES 2009

4.1 FTSE 250 COMPANIES WITH FEMALE DIRECTORS 2009

FTSE 250 describes the companies ranked from 101-350 in terms of market capitalisation. One hundred and fifteen of the FTSE 250 companies have women in the boardroom, which at 46% is significantly below the 75% of FTSE 100 firms with female directors. (See Table 11). One reason for this may be that FTSE 250 boards are smaller than FTSE 100 boards. The trend in the FTSE 100 companies of boards with women being larger than those without, is also reflected in the FTSE 250. One might, therefore, suggest that each of these boards considers increasing their board by one member and that this member be a woman.

Table 11: FTSE 250 Companies

FTSE 250 Companies	No.	%
Companies with female directors	115	46.0%
Companies with 2 female directors	19	7.6%
Companies with 3 or 4 female directors	5	2.0%
Companies with female executive directors	23	9.0%
Companies with 2 female executive directors	2	0.8%
Average board size	8	
Average number of executive directors	2.6	
Average number of non-executive directors	5.3	

Just as in the FTSE 100, FTSE 250 companies with female directors have boards that are significantly larger ($p = 0.05$) than those with only male directors, with an average of 8.3 compared to 7.6 board members.

See Table 12 for a listing of companies with at least 20% female boards – at 29 this is an increase on the past two years.



Table 12: FTSE 250 Companies with at least 20% Female Directors

Rank	FTSE 250 Company	Percent Female Board	Number of Female Directors	Female Executive Directors
1st	TRINITY MIRROR PLC	50.0%	4	1 (CEO)
2nd	JPMORGAN AMERICAN INVESTMENT TRUST	40.0%	2	0
3rd	ELECTRA PRIVATE EQUITY PLC	33.3%	2	0
3rd	FIDELITY SPECIAL VALUES	33.3%	2	0
3rd	WETHERSPOON (J.D.) PLC	33.3%	3	1 (ED)
3rd	VECTURA GROUP PLC	33.3%	2	1 (CFO)
3rd	TAYLOR WIMPEY	33.3%	3	1 (ED)
8th	MITIE GROUP PLC	30.0%	3	2 (CEO, GFD)
9th	TALVIVAARA MINING CO PLC	28.6%	2	1 (CFO)
10th	GAME GROUP PLC	25.0%	2	1 (CEO)
10th	HSBC INFRASTRUCTURE CO LTD	25.0%	1	0
10th	ITV PLC	25.0%	3	0
10th	MONKS INVESTMENT TRUST PLC	25.0%	1	0
10th	MORGAN SINDALL	25.0%	2	0
15th	XCHANGING PLC	22.2%	2	1 (Chief Marketing)
15th	MONDI PLC	22.2%	2	0
15th	STAGECOACH GROUP PLC	22.2%	2	0
15th	PREMIER FOODS PLC	22.2%	2	0
19th	MCBRIDE PLC	20.0%	1	0
19th	MURRAY INTERNATIONAL TRUST PLC	20.0%	1	0
19th	DUNEDIN INCOME GROWTH INVESTMENT TRUST	20.0%	1	0
19th	CITY OF LONDON INVESTMENT TRUST PLC	20.0%	1	0
19th	LAW DEBENTURE CORP PLC	20.0%	1	1 (MD)
19th	JPMORGAN EUROPEAN FLEDGLING INVESTMENT TRUST PLC	20.0%	1	0
19th	INTERNATIONAL PUBLIC PARTNERSHIPS LTD	20.0%	1	0
19th	ATKINS(W.S)	20.0%	2	0
19th	BRITISH EMPIRE SECURITIES & GENERAL TRUST	20.0%	1	0
19th	RPS GROUP PLC	20.0%	2	0

4.2 FTSE 250 FEMALE DIRECTORS AND SENIOR EXECUTIVES

Table 13 reports the number of female-held and male-held directorships of FTSE 250 firms, and also the number of females in the senior executive teams. After a decrease in 2008 of the percentage of FTSE 250 female directors (down to 7.0%), this year sees a slight increase back up to 7.3%. Whilst there has been an increase in the percentage of non-executive directors, there has also been a slight decrease in the percentage of executive directors.

There has been a substantial increase in the number of senior executives reported (from 1,460 to 2,025), but disappointingly the male:female ratio remains almost the same. At 269 women, this is a slight decrease from 13.7% to 13.3%.

Table 13: FTSE 250 Directors, by Gender and Role

FTSE 250	Females	Males	Total
Executive Directors	25 (3.8%)	641 (96.2%)	666
Non-Executive Directors	120 (9.0%)	1208 (91.0%)	1328
Total Directors	145 (7.3%)	1849 (92.7%)	1994
Senior Executives	269 (13.3%)	1756 (86.7%)	2025

4.2.1 FTSE 250 CHIEF EXECUTIVE ROLES HELD BY WOMEN

Table 14 shows the roles held by FTSE 250 female directors and senior executives. There are **eight female CEOs in the FTSE 250**. They are Sly Bailey, Trinity Mirror; Lynn Fordham, SVG Capital; Dr Harriet Green, Premier Farnell; Ruby McGregor-Smith, Mitie Group; Dr. Louise Makin, BTG plc; Lisa Morgan, Game Group; Dorothy Thompson, Drax; and, Kate Swann, WH Smith.

Table 14: Roles held by FTSE 250 Female Directors & Senior Executives

FTSE 250	Director Roles	Divisional/Regional Director Roles	Executive & Manager Roles
FTSE 250 Executive Directors	8 CEOs		
	7 Finance Directors		
	2 Managing Directors		
	2 Legal Directors		
	2 Chief Marketing Officers		
	4 Executive Directors		
FTSE 250 Non-Executive Directors	2 Chairmen and 1 Deputy Chairman		
	10 Senior Independent NEDs		
	107 NEDs		
FTSE 250 Senior Executives	49 Company Secretaries	3 Division Presidents	27 Executive Officers
	25 HR Directors	17 Division/Director Heads	10 Investor Relations Executives



Table 14: Roles held by FTSE 250 Female Directors & Senior Executives (cont'd)

FTSE 250	Director Roles	Divisional/Regional Director Roles	Executive & Manager Roles
	15 Directors Investor Relations	11 Div/Reg MDs	10 Managers - Comms/Mktg/PR
	14 Directors Corporate Communications	2 Division COOs	9 Investment Managers
	10 Directors Marketing & Development	1 Division FD	6 General Managers
	5 Financial Controllers	1 Division Director - HR	5 Accountants
	4 Chief Risk/Compliance Officers	1 Division Director - Business Development	5 Division Managers
	4 Chief Investment Officers		4 Administrators
	3 Chief Information Officers		4 Deputy Company Secretaries
	5 Group Directors		2 HR Managers
	4 Group Operations Directors		1 Finance Manager
	4 Directors - Commercial Planning		
	2 Heads of Corporate Responsibility/Regulatory Affairs		
	1 Vice President - Global Services		

4.2.2 CROSS-INDEX COMPARISON

Table 15 provides a cross-index comparison so that the relative differences can be identified. The FTSE 250 falls far behind the FTSE 100 in terms of the percentage of females holding executive and non-executive directorships. The FTSE 250 is also significantly lower than the FTSE 100 in terms of the percentage of companies with female directors, with female executive directors and with multiple female directors.

Table 15: FTSE 100 and FTSE 250 Companies and Female Directors

At September 2009	FTSE 100	FTSE 250
Female-held directorships	131 (12.2%)	145 (7.3%)
Female executive directorships	17 (5.2%)	25 (3.8%)
Female non-executive directorships	114 (15.24%)	120 (9.0%)
Companies with female executive directors	15 (15%)	23 (9.0%)
Companies with at least one female director	75 (75%)	115 (46.0%)
Companies with multiple female directors	37 (37%)	24 (9.6%)

The FTSE 100 has only 12.2% female-held directorships, and the FTSE 250 has increased to 7.3%. In response to the question as to whether the less established or newer companies of the smaller listings might have more female-friendly boards, last year for the first time, we also considered the demographic composition of boards in the FTSE AIM, SmallCap, Fledgling, Techmark 100 and Techmark All-Share listings. This year's results are found in Table 16. Again, for the smaller listings, women's representation on the board is a very disappointing 4.8-6.9%, clearly belying the myth that it is easier for a woman to become a director of a smaller firm.

Table 16 shows there are now 2,281 women on the corporate boards and executive committees/senior teams of all the FTSE listings, not counting the current women on the FTSE 100 corporate boards, hence there is a huge and growing pipeline of female talent available to feed into the top 100 boards.

Table 16: 2009 Cross-list comparison

Index	% age Female board	% age Female Snr Mgrs	No. of Female Board Directors	No. of Female Snr Mgrs
FTSE 100	12.2%			175
FTSE 250	7.3%	13.3%	145	269
FTSE AIM	4.8%	14.3%	301	683
FTSE Small Cap	6.3%	15.0%	99	212
FTSE Techmark 100	6.0%	12.1%	33	93
FTSE Techmark All-share	6.9%	12.7%	48	121
FTSE Fledgling	5.8%	12.9%	45	58
			671	1,610

Women in pipeline to FTSE 100 board position	2,281
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CASE STUDY: HSBC

Diversity in HSBC is built on the principle of meritocracy. In practice this means that our approach is to ensure that diversity interventions provide equal opportunities and are meaningful and relevant to all employees within the organisation, regardless of gender or any other attribute.

In the Global People Survey 2008, which measures employee engagement amongst other considerations, common themes across generations of our employee base emerged. In particular was the identification of the need to proactively help employees to manage their professional and personal life, to enhance the employee experience and support the goal of building 'the best place to work'. Following further investigation including testing with employees in focus groups, a Flexible Working Policy was introduced in Hong Kong in July 2009 which included flex hours, and home-working.

It was important that such a policy recognised the different circumstances of each employee, with a variety of flexible working options, based on an individual's specific needs and those of their particular business. This policy enables both women and men in HSBC to work more flexibly. More employees are taking advantage of the tools available to help balance their work/life commitments harmoniously.

Our most recent annual survey of employee opinions, the Global People Survey 2009 for Hong Kong, provided an opportunity to test success in delivering on our objective to improve overall engagement. This improved by 12 percentage points from 59% to 71%, with no significant variation in the engagement levels between our female and male populations. Within the theme of Work-Life Balance, perceptions of favourability improved from 59% to 63%.

As a result of its success, the Flexible Working Policy is now being extended across the HSBC Group.

For the first time, Cranfield School of Management in partnership with Community Business in Hong Kong, have produced a report entitled **Women on Boards: Hang Seng Index 2009**. It will be launched in Hong Kong on 26th November 2009.



5. LEARNING FROM OTHER COUNTRIES – a focus on Norway and Spain

Written with Dr. Marit Hoel (Center for Corporate Diversity, Oslo) and Cristina Garcia Peri and Dr. Celia de Anca (IE Business School, Madrid)

In March of this year, the Center for Corporate Diversity (CCD) in Oslo launched the 2008 Nordic 500 figures, comparing the figures for women on boards in Norway, Sweden, Finland and Denmark. At this launch, a collaboration was proposed between CCD, Cranfield School of Management and the Instituto de Empresa to conduct some comparative research between Norway, the UK and Spain. These three countries, whilst geographically quite close have very different histories and contexts with regard to women, work and equality.

An obvious example of a context that has received much coverage in the financial and business press over the past year has been that of the **Norwegian government's quota of 40% female representation on all publicly listed companies**, which came into force in January 2008. The interest stems predominantly from a desire to know what the impact of the enforcement has been. According to the Financial Times:

“As a corporate and public policy experiment it is being watched by businesses and governments around the world, in the wake of a global financial crisis that many argue might have been averted if bank boards in particular had less of a testosterone-fuelled culture” (Milne, 2009).

Whilst a number of countries around the world now measure the proportion of women at the top of corporate life, there is little research that compares more than the headline figures. Differences in the measurements used, as well as the listings being measured need to be considered. The challenge is that differences in governance, social policy and governmental involvement between countries can detract from the real meaningfulness of comparisons. Thus, we have a framework that proposes three levels at which international comparisons should be made in the field of women on boards:

1. **Demographics** –To examine and update the figures for the composition of corporate boards and executive committees in the FTSE 350 (UK), Nordic 500 (Norway, Sweden, Finland and Denmark) and IBEX (Spain) listed companies.
2. **Context** – To explore and understand the governance structures and the relevant social policies within the study countries, as without understanding the context, it is hard to appreciate the figures.
3. **Social Capital** – Going further than demographic characteristics and human capital, on which there is already research, to gain a deeper understanding of both the concept and the role of social capital for both men and women aspiring to board positions.

In this report we comment only on the first level.

5.1 WOMEN BOARD DIRECTORS AND EXECUTIVE DIRECTORS IN NORWAY AND THE NORDIC COUNTRIES

The CCD has been monitoring boards in Norway since 2001 and in 2004 expanded the research to the Nordic 500 project, considering the top 500 companies across Norway, Sweden, Finland and Denmark. In 2008 the Nordic 500 figures were taken again.

The Norwegian quota law was first introduced by the Conservative Minister for Trade and Industry Mr. Ansgar Gabrielsen in January 2002. At this time the percentage of female board directors was just 6.8%. The quota law passed by Parliament in Norway in November 2003, required boards to be comprised of a minimum of 40% of each sex. The public limited companies (ASA companies) had until December 2005 to reach the targeted number of women on their boards voluntarily. By December 2005 the figure had reached 17.8%. This was a significant increase, but still fell short of the target. Therefore, the government (Stoltenberg 1) put the law into action on January 1, 2006. Companies now had two years to comply before sanctions would be imposed. There was to be only one sanction for non-compliance: Companies would be dissolved.

Table 17: Women Board Directors in the Nordic 500 in 2004 & 2008

Country	2004			2008		
	No. of Female Board Directors	Total Number Directors	%age Female Board	No. of Female Board Directors	Total Number Directors	%age Female Board
Norway	163	754	21.6%	229	732	31.3%
Sweden	261	1395	18.7%	339	1550	21.9%
Finland	87	645	13.5%	114	678	16.8%
Denmark	107	914	11.7%	109	893	12.5%
Total	618	3708	16.7%	792	3860	20.5%

Table 17 shows the increasing figures during this period, not only for Norway but also its Nordic neighbours, Sweden, Finland and Denmark. The pace of change experienced in Denmark in that period is similar to the sort of incremental increases that we have had in the UK. Finland and Sweden both increase by about three percentage points in that four year period and Norway adds ten percentage points. The 2008 figure for Norway is less than 40% because not all companies in this index are ASA companies and therefore may not be covered by the law.

Despite all predictions that a number of companies on the Oslo Stock Exchange would be dissolved or would relocate abroad, no such thing happened. By January 2008 no company was dissolved as a result of the law, and as far as we have been able to observe there are no companies that have relocated as a result of the law. Opponents of the law argued that companies and boards would suffer because of the lack of skilled women. An analysis carried out by the Statistical Bureau in the autumn of 2008 showed that **the level of education had risen in boardrooms** because women who entered the boards had significantly higher levels of education than the men they replaced. Also, the average age has been lowered as a result of the changes. A number of companies have changed legal status, from "ASA" companies to "AS" companies and vice versa. In the last months of 2007, the majority of these changes resulted in a reduction of ASA-registered companies. However, this was partly due to the fact that financial companies could choose legal status after November 2007. Until this time they were automatically registered in the "ASA" list.



5.1.1 NORWAY TOP 100 DATA 2009

Data collected in September 2009 were analysed in terms of the distribution of men and women on boards of directors and executive boards in the 100 largest companies in Norway.

Table 18: Female Norway Top 100 2009

	AS Companies	ASA (quota) Companies
Female held directorships	136 (26.9%)	237 (30.5%)
Female Chairs	7 (10.8%)	2 (5.7%)
Female executive directorships	93 (17.2%)	41 (16.6%)
Companies with women on Executive Board	47 (72.3%)	25 (71.4%)
Companies with no women on Executive Board	18 (27.7%)	10 (28.6%)

When CCD first monitored the Top 100 in 2004, the differences between ASA companies and AS companies were considerable: ASA companies had more women board directors and more women in executive leadership. Of the ASA companies, 83% had women on their boards of directors, compared to 62% of the AS companies. As a result of the law, all of the ASA companies now have women on their boards in 2009, compared to 79% of the AS companies. Interestingly, the development during the last five years has shown that the **AS companies that are not regulated have the largest increases** in the number of female chairs, and the number of female executive directors in the companies. We do not know why this is so. One of the explanations might be that the opposition against the quota in ASA companies has unwittingly imposed a restriction on the women who are actually appointed to their boards. An alternative explanation might be that a number of the women appointed to regulated boards have multiple board seats, thus limiting their opportunities to take up a chairmanship, which is an onerous responsibility.

5.2 SPAIN: MOVING IN THE RIGHT DIRECTION

Over the last few years, Spain has also taken significant steps to foster higher female:male ratios in business, including legislation, incentives and support for private initiatives, and public awareness. As a result of these many initiatives, in 2008 women constituted 42.89% of the Spanish workforce, and held 32.47% of managerial positions (INE, 2008). However, the biggest challenge still lies at the top management level, specifically at board level, where women represent only 7.6% of board directors in Spanish listed companies.

The two most relevant initiatives for legislation-based action to foster women's position at the higher rankings are the new code for corporate governance and the Equality Law of March 2007.

5.2.1 THE CONTHE CODE ON GOOD CORPORATE GOVERNANCE

In 2007, the Spanish stock exchange regulator (Comisión Nacional del Mercado de Valores, CNMV) issued its third Corporate Governance Code (Informe Comisión Conthe). The Conthe Code contains recommendations for all areas of corporate governance and **requires companies to either "comply or explain"** all cases in which they are not in compliance with the Code's recommendations.

With regard to diversity, the Code states that to achieve adequate gender diversity at board level is not only a challenge from ethical, political and corporate social responsibility points of view, but is also a goal from an efficiency standpoint. In order to achieve that goal, the Code recommends:

“When the number of female Board members is small or zero, the Board needs to explain the reasons why, as well as the initiatives undertaken to correct such situation and, in particular, that the Nomination Committee will provide that, when incorporating new Board members:

(a)The selection process does not have any bias that may hinder the nomination of women board members;

(b)The company is deliberately looking for, and will include as potential candidates, women that may fulfil the required profile” (Unified Good Governance Code, 2006, p 18.)

5.2.2 THE EQUALITY LAW

One of the most determined steps taken by the Spanish Government in the realm of gender diversity has been the Constitutional Act 3/2007 of 22 March for effective equality between women and men, known as the Equality Law (Ley de Igualdad). This law includes the requirement for companies with more than 250 employees to develop gender equality plans as well as specific measures to counteract work/life imbalance.

One of the most controversial aspects of the law is the section that refers to women on corporate boards. According to Article 75 *“Companies ... will endeavour to include a sufficient number of women on their Boards of Directors to reach a balanced presence of women and men within eight years of the entry into effect of this act”*, (Equality Law, 2007, p. 483), balanced presence being defined by the law as 40/60 of either sex.

Article 75 recommends rather than obliges; however, it is clear that companies wanting to work with public administration in procurement, contracts or public aid, would have more chances of obtaining governmental support if they were to follow these recommendations.

5.2.3 THE SPANISH REALITY AT BOARD LEVEL IN 2008

The different initiatives and legislation have resulted in noticeable improvements as we can observe in Table 19. In the past two years the number of female directors has increased by 29.1%.¹

Table 19: Female Directors Evolution in Spain 2006-2008

Most Liquid Spanish Listed Companies	2006	2008
Female-held directorships	86 (6.2%)	111 (7.6%)
Companies with female executive directors	11 (8.7%)	6 (4.6%)
Companies with multiple female directors	11 (8.7%)	25 (19.2%)
Companies with at least one female director	60 (40.2%)	72 (55.4%)
Companies with no female directors	67 (52.8%)	58 (44.6%)

1. The Analysis is made out of the 130 most liquid companies in the Spanish stock exchanges, as defined by those traded in the automatic SIBEX system domiciled in Spain, that have presented the 2008 Good Governance Report at the Spanish Securities Markets Commission, and compared them with the same group at the end of 2006 (when the number of companies was 127).



The increase can also be analysed by means of the type of representation on the board, as we can see in Table 20.²

Table 20: Distribution of Female Directors in Spain 2006-2008

Distribution among Female Directors	2006	2008
Female-held directorships	86	111
Female executive directorships	12 (14.0%)	6 (5.4%)
Female independent directors (NED)	22 (25.6%)	50 (45.1%)
Female <i>dominical</i> directorships	52 (60.5%)	55 (49.6%)

Interestingly, the number of *dominical* women directors has remained almost the same, while the number of independent female directors has more than doubled, reaching 55 female directors versus only 22 in 2006. This can be regarded as a positive trend, since the *dominical* directors are appointed in accordance with the weight of the shareholders they represent, while the independent directors are chosen by a more rigorous appointment process.

Overall, the number of companies with at least one female director has risen from 40% to 55% and, more importantly, the number of companies with multiple female directors has more than doubled, going from 11 in 2006 to 25 in 2008, representing now slightly over 19% of all companies (see Table 19 above).

If we look only at the companies with the highest capitalisation in Spain, shown in Table 21, the IBEX 35 Index constituents, we continue to see very positive trends. In 2008, over 74% of the IBEX 35 companies had at least one female director, when in 2006 this percentage was only 54%. Once again, the largest increase comes from the addition of females in independent director positions. The number of *dominical* female directors has stayed constant at 12 while the number of independent female directors has almost tripled, going from 10 in 2006 to 28 in 2008.

2. Definition of Categories of Directors in Spain

In order to understand the Spanish analysis, it is important to know that the Spanish legislation as well as the Conthe Code of Corporate Governance recognises 3 types of directors:

- Executive Directors, defined as those who also hold management positions in the company or in a group company
- “*Dominical*” Directors, defined as those who represent specific shareholders who hold a significant position in the company (normally defined at around 5% of the voting shares)
- Independent Directors, defined as those who have been chosen because of the contribution that they can make to the company’s board and who neither hold any management positions nor are affiliated to any major shareholder. These will be the equivalent of British NEDs (Non Executive Directors)

Table 21: Female Directors in Spanish IBEX 35 Companies 2006-2008

Most Liquid Spanish Listed Companies	2006	2008
Companies with at least one female director	19 (54.3%)	26 (74.3%)
Total number of female directors	26 (5.2%)	42 (8.3%)
Female executive directorships	4	2
Female independent directors (NED)	10	28
Female dominical directorships	12	12
Companies with multiple female directors	4	10
Companies with no female directors	16	9

5.2.4 ROLES WOMEN HOLD

Regarding board roles, in 2008 there were only two women CEOs, Ana Patricia Botin, at Banco Español de Crédito and Helena Revoreda at Prosegur, the same two CEOs that were identified in our 2006 analysis. Four women held Vice-president or General Manager positions (which is five less than in 2006) and only one woman director held the position of board Secretary (against three in 2006). Finally, if we look at the number of women holding the 111 directorships, it is 97, an increase of 25 since 2006. Of these 97 women, whilst the majority hold only one directorship, one woman sits on five boards, three sit on three boards and four sit on two boards.

We think we can comfortably conclude that **the two major 2007 initiatives of the Conthe Corporate Governance Code and the Equality Law have had a positive impact on the access of women to the boards of large companies.** In particular, the very significant increase in the number of female independent directors proves that companies have made a conscious effort to look for females that have the right profile to join their boards.

On the negative side, however, **the number of female executive directors has shrunk by 50%.** However, anecdotally (since the numbers are so small) the fact that women executives do not follow the same trend as independent professionals might signal a meagre flow of women up the ladder of corporate life. One of the dangers of the present legislation is that it **could solve the problem at the top but not achieve the real aim of facilitating the flow of women to top management positions.**

5.2.5 FOOD FOR THOUGHT

Notwithstanding the very positive trend that we have seen over the last two years, the numbers are still low and the path slow. **Female directors still represent only 7.6%** of all directors and 44.6% of all companies still do not have a single female director. Also, even if over the next year all companies who do not have a single female director were to add one woman to their boards, this would mean that females would still represent only 11.6% of all directors. Now the question arising is: Is the impact of legislation enough to correct the trend in the near future?



5.2.6 OPINION IN SPANISH SOCIETY IS DIVIDED

Some experts argue that to ensure that companies continue to strive to reach the 40/60 representation, further effort has to be made, including real penalties within the equality law for non-compliant companies, or specific targets in the Governance Code to set female representation as more than one female director (eg ask companies to set their own internal 3 and 5 year targets for adding women to their boards and then have the company “explain” their own targets). If not, they fear there could be a temptation to add one token female director to the board and stop there.

Other experts argue that further legislation will only produce a backlash and what the corporate world needs is incentives and different reward schemes to achieve a natural flow of women into top managerial positions. A recent study (MEIL, 2008) detected a low understanding among managers of the advantages of equality policies, with the top managers being the most receptive and lower level managers the least receptive. Thus **public campaigns to create an awareness of gender equality** as an advantage for company success are perceived by many as the best means to achieve equality.

5.2.7 ONGOING CHALLENGES

Achieving equality requires the efforts of society as a whole. Government and legislation can ensure the effectiveness of the law by monitoring its application and assisting companies in their implementation efforts with specific awareness campaigns.

Companies on the other hand should ensure that the natural flow of talent moves upward to the top managerial positions, for women as well as for men. Flexible working, coaching and other instruments are proving to be effective for women’s enhancement in the organization. Also a **clear definition of profiles in a well defined grid of needs at board level will be conducive to the selection of a balanced representation of women directors.**

There remains, however, a far greater challenge and one that must be addressed if the trend of women leaving corporate life is to be reversed. A **cultural change in society**, coupled with individual values and attitudes of women as well as men, is the fundamental condition for a gender balanced governing body in our future corporations.

5.3 INTERNATIONAL COMPARISONS

The common theme characterising both Norway and Spain is that they are actively trying to increase the number of women on their corporate boards and want significant, as opposed to incremental, increases. Interestingly, both countries were at a lower starting point than the UK when their governments made the decision to take action. However, today, due to their action, they are progressing at a faster pace than the UK.

In a recent review for the government (GEO, 2009) we considered the academic literature worldwide on women on boards in both the public and private sectors and found that the barriers to the boardroom can be grouped into three levels:

- **Individual level** (human capital factors, including the biased perceptions of such capital);
- **Interpersonal level** (such as networks and boardroom cultures); and
- **Appointment Process level** (including unclear selection criteria and weak relations between search consultancies and senior women).

Most initiatives can also be mapped onto one of these levels of barrier, for example:

- board-ready training at the individual level;
- access to influential networks through mentoring for the interpersonal level; and
- greater clarity of director skills needs, and closer relations with search consultancies at the appointment process level.

Unsurprisingly, we found that **the most successful initiatives to increase the numbers of women on boards are those which comprehensively approach the issue at all three levels**. For example, Spain's changes to the Code of Governance and the new Equality Law approach appear to address the issue on various levels, from making flexible working more readily available to ensuring the appointment process is free from bias and prejudice. In addition, it is our general observation that **diversity initiatives must be politically, socially and culturally aligned to be effective**.

5.3.1 WHAT OF THE IMPACT OF THE NORWEGIAN QUOTA?

Norway has achieved its societal-level aim, with a totally changed landscape in the boardroom. However, questions remain about the impact on democracy, participation and equality. For the individual women, concerns were publicly raised about the stigma of the quota and issues of meritocracy. Meritocracy is an attractive concept but only works when there is a truly level playing field. Whilst this is something Western businesses and societies like to believe is the case, the substantial research into the lack of women on boards over the past decade in numerous countries, shows that it is not. Women's desire to reach positions "on their own merit" is an issue much discussed in Spain currently and is the commonest negative response to any mention of quotas in the UK. In Norway the same argument was heard years ago when quotas were imposed in the public sector, but few would argue that quotas did women's careers any damage (over 40% participation at public sector board-level for more than a decade). It is early days for substantive academic research, but recent emerging evidence from Norway suggests that contrary to feeling like tokens, women newly appointed to Norway's corporate boards feel respected and that they are making significant contributions (Elstad & Ladegard, 2009). This may be because women now have a substantial presence in the boardroom, they are not 'the lone female', and we know from research that means their presence and contributions are more likely to become normalised.

5.3.2 ARE WOMEN ON THE BOARD GOOD FOR BUSINESS?

An increasing body of research shows that the **benefits of board diversity come from using the differences in knowledge, skill and experience** available. In the 2007 FTSE Report a section on boardroom cultures showed that this comes about with active board leadership and good working structures. In the recently reformed boards of the collapsed Icelandic banks, the majority of board members are now female. The greater proportion of women and the renewed sense of purpose in Iceland's response to the financial crisis have meant that female directors feel their contributions are substantial and appreciated (Jonsdottir, 2009). The Norwegian business press has not been awash with articles about the implosion of boards following the influx of highly qualified senior women. Business and life have gone on, **with boardrooms which now better reflect the societies they serve**. It has become good for companies' reputation to have better gender equality, and isomorphic pressures are leading more businesses currently not covered by the quota law to bring more women on board, as reflected in the increasing numbers of women on boards of private companies.



6. CONCLUSIONS

We currently have 113 women holding 131 FTSE 100 directorships. We endorse the Financial Times' proposal of a voluntary quota of 30% women directors over the next ten years. This equates to approximately 190 additional directorships for women. We have demonstrated that there are 2,281 women on the corporate boards and executive listings of the FTSE listings alone. We have identified **100 "Women to Watch"** who are currently in the executive committees of FTSE 100 or 250 companies and are poised and ready for a board position. These women were selected from the largest organizations, but clearly there are an additional 2,181 women whom search consultancies and nomination committees should be considering.

The vacuous nature of comments regarding a lack of women in the pipeline was highlighted recently with the realisation that Norway successfully 'uncovered the merits' of 1,000 board-ready women in order to fulfil the 40% quota law, from a population of just 4.5 million. In the UK we have a population of 61 million, and if we could only add 20% of the numbers of Norway's newly appointed female directors, just 200 new women on the top FTSE corporate boards, the landscape for women would change significantly.

APPENDIX I: THE CRANFIELD INTERNATIONAL CENTRE FOR WOMEN LEADERS

The International Centre for Women Leaders is committed to helping organisations to develop the next generation of leaders from the widest possible pool of talent. We are unique in focussing our research, management development and writing on gender diversity at leadership level.

The objectives of the Centre are to:

- Lead the national debate on gender diversity and corporate boards
- Provide a centre of excellence on women leaders, from which organisations can obtain the latest trends, up-to-date research and benchmark best practice
- Identify and examine emergent issues in gender diversity and leadership, through sponsored research in partnership with industry and government
- Share research findings globally through conferences, workshops, academic articles, practitioner reports and in the international press.

For more information on the Centre's research and executive development, please visit our Centre website at www.som.cranfield.ac.uk/som/research/centres. There is also a list of our research articles in areas such as women on boards, ethnicity on boards, leadership, diversity management, gendered cultures, role models, impression management, and flexible working.

Professor Susan Vinnicombe OBE MA PhD MCIM FRSA



Professor of Organisational Behaviour and Diversity Management
 Director of the Leadership and Organisation Development Community
 Director of the International Centre for Women Leaders

Susan's particular research interests are women's leadership styles, the issues involved in women developing their managerial careers and gender diversity on corporate boards.

Her Research Centre is unique in the UK with its focus on women leaders and the annual Female FTSE 100 Index is regarded as the UK's premier research resource on women directors.

Susan has written nine books and over one hundred articles, reports and conference papers. Her latest book is, "Women on Corporate Boards of Directors – International Research and Practice" (with R. Burke, D. Bilimoria, M. Husen and V. Singh (2008) published by Edward Elgar).

Susan has consulted for organisations globally on how best to attract, retain and develop women executives. She has worked extensively in the Arabian Gulf and is a member of the British Saudi Arabian Business Council. Susan is regularly interviewed in the press and on the radio and television for her expert views on women directors, and is frequently asked to address conferences. Susan is a judge for many awards including Future Women of Achievement Awards and Women in the City. Susan is Vice Patron of Working Families.

Susan was awarded an OBE for her Services to Diversity in the Queen's New Year's Honour List in 2005.

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Dr. Ruth Sealy BSc MSc PhD MCIPD



Senior Research Fellow
Deputy Director of the International Centre for Women Leaders

In addition to the Female FTSE Report, Ruth has published numerous conference papers, book chapters and journal articles. She is on the Editorial Board of *Gender in Management: An International Review*, and has spoken at many academic and practitioner conferences.

Ruth completed her PhD at Cranfield looking at the impact of role models on the identity formation of senior female directors in the banking sector. Her 2006 US Academy of Management paper was nominated for a Best Paper award in the Gender & Diversity in Organizations Division, and a recent 2009 British Academy of Management paper won the Best Paper Award in the Gender in Management track. Her research interests now include international comparisons of women on corporate boards, managing the senior female pipeline, identity development of senior business women, corporate governance and diversity.

Prior to this, Ruth has had a varied career including nine years as an entrepreneur, setting up and running a company within the travel industry, based in London and the French Alps. After successfully selling the business in 2001, she worked as an independent Business Psychology consultant. Her work included assessment, but particularly development of high potential talent, focusing on emotional intelligence and cognitive processing, working extensively in the engineering/aerospace sector.

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Elena Doldor BSc MSc MRes



Research Assistant

Elena is a doctoral researcher at the International Centre for Women Leaders. Her research explores the role of organizational politics in managerial work and gender differences in attitudes towards politics. She is currently involved in other research projects examining diversity on public and private sector boards of directors in the UK and internationally.

After being awarded a prestigious Fulbright Award, Elena spent the academic year 2007-2008 as a visiting researcher in Northwestern University, USA. She has presented her research at numerous international conferences in the UK and abroad, as well as in other academic institutions such as the Kellogg School of Management. Elena is a reviewer for academic journals such as *Journal of Business Ethics* and *Gender, Work and Organization*, and is a member of the American Academy of Management and the British Academy of Management.

An organizational psychologist by background, Elena has lived and worked in Romania, France, the UK and the USA and speaks several languages. Throughout her work experience, she was involved in assessment and development centres, career counselling, and HR processes related to personnel selection and performance appraisal. Having a particular interest in diversity management, Elena has advised companies in France and Brazil on the topic, taught diversity courses in MBA and MSc programmes and was involved in running women as leaders development workshops.

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