



The Female FTSE Board Report **2010**  
Opening up the Appointment Process

# The Female FTSE board report 2010

Supporting Sponsors:



BoardEx



## Female FTSE Report

In these challenging economic times, it is more important than ever that companies located in the UK use all the talent available to grow the economy and continue to compete at the highest level in domestic and international markets. In this spirit I very much welcome the findings and challenges laid down by the Female FTSE Report.

The Coalition Government has made a strong commitment to promote gender equality on corporate boards and we are firm in our belief that the UK needs to make the most of everyone's talents and that more balanced corporate boards must be better for everyone – investors, employers, employees and customers.

I am clear that action to promote more balanced corporate boards should be business-led. However, I am also confident that Government does have an important supportive role to play, working with business to facilitate the realisation of the abundant aspirations and potential of senior women executives. It is important that business and Government work together to identify and tear down the barriers that prevent more women rising to the top. This is about improving performance and productivity and is not just about gender.

Government wants to lead by example on this issue and that's why earlier in the year we announced our intention to place women in at least half of all open public sector board level roles by the end of the Parliament. We also see this as an opportunity to support more high women achievers in the private sector to become board ready and help ensure that more women are represented in the boardrooms of our top companies.

We know that there is some excellent business practice out there – including good mentoring schemes, sponsorship of internal women's networks and leadership programmes. Since its inception in 1999, the Female FTSE has tracked the progress of women on corporate boards and though there has been some improvement the pace of change is still far too slow – up from 12.2% of FTSE 100 Directors to 12.5% - over the past year.

As the Report outlines, the challenges facing more women on boards are significant and systemic. However, the potential positive influence of women on business is becoming clearer with research showing a strong correlation between a company's performance and the proportion of women serving on its executive board in terms of turnover and profit, good corporate governance, reputation and the development of the female talent pipeline.

This Report shows that we are slowly moving in the right direction but much more needs to be done to ensure UK business is fit to compete in an increasingly competitive global market.

Theresa May

Home Secretary & Minister For Women & Equality





## From The Chairman

When the Female FTSE Report was set up in 1999 it was against the backdrop of women being poorly represented at board level. Since then I'm pleased to say that there are significantly more women in senior leadership roles. And while there are still a large number of men-only boards, there is a commitment to, and awareness of, the issue that simply didn't exist before. This momentum is hugely welcome, helping change things for the better, but there is much more yet to be achieved.

The issue for enlightened corporates is about more than equality. Many businesses are facing an unpredictable economic landscape, and recruiting, retaining and promoting – in every sense of the word – the best people is essential. Companies must draw on the talents of their entire population to enable them to flourish.

Barclays has worked actively to increase the number of women in leadership roles and gender is at the heart of our diversity agenda. I am extremely proud for Barclays to support this year's Female FTSE Report, which marks the start of a three year partnership between us and the Cranfield School of Management. The report itself represents some of the most comprehensive research available on this topic and offers a valuable insight into how seriously the issue is being taken amongst some of the UK's top companies.

Barclays itself is making progress. Over half of our employees now report in to a female CEO and this year we have appointed two women to the board. Personally I participate in the FTSE 100 Cross-Company Mentoring Scheme, and would encourage others to get involved in similar initiatives. We are working to advance more women into leadership positions and – crucially – are seeking to create the right environment for greater diversity across all our businesses.

I hope you find this report evidence of the good work that is underway.

**Marcus Agius**

Barclays Group Chairman



# Female FTSE Index and Report 2010

Susan Vinnicombe, Ruth Sealy, Jacey Graham & Elena Doldor

## Contents

	Page
Executive Summary.....	08
1. Introduction .....	14
2. Methodology .....	15
3. FTSE 100 Companies .....	16
3.1 FTSE 100 Companies with Female Directors 2010 .....	16
3.2 FTSE 100 Female Directors 2010 .....	19
3.3 The New FTSE 100 Director Appointments 2010 .....	22
3.4 FTSE 100 Companies - The Executive Committees 2010 .....	24
3.5 FTSE 100 Boards over the last five years .....	30
4. FTSE 250 (101-350) Companies .....	35
4.1 FTSE 250 Companies with Female Directors 2010 .....	35
4.2 FTSE 250 Female Directors and Senior Executives 2010 .....	38
4.3 The Pipeline to FTSE Board Directorships .....	40
5. Conversations with the Chairmen .....	41
5.1 Establishing the Criteria and Coming up with Names .....	41
5.2 Working with Search Consultants .....	43
5.3 Role of the Nominations Committee .....	45
5.4 Whether Diversity is Important .....	46
5.5 Board Evaluations .....	47
5.6 Reaction to the Recent Gender Diversity Principle .....	47
6. Recommendations from Chairmen.....	48
Appendix: Cranfield International Centre for Women Leaders .....	50



## Executive Summary

### Female FTSE Report 2010 Opening Up The Appointment Process

2010 saw another year of barely perceptible change in the representation of women in leadership positions of UK PLC's top 100 companies. The **incremental increases** include three additional women on FTSE 100 boards taking the total to 116; one additional female executive director (ED); four more companies with women on their boards; and two more companies with more than one woman on the board, returning to 2008 levels. Overall, the percentage of women on FTSE 100 boards is 12.5%, showing a **three year plateau**. The number of companies with no female directors has decreased to 21 and the number of companies with more than one woman on the board has returned to the 2008 figure of 39. Only 13% of new appointments went to women.

#### Female FTSE Index 2008-2010

Female FTSE 100	2010	2009	2008
Female held directorships	135 (12.5%)	131 (12.2%)	131 (11.7%)
Female executive directorships	18 (5.5%)	17 (5.2%)	17 (4.8%)
Female NEDs	117 (15.6%)	114 (15.2%)	114 (14.9%)
Women holding FTSE directorships	116	113	113
Companies with female executive directors	16	15	16
Companies with at least one female director	79	75	78
Companies with multiple female directors	39	37	39
Companies with no female directors	21	25	22

### Top Ranking of Female FTSE 100

In top place of the 2010 ranking is **Burberry** with three out of eight female board members (37.5%). In Burberry **both the Chief Executive and the Chief Financial Officer are women**, and there is also a female non-executive director (NED). This year sees **Diageo** in second place who, with a recent promotion of their **female Chief Financial Officer alongside three female non-executive directors**, is the only FTSE 100 company to have **four women on their board**. **Alliance Trust** is in third place with **both the Chairman and the Chief Executive positions filled by women** plus a female NED. British Airways and Pearson are in joint fourth place with 30% and three women on their boards. **Eleven of the top 12 companies have at least three female directors.**



## Comparison of the most gender diverse and all male boards

We have taken a retrospective look at companies who, over a five year time-span (2006-2010), have performed well on gender diversity and those that have failed to make any headway. Eleven companies have consistently had at least 20% women on boards and we have identified the eight companies with no women on their boards over the five year period. We refer to them as the “Zeros”.

An analysis by **sector** indicates that it does not account for the polarising trends regarding gender diversity of boards. It is also worthwhile mentioning that other companies from the same sectors as the “Zeros” have actually managed to embrace gender diversity at board level. In terms of **board size**, the most gender diverse and all male boards **are not different** either. Average board size over the five year period was 10.8 versus 9.4 for companies with gender diverse boards and companies with no women on boards respectively. Whilst it is often believed that fostering **gender diversity is related to enlarging the board size**, the comparison between these two categories **dispels that myth**.

## Increased Pipeline

This year, we turn the spotlight on the FTSE 250 companies, where **52.4% of companies have no women on their boards**. The difference in the size of boards with women and without women is less than one person, indicating that size cannot be used as an excuse for not appointing women. Just 7.8% of FTSE 250 board directors are women. Eighty-two FTSE 100 companies have women on their executive committees. **These women are a rich resource pool for future main board directorships, but also a significant talent pool for FTSE 250 NEDs today**. There is a growing pipeline of women – there are now **2,551 women** on the corporate boards and executive committees of all FTSE listed companies, not counting the women on FTSE 100 corporate boards.

## Key Recommendations

Given the stagnation of progress for women on boards, we interviewed 14 Chairmen representing 17 companies, asking about their role in the NED appointment process, their response to the new UK Corporate Governance Code’s principle of paying “due regard to diversity on the board, including gender”, and how the challenge of getting more women on boards might be addressed. We conclude the 2010 Female FTSE Report with the key recommendations from these Chairmen and from our research which spans 12 years:

1. Strengthen the new principle on diversity in selection to “Comply or Explain”. Any Chairman with less than 20% women on their boards and Executive Committees needs to explain why this is the case in their annual reports. This should apply to all FTSE 350 listed companies. The 20% should be reviewed in three years’ time with a view to lifting it to 30%.
2. Advertise all NED positions in the private sector.
3. Require search consultants to produce balanced candidate lists.
4. Continue to make the appointments process as rigorous and objective as possible through the use of skills audits.
5. Use peer-to-peer pressure from FTSE 100 Chairmen to encourage FTSE 250 Chairmen to seek female candidates for their boards.

# FTSE 100 Ranking

Rank	% of Women	No. on Board	No. of Women	Company	Female Directors	Chairman
1st	37.5	8	3	<b>BURBERRY GROUP</b>	<b>Angela Ahrendts, Stacey Cartwright,</b> Stephanie George	John Peace
2nd	36.4	11	4	<b>DIAGEO PLC</b>	<b>Deirdre Mahlan,</b> Peggy Bruzelius, Laurence Danon, Betsy DeHaas Holden	Dr Franz Humer
3rd	33.3	9	3	<b>ALLIANCE TRUST PLC</b>	<b>Katherine Garrett-Cox,</b> Clare Sheikh	<b>Lesley Knox</b>
4th	30.0	10	3	BRITISH AIRWAYS PLC	Baroness Denise Kingsmill, Alison Reed, The Rt. Hon. Baroness Liz Conway	Martin Broughton
4th	30.0	10	3	<b>PEARSON PLC</b>	<b>Dame Marjorie Scardino, Rona Fairhead,</b> Professor, Dr Susan Fuhrman	Dr Glen Moreno
6th	27.3	11	3	ASTRAZENECA PLC	Doctor Jane Henney, Michele Hooper, Dame Nancy Rothwell	Dr Louis Schweitzer
6th	27.3	11	3	<b>MARKS &amp; SPENCER</b>	<b>Kate Bostock,</b> Martha Lane Fox, Lady Louise Patten,	Sir Stuart Rose
6th	27.3	11	3	<b>STANDARD LIFE PLC</b>	<b>Jackie Hunt,</b> Baroness Margaret McDonagh, Sheelagh Whittaker	Gerald Grimstone
6th	27.3	11	3	SAINSBURY(J) PLC	Anna Ford, Val Gooding, Mary Harris	David Tyler
10th	25.0	12	3	BRITISH AMERICAN TOBACCO PLC	Karen de Segundo, Doctor Ana Maria Llopis Rivas, Christine Morin-Postel	Richard Burrows
10th	25.0	8	2	INMARSAT GROUP PLC	Doctor Kathleen Flaherty, Ambassador Janice Obuchowski	Andy Sukawaty
10th	25.0	12	3	UNILEVER PLC	Professor Dr Louise Fresco, Ann Fudge, Thembalihe (Hixonia) Nyasulu	Michael Treschow
13th	23.1	13	3	AVIVA	Mary Francis, Yiu (Euleen) Kiang Goh, Carole Piwnica	Lord Colin Sharman
14th	22.2	9	2	RSA INSURANCE GROUP PLC	Noël Harwerth, Johanna Waterous	John Napier
14th	22.2	9	2	<b>3i GROUP PLC</b>	<b>Julia Wilson,</b> Christine Morin-Postel	Sir Adrian Montague
14th	22.2	9	2	<b>CAPITA GROUP PLC</b>	<b>Maggi Bell,</b> Martina Ann King	Martin Bolland
17th	21.4	14	3	PRUDENTIAL PLC	Ann Godbehere, Bridget Macaskill, Kathleen O'Donovan	Harvey McGrath
17th	21.4	14	3	WPP PLC	Esther Dyson, Orit Gadiesh, Lubna Suliman Olayan	Ambassador Philip Lader
19th	20.0	10	2	<b>IMPERIAL TOBACCO GROUP PLC</b>	<b>Alison Cooper,</b> Susan Murray	Iain Napier
19th	20.0	10	2	MORRISON SUPERMARKETS PLC	Penny Hughes, Johanna Waterous	Sir Ian Gibson
19th	20.0	10	2	CENTRICA PLC	Helen Alexander, Mary Francis	Roger Carr
19th	20.0	10	2	ADMIRAL GROUP PLC	Margaret Johnson, Lucy Kellaway	Alastair Lyons
19th	20.0	10	2	SAGE GROUP PLC	Tamara Ingram, Ruth Markland	Tony Hobson
19th	20.0	10	2	SMITH & NEPHEW PLC	Doctor Pam Kirby, Professor Dr Geneviève Berger	Dr John Buchanan
25th	18.8	16	3	<b>TESCO PLC</b>	<b>Lucy Neville-Rolfe,</b> Karen Cook, Jacqueline Tammenoms Bakker	David Reid

Names/Companies in bold denote female executive directors

## FTSE 100 Ranking (cont'd)

Rank	% of Women	No. on Board	No. of Women	Company	Female Directors	Chairman
26th	18.2	11	2	INTERCONTINENTAL HOTELS PLC	Jennifer Laing, Ying Yeh	David Webster
26th	18.2	11	2	EXPERIAN PLC	Judith Sprieser, Fabiola Arredondo de Vara	John Peace
26th	18.2	11	2	LEGAL & GENERAL GROUP PLC	Dame Clara Furse, Frances Heaton	John Stewart
26th	18.2	11	2	<b>ANGLO AMERICAN</b>	<b>Cynthia Carroll</b> , Doctor Mamphela Ramphele	Sir John Parker
30th	16.7	18	3	HSBC HLDGS	Rachel Lomax, Safra Catz, Rona Fairhead	Stephen Green
30th	16.7	12	2	<b>CAIRN ENERGY PLC</b>	<b>Jann Brown</b> , Jackie Sheppard	Norman Murray
30th	16.7	12	2	TULLOW OIL PLC	Ann Grant, Dr Clare Spottiswoode	Pat Plunkett
30th	16.7	6	1	UNITED UTILITIES GROUP PLC	Doctor Catherine Bell	Dr John McAdam
34th	15.4	13	2	BP PLC	Doctor DeAnne Julius, Cynthia Carroll	Carl-Henric Svanberg
34th	15.4	13	2	NATIONAL GRID PLC	Maria Richter, Linda Louise Adamany	Sir John Parker
36th	14.3	14	2	BARCLAYS PLC	Dambisa Moyo, Alison Carnwath	Marcus Agius
36th	14.3	7	1	KINGFISHER PLC	Doctor Janis Kong	Daniel Bernard
36th	14.3	14	2	RIO TINTO	Ann Godbehere, Vivienne Cox	Jan Petrus du Plessis
36th	14.3	7	1	SERCO GROUP PLC	Baroness Margaret Ford	Alastair Lyons
40th	12.5	16	2	SABMILLER PLC	Liz Doherty, Dambisa Moyo	Dr Jacob Kahn
40th	12.5	8	1	SMITHS GROUP PLC	Anne Quinn	Donald Brydon
40th	12.5	8	1	REXAM PLC	Noreen Doyle	Peter Ellwood
40th	12.5	16	2	STANDARD CHARTERED PLC	Val Gooding, Ruth Markland	John Peace
44th	11.8	17	2	INVESTEC PLC	Cheryl Carolus, Haruko Fukuda	Hugh Herman
45th	11.1	9	1	WHITBREAD PLC	Wendy Becker	Tony Hapgood
45th	11.1	9	1	MAN GROUP PLC	Alison Carnwath	Jon Aisbitt
45th	11.1	9	1	NEXT PLC	Christine Cross	John Barton
45th	11.1	9	1	INTERTEK GROUP PLC	Debra Rade	Vanni Treves
45th	11.1	9	1	ICAP PLC	Diane Schueneman	Charles Gregson
50th	10.0	10	1	BT GROUP PLC	The Rt. Hon. Patricia Hewitt	Sir Mike Rake
50th	10.0	10	1	SHIRE PLC	Anne Minto	Matt Emmens
50th	10.0	10	1	SCOTTISH & SOUTHERN ENERGY PLC	Susan Rice	Lord Robert Smith
50th	10.0	10	1	G4S PLC	Doctor Clare Spottiswoode	Alf Duch-Pedersen
50th	10.0	10	1	RESOLUTION LTD	Denise Mileham	Mike Biggs

Names/Companies in bold denote female executive directors

## FTSE 100 Ranking (cont'd)

Rank	% of Women	No. on Board	No. of Women	Company	Female Directors	Chairman
50th	10.0	10	1	REED ELSEVIER PLC	Lisa Hook	Tony Hapgood
50th	10.0	10	1	RECKITT BENCKISER GROUP PLC	Judith Sprieser	Adrian Bellamy
50th	10.0	10	1	JOHNSON MATTHEY PLC	Dorothy Thompson	Sir John Banham
58th	9.1	11	1	BHP BILLITON PLC	Carolyn Hewson	Jac Nasser
58th	9.1	11	1	SEVERN TRENT PLC	Baroness Sheila Noakes	Andy Duff
58th	9.1	11	1	<b>BAE SYSTEMS PLC</b>	<b>Linda Hudson</b>	Dick Oliver
58th	9.1	11	1	COMPASS GROUP PLC	Susan Murray	Sir Roy Gardner
58th	9.1	11	1	ROYAL BANK OF SCOTLAND GROUP PLC	Penny Hughes	Sir Philip Hampton
58th	9.1	11	1	LONMIN PLC	Karen de Segundo	Roger Phillimore
58th	9.1	11	1	GKN PLC	Shonaid Jemmett-Page	Roy Brown
65th	8.3	12	1	SCHRODERS PLC	Merlyn Lowther	Henry Miles
65th	8.3	12	1	LAND SECURITIES GROUP PLC		Alison Carnwath
65th	8.3	12	1	BG GROUP PLC	Baroness Sarah Hogg	Sir Robert Wilson
65th	8.3	12	1	ARM HLDGS PLC	Kathleen O'Donovan	Doug Dunn
65th	8.3	12	1	<b>CAPITAL SHOPPING CENTRES GROUP PLC</b>	<b>Kay Chaldecott</b>	Patrick Burgess
70th	7.7	13	1	VODAFONE GROUP PLC	Anne Lauvergeon	Sir John Bond
70th	7.7	13	1	BRITISH LAND CO PLC	The Hon. Dido Harding	Dr Chris Gibson-Smith
70th	7.7	13	1	ROYAL DUTCH SHELL PLC	Christine Morin-Postel	Jorma Ollila
70th	7.7	13	1	<b>LLOYDS BANKING GROUP PLC</b>	<b>Helen Weir</b>	Sir Win Bischoff
70th	7.7	13	1	<b>EURASIAN NATURAL RESOURCES CORP PLC</b>	<b>Doctor Zaire Zaurbekova</b>	
70th	7.7	13	1	GLAXOSMITHKLINE PLC	Doctor Stephanie Burns	Sir Chris Gent
70th	7.1	14	1	BRITISH SKY BROADCASTING GROUP PLC (BSKYB)	Dame Gail Rebuck	James Murdoch
70th	7.1	14	1	ROLLS-ROYCE GROUP PLC	Helen Alexander	Sir Simon Robertson
70th	7.1	14	1	CARNIVAL PLC	Laura Weil	Micky Arison
79th	5.9	17	1	TUI TRAVEL PLC	Clare Chapman	Dr Michael Frenzel
80th		6	0	VEDANTA RESOURCES PLC		Anil Kumar Agarwal
81st		7	0	ESSAR ENERGY PLC		Ravikant Nandishore Ruia
82nd		8	0	AMEC PLC		Jock Green-Armytage

## FTSE 100 Ranking (cont'd)

Rank	% of Women	No. on Board	No. of Women	Company	Female Directors	Chairman
82nd		8	0	ANTOFAGASTA PLC		Jean-Paul Fontbana
82nd		8	0	ASSOCIATED BRITISH FOODS PLC		Charles Sinclair
82nd		8	0	AUTONOMY CORP PLC		Rob Webb
82nd		8	0	BUNZL PLC		Philip Graham
82nd		8	0	COBHAM PLC		John Devaney
82nd		8	0	PETROFAC LTD		Rodney Chase
82nd		8	0	RANDGOLD RESOURCES LTD		Phillippe Lietard
90th		9	0	AFRICAN BARRICK GOLD PLC		Aaron Regent
90th		9	0	AGGREKO PLC		Philip Rogerson
90th		9	0	HAMMERSON PLC		John Nelson
90th		9	0	INVENSYS PLC		Sir Anthony Rudd
90th		9	0	KAZAKHMYS PLC		Dr Vladimir Sergeivich Kim
90th		9	0	WEIR GROUP		Lord Robert Smith
90th		9	0	WOLSELEY PLC		John Whybrow
97th		10	0	FRESNILLO PLC		Dr Alberto Gonzalez
98th		11	0	OLD MUTUAL PLC		Patrick O'Sullivan
98th		11	0	XSTRATA PLC		Willy Strothotte
100th		12	0	INTERNATIONAL POWER PLC		Sir Neville Simms

# 1. Introduction

The debate about increasing the number of women on corporate boards continues to gather momentum in many countries including our own, giving new credence to Victor Hugo's adage, "Nothing can withstand the force of an idea whose time has come" – not even serious, global recession.

There are still significant differences between countries as to the percentages of women who make up top corporate boards. The percentages vary from 3.5% in Portugal to 31.9% in Norway. Most countries show progress in women taking up boardroom appointments, with two notable exceptions – the USA and the UK. In the USA, gender diversity on the top corporate boards, such as the Fortune 500, has plateaued at 15% for the past five years. Similarly in the UK, according to our own statistics collected for the Female FTSE report, the number of women on the FTSE 100 boards has plateaued for the third year running at 12%. The traditional management saying: "what gets measured, gets done" does not seem to apply to increasing the number of women on boards. Catalyst, a research organisation with its offices in New York City, and The International Centre for Women Leaders based at the Cranfield School of Management, have pioneered the monitoring of the number of women on top corporate boards in our respective countries for over a decade now. Despite this, little action has been taken by companies to improve women's position on boards.

Among the FTSE 100 there are still 21 companies that exclude women from their boards. Among the FTSE 250 companies, the ratio is even worse as 53% of these companies have all male boards. The national media repeatedly reports how girls continue to outperform boys in GCSE and A-level results, but fails to highlight the gender gap at corporate board level which amounts to an 88% difference on the FTSE 100 boards and a 93% difference on the FTSE 250 boards. Norway has discovered that the educational level across board members has increased as a result of the mandated requirement that 40% are women.

Given the stagnation in the numbers of women on UK boards, we welcome the efforts by the new government to place this issue as a priority on both its equality and business agendas. The Prime Minister, David Cameron, has appointed Lord Davies to lead a government enquiry into the lack of women on corporate boards and he will report back in February 2011. Lord Davies has said: "What we need is a fundamental change in the attitude of chairmen in terms of board representations. There is a range of options. One of them is to bring in a direct quota or a timeline that leads to a quota. My view is that to say 20% of people on a board should be women is not enough. It has to be 30% or 40% to make a real change." The Confederation of British Industries (CBI), under Helen Alexander's leadership is conducting its own review of the situation and will be making recommendations. A group of senior women in the City have also got together to conduct its own enquiry under the name of the Curzon Street Group. Separately, Helena Morrissey, CEO of Newton Asset Management, has established "The 30% Club" to campaign for 30% penetration of women on boards and in senior management and a number of FTSE Chairmen have signed up to promote its cause.

In this year's report, we continue to provide a census of women directors on all FTSE listed corporate boards and executive committees. We pay particular attention to the "Zero Companies" – those FTSE 100 companies who have consistently refused to appoint women to their boards over the past five years. In addition we publish the full list of 131 FTSE 250 companies with no women on their boards. We explode the myth that there is a connection between the number of women on a board and the size of the board.

In the second part of this report we share our findings from in-depth conversations with 14 chairmen, all but one from FTSE 100 companies. The focus of these interviews is on the appointment process for Non-executive Directors, NEDs, something we have been tracking for a number of years. We believe that rather than imposing a quota system, we should work together to open up the appointment process.

We conclude The Female FTSE Report 2010 by sharing chairmen's best practice together with our own recommendations derived from twelve years of researching the issue of women on boards.

## 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 as at 1st October 2010. 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.

For the section “Conversations with the Chairmen” we undertook semi-structured interviews, in person. The interviews lasted from 30-60 minutes. They were either digitally recorded and transcribed or captured by extensive note-taking throughout. The transcripts and notes were analysed and the main themes pulled out and presented.

After the success of last year’s “100 Women to Watch” section, we have updated the list for this year’s report. Six women listed have gone on to obtain FTSE board directorships and others have moved out of their previous executive roles. The data were, again, predominantly taken from the public domain.



## 3. FTSE 100 Companies 2010

### 3.1 FTSE 100 Companies With Female Directors, 2010

2010 saw another year of barely perceptible change in the representation of women in leadership positions of UK PLC's top 100 companies. The **incremental increases** include three additional women on FTSE 100 boards taking the total to 116; one additional female executive director (ED); four more companies with women on their boards; and two more companies with more than one woman on the board, returning to 2008 levels (see Table 1). As we have previously reported, research has shown that it is only when a critical mass of women in the boardroom is attained – three or more female board members – that real culture change can occur.

Table 1: Female FTSE Index 2009-2010

Female FTSE 100	2010	2009
Female held directorships	135 (12.5%)	131 (12.2%)
Female executive directorships	18 (5.5%)	17 (5.2%)
Female NEDs	117 (15.6%)	114 (15.2%)
Women holding FTSE directorships	116	113
Companies with female executive directors	16	15
Companies with at least one female director	79	75
Companies with multiple female directors	39	37
Companies with no female directors	21	25

In top place of the 2010 ranking is **Burberry** (see Executive Summary main table). Burberry was new to the FTSE 100 last year and now tops the rankings with three out of eight female board members (37.5%). This percentage has dropped since last year as they have increased their board from seven to eight. In Burberry **both the Chief Executive and the Chief Financial Officer are women**, and there is also a female non-executive director (NED). This year sees **Diageo** in second place who, with a recent promotion of their **female Chief Financial Officer alongside three female non-executive directors**, is the only FTSE 100 company to have **four women on their board**. **Alliance Trust** is in third place with **both the Chairman and the Chief Executive positions taken by women** plus a female NED. Their percentage has dropped from 43% female last year, as they have added two further male directors to their board – now nine. **British Airways** and **Pearson** are in joint fourth place with 30% and three women on their boards. In addition to **Burberry**, **Pearson is the only other FTSE 100 company to have two female executive directors** (Chief Executive and Divisional Chief Executive). AstraZeneca, Marks and Spencer, Standard Life and Sainsbury are in joint 6th place with three women making up 27.3% of their board members. **Standard Life has a new female Chief Financial Officer**. British American Tobacco, Inmarsat and Unilever hold joint 10th place at 25%. **Eleven of the top 12 companies have at least three female directors**.

A further 12 companies all have at least 20% female boards – Aviva, RSA Insurance Group, 3i Group, Capita Group, Prudential, WPP, Imperial Tobacco Group, Morrison Supermarkets, Centrica, Admiral Group, Sage Group and Smith & Nephew. **Barclays** have made the greatest leap, from 100th place in 2009 to 36th place by adding **two women to its previously all male board**. In addition, **BAE Systems** has gone from 94th to 58th by adding its **first female executive director**; they have also announced the addition of a female NED, effective November 1st 2010 (i.e. after the data collection for this report) which would have put them in joint 30th position. Four other companies (G4S, ICAP, British Land Securities and Royal Bank of Scotland) have added a woman to their board from having none in 2009.

Three companies have appointed their **first female board executive director**. They are **Diageo (Deirdre Mahlan - Chief Financial Officer)**, **Standard Life (Jackie Hunt - Chief Financial Officer)** and **BAE Systems (Linda Hudson - Chief Operating Officer)**. It is encouraging that the FTSE 100 companies with female executive directors 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 most senior executive posts. See Table 2.

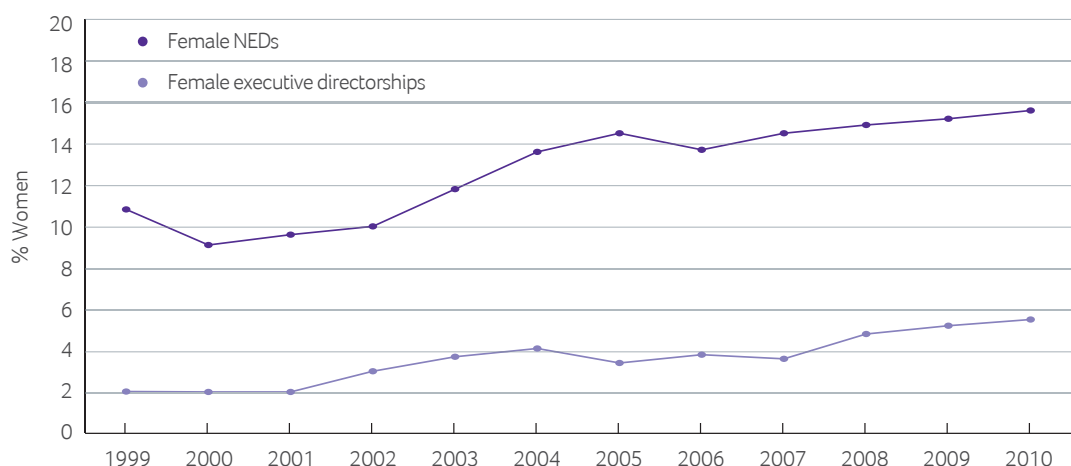
Table 2: Profile of 16 companies with female executive directors

Rank Female FTSE	Company	% Female Board	No. of Female Directors	No. Female Executive Directors	Executive Roles	Sector	Total Board Size
1	BURBERRY GROUP	37.5%	3	2	Chief Executive Officer, Chief Financial Officer	Food, Drug & General Retailers	8
2	DIAGEO	36.4%	4	1	Chief Financial Officer	Beverages	11
3	ALLIANCE TRUST	33.3%	3	1	Chief Executive Officer	Investment Companies	9
4	PEARSON	30.0%	3	2	Chief Executive Officer, CEO of Financial Times	Media	10
6	MARKS & SPENCER	27.3%	3	1	Division Executive Director	Food, Drug & General Retailers	11
6	STANDARD LIFE PLC	27.3%	3	1	Chief Financial Officer	Life Assurance	11
14	3i	22.2%	2	1	Group Finance Director	Private Equity	9
14	CAPITA GROUP	22.0%	2	1	Development Director	Support Services	9
19	IMPERIAL TOBACCO GROUP	20.0%	2	1	Chief Executive Officer	Tobacco	10
25	TESCO	18.8%	3	1	Director Corporate Legal Affairs	Retail	16
26	ANGLO AMERICAN	18.2%	2	1	Chief Executive Officer	Mining	11
30	CAIRN ENERGY	16.7%	2	1	Executive Finance Director	Utilities, Oil, Gas & Electricity	12
58	BAE SYSTEMS	9.1%	1	1	Chief Operations Officer	Aerospace & Defence	11
65	CAPITAL SHOPPING CENTRES PLC	8.3%	1	1	Executive Director Property	Real Estate	12
70	LLOYDS BANKING GROUP	7.7%	1	1	Group Executive Director	Banks	13
70	EURASIAN NATURAL RESOURCES	7.7%	1	1	Chief Financial Officer	Mining	13

**Pearson and Burberry** are the only FTSE 100 companies with **two female executive directors**. **Alliance Trust** is now the only company with a **female Chairman plus a female executive director**, as Baroness Sarah Hogg has moved on from **3i**. **Land Securities** also has a female Chairman, Alison Carnwath.

This is the twelfth year that Cranfield has produced the Female FTSE Report and whilst there has been an increasing amount of discussion around the topic of women on boards, thus far the advance towards reasonable representation continues to be painfully slow, **progress appears to have plateaued**, as demonstrated by the graph below.

## Female FTSE 100 - Progress Plateaued



### 3.1.1 Characteristics of FTSE 100 Companies with Women Directors, 2010

As in previous years, there are some significant differences between companies with and those without female directors. **Market capitalisation is again significantly higher** ( $p = 0.001$ ) in companies with women on the board, although firms with female directors do not have significantly larger workforces.

Board size is also higher ( $p = 0.0001$ ), averaging 11.2 directors for companies with female directors compared to 8.7 directors for all male boards. Similarly, the number of non-executive directors was also significantly higher ( $p = 0.0001$ ) in companies with female directors (mean = 7.9 NEDs) than companies with all male boards (mean = 6.1 NEDs). However, just using averages can hide a wide variance. **Board size must not be used as an excuse for not having women on the board**, as six of the 16 top rank companies have a board with only eight or nine members, including the top two.

“Why would you deny yourself access to half the world’s intellect? It’s a no-brainer.”  
FTSE 100 Chairman

## 3.1.2 FTSE 100 Sector Comparisons, 2010

For a number of years we reported which sectors have the most female directors, but it should be noted that for the past few years there have been no significant differences between the sectors.

Last year, we reported specifically on the **financial services sector** as the percentage of women on the boards of FTSE 100 banks had decreased significantly from 12.8% in 2004 to just 9.3% in 2009. We are pleased to report that this figure has recovered, despite Lloyds Banking Group losing one of its female directors (to become the CEO of a FTSE 250 company); the Royal Bank of Scotland added one woman to its board and Barclays added two.

With the 2009 Treasury Select Committee hearing and various government-led research projects, there has been considerable focus on the financial services sector. **New restrictive guidelines from the Financial Services Authority regarding NED appointments to the banking boards** are adding to the challenge of increasing boardroom diversity as they insist upon substantial banking experience for everyone.

Table 3: Female directors in FTSE100 banks

Year	No. of banks in FTSE100	No. of banks with female directors	Total no. female directors in banks	Percentage female directors in banks
2004	8	8	16	12.8%
2009	5	3	7	9.3%
2010	5	5	9	12.5%

## 3.2. FTSE 100 Female Directors, 2010

### 3.2.1 Women In Top Roles

This year we see **five female CEOs of FTSE 100 companies**: Cynthia Carroll of Anglo American, Dame Marjorie Scardino of Pearson, Angela Ahrendts of Burberry, Alison Cooper of Imperial Tobacco and Katherine Garrett-Cox of Alliance Trust. As Baroness Sarah Hogg has moved on from 3i, there are now just **two female Chairmen**: Alison Carnwath from Land Securities Group and Lesley Knox, of Alliance Trust.

However, this year sees the continuation of an increase in the number of women holding the top financial position in companies. In new roles this year we have Jackie Hunt at Standard Life and Deirdre Mahlan at Diageo. They join Julia Wilson at 3i, Zaire Zaurbekova at Eurasian Natural Resources, Stacey Cartwright at Burberry and Jann Brown at Cairn Energy, taking the total to **six female Chief Financial Officers**.

The number of female-held directorships has risen slightly this year to 135 out of a total of 1,076. The current percentage of FTSE 100 **directorships held by women is 12.5%**, and the percentage of **executive directors has risen slightly to 5.5%**. The number of women holding these 135 positions increased by three to 116.

## 3.2.2 Recent Trends in FTSE 100 Board Composition

Following the Higgs review in 2003, with recommendations for a better balance between executive and non-executive directors, year on year there has been a decrease in the number of executive directorships. Once more, the number of executive directorships is at its lowest since 1999. With 325 executive directorships, this is a decrease of 50% since 1999, and hence the competition for executive directorships is keener than ever (see Table 4). **Sixty-two percent of companies now have only one, two or three executives** on the corporate board.

However, the decline in the number of total directorships appears to be slowing, which may be an indication that boards feel they have reached the equilibrium point with the correct ED/NED balance.

Table 4: Composition of Boards 2010

Female FTSE 100	2010	2009	2008	2004	1999
Total FTSE 100 NEDs	753	748	763	712	610
Total FTSE 100 Executive Directors	323	330	353	418	645
Total FTSE 100 Directorships	1076	1078	1116	1130	1255

## 3.2.3 Women holding Multiple Directorships

In 2010, similar proportions of men and women directors hold single or multiple seats on the FTSE 100 boards. Just two women (1.7%) hold three FTSE 100 directorships (Christine Morin-Postel and Alison Carnwath). There has been an increase in the percentage of female directors holding two seats (from 9.5% in 2009 to 12.5% in 2010). 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 to expand the talent pool of women. However, it also highlights that there are 98 women (85.3%) who only hold one such directorship. Whilst some of these women may also have executive jobs or additional NED positions elsewhere, perhaps many may well have the capacity for an additional board directorship. This should be investigated by the search consultants.

Table 5: Multiple Directorships

FTSE 100 Boards	Total Directors	1 seat	2 seats	3 seats	4 seats
Male Directors	839	89.2% (748)	9.5% (80)	1.3% (11)	0
Female Directors	116	85.3% (98)	12.9% (15)	1.7% (2)	0

Rona Fairhead, Val Gooding, Ruth Markland, Helen Alexander, Cynthia Carroll, Penny Hughes, Ann Godbehere, Dambisa Moyo, Dr. Clare Spottiswoode, Johanna Waterous, Judith Spreiser, Kathleen O'Donovan, Mary Francis, Susan Murray and Karen Segundo all hold two FTSE 100 seats. See Table 5. Eighteen of the women FTSE 100 directors also hold FTSE 250 directorships; of these, only Penny Hughes holds two.

### 3.2.4 Female FTSE 100 Directors' Age and Tenure

Overall, the women directors in 2010 are more than two years younger ( $p = 0.0001$ ) than their male peers, with an average age of 55.3, compared to 57.5 for male directors. The women also have significantly shorter tenure ( $p = 0.0001$ ). See Table 6. (Age averages are based on 1,069 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 four years, from three years to 2.2 years – something to watch in the future.

Table 6: Age and Tenure

2010	AGE			TENURE		
	All	Execs	NEDs	All	Execs	NEDs
Men	57.5	52.0	60.3	5.3	6.4	4.8
Women	55.3	50.5	56.0	4.1	4.0	4.1

### 3.2.5 FTSE 100 Directors' Nationality and Ethnicity

This year has once again seen a small increase in the number of female directors from minority ethnic groups. There are 12 women (10.4% of female directors), and all but one are non-executives. **Zaure Zaurbekova**, a Kazakh national at Eurasian Natural Resources, **is the only executive director**. At WPP, Lubna Suliman Olayan is a Saudi national, and Orit Gadiesh is American. Michele Hooper of AstraZeneca is African-American, as is 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, Safra Catz at HSBC and Euleen Goh at Aviva are of Chinese descent and Dambisa Moyo at SabMiller and Barclays is Zambian. **Haruko Fukuda is the only British national among this group of female directors.**

With 53 directorships held by men and women coming from non-European ethnic backgrounds (up from 44 last year), **the overall proportion of ethnic minority male and female directors in the FTSE 100 has increased to 5.5%**. The two largest minority groups of non-European descent are from the Indian sub-continent (19 directors), and from Africa (14 directors). There are seven directors of Middle-Eastern origin, nine of Chinese/Japanese origin and four directors from Central Asia. Six of the 40 men are known to have British nationality.

Examining the nationality of directors (87% reported), we find that 66% of all FTSE 100 male directors compared to 54% of female directors have UK nationality, with a further 9% of males and 11% of females having European citizenship. **North Americans (USA and Canada) hold 13% of the male directorships but 28% of the female directorships.**



### 3.3 The New FTSE 100 Director Appointments 2010

We focus on the process of appointments to FTSE 100 board directorships – see below “Conversations with the Chairmen”. Every year, approximately 12-15% of the total number of FTSE 100 directors is replaced. This is obviously the mechanism through which any change in demographic composition will occur and therefore in addition to measuring the total number or status quo of female directors, we also separately monitor the numbers of new female appointees.

Of the 135 new appointees to FTSE 100 boards in the past year (**12.5% turnover**), only 18, **just 13.3%, were women**. See Table 7. At 13% turnover, the pace of change is very slow and it will clearly take **decades to substantially alter the percentages of women on boards**.

In the UK, the Government has stated an “aspiration that at least half of all appointees to public bodies will be women”. This will include all Quangoes, NHS Bodies, Executive Agencies and Whitehall departments by 2015.

However, **in other countries there have been substantial increases in the pace of change this year**. Across the world, a number of countries are in the process of introducing, or have already introduced, either regulation or even legislation designed to radically increase access to the female talent pool at board level. In Australia, the Stock Exchange Securities Council has introduced gender metric reporting as part of its governance code. The aim is to implement a substantial increase in the proportion of female directors, and thereby **avoid any requirement for government intervention** in the form of legislation. The Council’s figure of 27% of new appointments going to women in the first half of 2010, compared to 5% in 2009, with 46 new women so far appointed (compared to 10 in the whole of 2009) shows the **dramatic changes that can occur when there is real motivation**. Perhaps Lord Davies’ report in February 2011 will bring that much needed catalyst for change.

“As Chairmen, we have an obligation to speed up the pace of change and influence the board selection process to widen the female talent pool for consideration. To do this, we need to champion gender diversity within our own organisations, develop our female talent and be prescriptive with search agencies to work towards an aspirational target for better female representation on boards.”

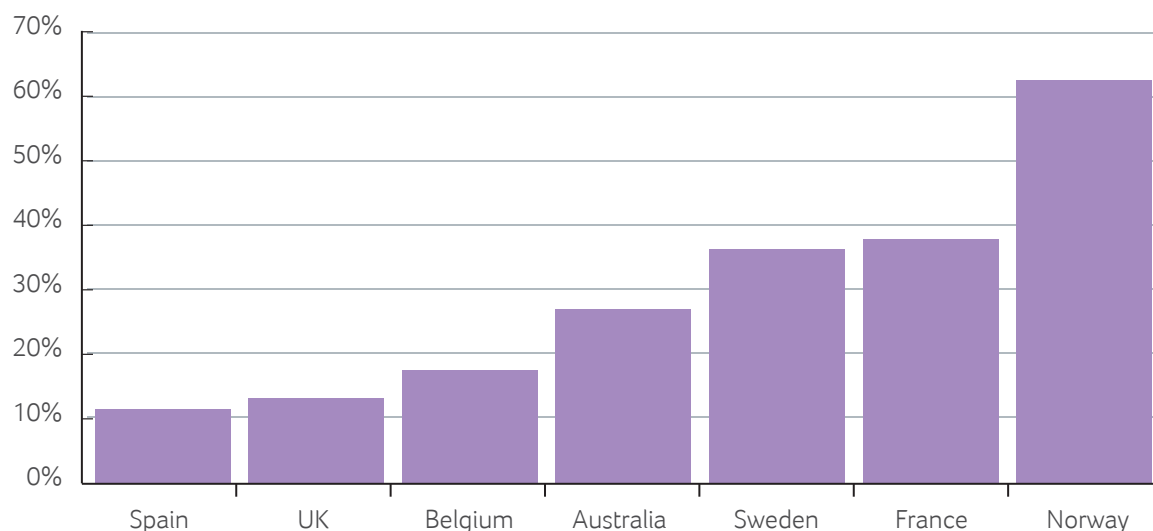
Sir Win Bischoff, Chairman,  
Lloyds Banking Group

“The Coalition Government wants to lead by example, and tackle the gender imbalance of the boards of public sector organisations...These appointments will continue to be made on merit, and the Government will step up its efforts to attract qualified women to public positions and ensure that working practices and conditions are family-friendly.”

Government press release,  
September 2010



## International Comparison of Percentage of Female New Appointees 2010



In 2010, 18 women took up new roles on the FTSE 100 boards. Of these 18, **just nine women have not previously held FTSE 100 directorships**, which is a tiny increase to the talent pool of female FTSE directors. In addition, three female directors have been brought into the pool, as companies on which they already serve have joined the FTSE 100. These women are **Cheryl Carolus** and **Hanuko Fukuda** at Investec and **Denise Mileham** at Resolution.

Table 7: New Appointments

Female FTSE 100	2010	2009	2008	1999
New female appointments	18	23	16	22
New male appointments	117	133	133	
Total new appointments	135	156	149	
Female % of new appointments	13.3%	14.7%	11%	

The **nine new women** to have joined FTSE 100 boards are Dido Harding at British Land, Carolyn Hewson at BHP Billiton, Linda Hudson at BAE Systems, Jackie Hunt at Standard Chartered, Shonaid Jemmet-Page at GKN, Deirdre Mahlan at Diageo, Diane Schueneman at ICAP, Anne Minto at Shire, and Jackie Sheppard at Cairn Energy. **Just six new women joined the FTSE 100 NED pool in 2010.**

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

**The Honourable Dido Harding** (British) a former McKinsey consultant, has held various positions at Kingfisher and then Division Directorships at both Tesco and Sainsbury. This year, as well as taking an NED position at British Land Company, she has also become the CEO of Talktalk Telecom Group.

**Carolyn Hewson** (Australian) previously an executive board member of Schroders Australia, has held a number of NEDs on Australian companies and is an Officer of the Order of Australia.

**Shonaid Jemmet-Page** joins GKN as an NED and is Chief Operating Officer at CDC Group PLC. A former partner at KPMG, Shonaid has held an NED role at Haverlock and various senior roles within Unilever.

**Anne Minto** (British) joins Shire as an NED. She has been Group HR Director at Centrica since 2002 and previously held roles at Smiths Group and Shell UK.

**Diane Schueneman** (American) has had a long career at Merrill Lynch and now joins ICAP as an NED. She is also an advisor to the board of United Bank for Africa.

**Jackie Sheppard** (Canadian) currently holds an executive board role at NWest Energy Inc. In addition to her new NED role at Cairn Energy, she is also an NED at Emera Inc Power.

Of the nine new women, three have taken up **executive directorships**. All three were developed and promoted internally. Two of the three have assumed financial directorships.

**Linda Hudson** (American), Chief Operating Officer for BAS Systems and President/CEO of BAE in North America. She has been at BAE since 2006.

**Jackie Hunt**, (British) Chief Financial Officer at Standard Life, was previously the interim CFO, having been deputy CFO since January 2009. At 41, she is the youngest newcomer and youngest female FTSE 100 executive director – clearly one to watch!

**Deirdre Mahlan** (American), Chief Financial Officer for Diageo. She was Deputy CFO since May 2009 and has held a number of senior roles within Diageo since 2001.

## 3.4 FTSE 100 Companies The Executive Committees 2010

The Cranfield Female FTSE Report 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 rich resource pool for future main board directorships, but also a significant talent pool for FTSE 250 NEDs today.** The executive committees usually include the executive directors and are chaired by the Chief Executive. The Company Secretary is included in the Executive Committee in the majority of cases and so has been included here. 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. Only one company chose not to reply, despite reminders, so we have data for 99 companies.

“ You should really go and talk to the Chairmen of the FTSE 250 companies... all these women sitting on executive committees...it's a huge opportunity.”  
FTSE 100 Chairman

Table 8: Executive Committee Members by Gender

Executive Committee Members	2010		
	Male	Female	Total
Executive Directors	305	18 (5.5%)	323
Senior Executives	773	161 (17.2%)	934

From Table 9, it can be seen that **82 companies** (up from 75 last year) have a total of **179 women** (executive directors and/or listed senior executives) in their top executive teams. **Twenty-three companies have more than 20% of women on their executive committee**, meaning fewer women are experiencing always being the only woman in the meeting. However, in 25 of the 82 companies there is only one woman. Of the 99 companies for whom we had information, **17.2% of Senior Executives are female**.

Heading the list is **Shire plc, with 50% female committee members**, followed by **Next at 45%, Admiral at 40.6% and Bunzl at 40%**. A further **eight companies** (Imperial Tobacco Group, Pearson, Burberry, Lloyds Banking Group, Prudential, Capital Shopping Centres, Marks & Spencer and Legal & General Group) **have more than the critical 30%**, required for optimal performance that avoids tokenism. An additional 11 companies have more than 20% female representation at the executive committee level. See Table 9.

Table 9: Female FTSE Index of FTSE 100 Executive Committees

Rank	Company	Committee Name	EDs	Size of EC	% Female	Female Executive Directors	Female Senior Executives & Company Secretaries
1	SHIRE	Leadership Team	2	6	50.0%		Barbara Deptula- EVP Chief Corporate Development Officer, Dr. Sylvie Gregoire- Division President, Tatjana May- EVP General Counsel/Company Sec
2	NEXT	Senior Directors	4	20	45.0%		Nine female directors - details withheld
3	ADMIRAL GROUP	Senior Management Team	3	32	40.6%		Sue Longthorne-UK Customer Services Director; 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; Louisa Scadden-Head of Communications; Brigitte Small-Inspop.com (UK Aggregator) Operations Manager; Nicole Gelissen- German Operations Manager
4	BUNZL	Executive Committee	3	5	40.0%		Celia Baxter- Gp Dir HR, Nancy Lester- Dir Corporate Development
5	IMPERIAL TOBACCO GROUP	Chief Executive Committee	3	8	37.5%	Alison Cooper- CEO	Kathryn Turner- Gp HR Dir; Helen Clatworthy-Group Supply Chain Director
6	PEARSON	Management Committee	6	11	36.4%	Marjorie Scardino- Chief Executive; Rona Fairhead- Divisional CEO	Robin Baliszewski - Director for People; Genevieve Shore-CIO & Dir Digital Strategy
7	BURBERRY	Executive Operating Committee	2	20	35.0%	Angela Ahrendts- CEO; Stacey Cartwright-EVP, CFO	Carol Fairweather-SVP Group Finance; Joy Frommer-President, Europe; Sarah Manley-SVP, Marketing & Communications; Michele Smith-SVP Womenswear; Eugenia Ulasewicz- President Americas

Table 9: Female FTSE Index of FTSE 100 Executive Committees (cont'd)

Rank	Company	Committee Name	EDs	Size of EC	% Female	Female Executive Directors	Female Senior Executives & Company Secretaries
8	<b>LLOYDS BANKING GROUP</b>	Group Executive Committee	5	9	33.3%	<b>Helen Weir - Gp Executive Director</b>	Carol Sergeant-Chief Risk Dir; Angie Risley- Gp HR Dir
8	PRUDENTIAL	Group Executive Committee	2	6	33.3%		Priscilla Vacassin- Gp HR Director; Margaret Coltman-Group General Counsel and Company Secretary
10	<b>CAPITAL SHOPPING CENTRES PLC</b>	Executive Management	2	16	31.3%	<b>Kay Chaldecott, MD</b>	Kate Bowyer-Investor Relations Manager; Claire Combes-Head of Risk & Internal Audit; Susan Folger-Gp. Co.Sec; Caroline Kirby-Property Dir
11	<b>MARKS &amp; SPENCER</b>	Executive Committee	5	13	30.8%	<b>Kate Bostock-Division ED</b>	Tanith Dodge-Dir HR; Nayna McIntosh-Dir Store Marketing & Design; Amanda Mellor-Gp Secretary & Head of Corporate Governance
12	LEGAL & GENERAL GROUP	Executive Committee	4	10	30.0%		Andrea Blance-Gp Chief Risk Officer; Elaine McClean-Gp HR Dir; Diana Miller-Head of Compliance
13	<b>EURASIAN NATURAL RESOURCES CORP PLC</b>	Senior Management	2	7	28.6%	<b>Zaure Zaurebekova-CFO</b>	Mounissa Chodieva- Head of Investor Relations & Public Relations
14	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
15	CENTRICA	Executive Team	5	8	25.0%		Catherine May-Gp Dir Corp Affairs; Anne Minto- Gp Dir HR
15	BHP BILLITON PLC	Group Management Committee	1	8	25.0%		Karen Wood-Chief People Officer; Jane McAloon-Gp Company Secretary
15	INMARSAT	Executive Staff	2	8	25.0%		Alison Horrocks-SVP Corporate Governance & Company Secretary; Debbie Jones-SVP Corporate Development
18	<b>ALLIANCE TRUST</b>	Senior Executive Group	2	25	24.0%	<b>Katherine Garrett-Cox - CEO</b>	Shona Dobbie-MD Research Centre; Fiona MacRae-MD European Equities; Lynn Smith-Director HR Operations; Elaine Maddison-Div Chief Operating Officer; Wendy Macfarlane-Risk Manager
19	GKN	Executive Committee	5	9	22.2%		Judith Felton - Company Secretary; Tania Stote-Deputy Company Secretary
19	UNITED UTILITIES	Leadership Team	2	9	22.2%		Alison Clarke-HR Dir; Gaynor Kenyon-Communications Dir
19	SAGE GROUP	Executive Committee	2	9	22.2%		Karen Geary-Gp Dir HR & Corporate Communications; Sue Swenson-Regional President/CEO
19	BT GROUP	Operating Committee	5	9	22.2%		Sally Davis- Division CEO; Olivia Garfield-Group Director Strategy
23	NATIONAL GRID	Executive Committee	4	10	20.0%		Helen Mahy- Gp Co Secretary & General Counsel ; Alison Wood-Gp Dir Strategy
24	SAINSBURY(J)	Operating Board	3	11	18.2%		Gwyn Burr-Customer Service & Colleague Dir; Helen Buck-Convenience Dir.

Table 9: Female FTSE Index of FTSE 100 Executive Committees (cont'd)

Rank	Company	Committee Name	EDs	Size of EC	% Female	Female Executive Directors	Female Senior Executives & Company Secretaries
24	INVENSYS	Executive Management	2	11	18.2%		Victoria Hull-Chief Legal Officer & Company Secretary, Paula Larson-Chief HR Officer
24	STANDARD CHARTERED	Group Management Committee	5	11	18.2%		Tracy Clarke- Gp Head of HR & Comms, Annemarie Durbin- Gp Company Secretary
27	AFRICAN BARRICK GOLD	Management Team	2	6	16.7%		Cassie Boggs - Interim Co.Sec
27	BARCLAYS	Executive Committee	3	12	16.7%		Maria Ramos-Div CEO; Cathy Turner-Gp HR Dir
27	BRITISH AIRWAYS PLC	Management Team	2	12	16.7%		Silla Maizey-Acting Customer Director; Julia Simpson-Director of Corporate Communications
27	G4S	Executive Committee	3	12	16.7%		Irene Cowden- Gp HR Dir; Debbie McGrath-Gp Communications Dir
27	BRITISH SKY BROADCASTING GROUP	Senior Executives	2	12	16.7%		Sophie Laing-MD Entertainment & News; Deborah Baker-Gp Dir for People
32	LAND SECURITIES GROUP PLC	Senior Management Team	4	25	16.0%		Wendy Antaw-Head of Information Systems; Emma Cariaga-Head of Strategic Projects; Anna Moulton-Gp HR Dir; Colette O'Shea-Development Director
33	KINGFISHER PLC	Retail Board	2	13	15.4%		Veronique Laury-Deroubaix-Gp Commercial Dir; Evelyn Gleeson-Gp HR Dir
34	WPP	Senior Parent Company Officers	3	90	14.4%		Shelly Lazarus-Division Chair; Donna Imperato- Division President & CEO; Linda Robinson-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; Andrea Harris-Group Chief Counsel
35	RESOLUTION LTD.	Resolution Team	0	7	14.3%		Elizabeth Gilbert-Co-Head of Capital Markets
35	RIO TINTO	Executive Committee	3	14	14.3%		Jacynthe Cote-Div CEO; Debra Valentine-Gp Legal & External Affairs
35	WHITBREAD	The Management	3	7	14.3%		Louise Smalley-Gp Dir HR
35	TESCO	Executive Committee	7	7	14.3%	Lucy Neville-Rolfe- Dir Corporate & Legal Affairs	
39	SMITH & NEPHEW	Executive Management	2	15	13.3%		Liz Hewitt- Gp Dir Corporate Affairs; Susan Henderson-Company Secretary
39	BAE SYSTEMS	Executive Committee	3	15	13.3%	Linda Hudson- Chief Operating Officer	Charlotte Lambkin-Group Communications Director

Table 9: Female FTSE Index of FTSE 100 Executive Committees (cont'd)

Rank	Company	Committee Name	EDs	Size of EC	% Female	Female Executive Directors	Female Senior Executives & Company Secretaries
39	CARNIVAL PLC	Executive Officers	3	15	13.3%		Pamela Conover-Div President/CEO; Ann Sherry- Division CEO
39	UNILEVER	Executive	2	15	13.3%		Professor Genevieve Berger-Chief R&D Officer; Tonia Lovell-Chief Legal Officer and Gp Sec
43	INTERCONTINENTAL HOTELS	Global Executive	4	8	12.5%		Tracy Robbins- EVP Global HR
43	ASTRAZENECA	Management Team	2	8	12.5%		Lynn Tetrault-EVP HR & Corporate Affairs
43	<b>CAPITA GROUP</b>	Divisional Directors	4	8	12.5%	<b>Maggi Bell - Business Development Director</b>	
43	<b>3i GROUP</b>	Management Committee	2	8	12.5%	<b>Julia Wilson - Group Finance Director</b>	
43	HAMMERSON	Senior Management Team	3	32	12.5%		Sheila King- Gp Retail Leasing Director; Sally Learoyd-Gp HR Dir; Sarah Booth-General Counsel; Janette Bell-Sales & Marketing Director
48	REXAM PLC	Executive Leadership Team	2	9	11.1%		Claire Jenkins-Gp Director Corporate Affairs
48	<b>CAIRN ENERGY PLC</b>	Group Management Board	6	9	11.1%	<b>Jann Brown - CFO</b>	
48	BP	Executive Management Team	4	9	11.1%		Sally Bott- Gp HR Dir
48	GLAXOSMITH-KLINE	Corporate Executive Team	3	18	11.1%		Claire Thomas- SVP HR; Deirdre Connelly-Regional President
48	INVESTEC	Group Management Forum	4	18	11.1%		Angelique De Rauville-Head of Property Investments; Caryn Solomon-Head of Organizational Development
53	TUI TRAVEL	Group Management Board	5	10	10.0%		Jacky Simmonds-Gp HR Dir
53	COBHAM	The Group Executive	2	10	10.0%		Eleanor Evans- Chief Legal Officer & Company Secretary
53	MAN GROUP PLC	Management Committee	2	10	10.0%		Rachel Rowson-Company Secretary
53	STANDARD LIFE PLC	Executive Team	3	10	10.0%	<b>Jackie Hunt- CFO</b>	
53	RECKITT BENCKISER GROUP PLC	Executive Committee	2	10	10.0%		Liz Richardson- Company Secretary
53	RANDGOLD RESOURCES	Senior Management	2	20	10.0%		Tania de Welzim-Group Financial Controller; Lois Wark-Group Corporate Communications



Table 9: Female FTSE Index of FTSE 100 Executive Committees (cont'd)

Rank	Company	Committee Name	EDs	Size of EC	% Female	Female Executive Directors	Female Senior Executives & Company Secretaries
53	ROYAL BANK OF SCOTLAND	Executive Committee	1	10	10.0%		Ellen Alemany-Chief Executive Citizens & Head of Americas
53	BRITISH AMERICAN TOBACCO	Management Board	3	10	10.0%		Nicky Snook- Company Secretary
61	BRITISH LAND	Executive Committee	5	11	9.1%		Lucinda Bell-Director of Tax & Financial Planning
61	INTERTEK	Operational Committee	3	11	9.1%		Fiona Evans - Gp Company Secretary
61	VODAFONE GROUP	Executive Committee	4	11	9.1%		Rosemary Martin-Company Secretary/ Gp General Counsel
61	INTERNATIONAL POWER	Senior Management	6	11	9.1%		Penny Chalmers-Dir. Global Resources
61	SABMILLER	Executive Committee	2	11	9.1%		Sue Clark-Corporate Affairs Dir
61	BG GROUP	Group Executive Committee	2	11	9.1%		Catherine Tanna-EVP and Regional MD
61	SMITHS GROUP	Executive Committee	2	11	9.1%		Sarah Cameron- Company Secretary
61	SEVERN TRENT	Management Committee	5	11	9.1%		Fiona Smith-General Counsel/Company Secretary
69	COMPASS GROUP	Executive Committee	3	12	8.3%		Jane Kingston-Gp HR Dir
69	EXPERIAN PLC	Senior Management	3	12	8.3%		Charlotte Hogg-Regional MD
71	PETROFAC LTD	Group Executive Committee	3	13	7.7%		Mary Hitchon-Company Secretary
71	ICAP	Executive Team	4	13	7.7%		Deborah Abrehart-Company Secretary
71	SERCO PLC	Executive Committee	2	13	7.7%		Joanne Roberts-Company Secretary
71	HSBC HOLDINGS	Group Management Board	4	13	7.7%		Bella Almeida-Gp HR Dir
71	ASSOCIATED BRITISH FOODS	Direct Reports	2	13	7.7%		One female director - name and role withheld
71	TULLOW OIL PLC	Senior Management Committee	5	13	7.7%		Claire Hawkings-Regional MD
77	ARM HOLDINGS PLC	Executive Committee	2	15	6.7%		Patricia Alsop - Co.Sec
77	AMEC	Group Management Team	3	15	6.7%		Sue Scholes-Director of Communications
77	<b>ANGLO AMERICAN</b>	Executive Committee	2	15	6.7%	<b>Cynthia Carroll - CEO</b>	



Table 9: Female FTSE Index of FTSE 100 Executive Committees (cont'd)

Rank	Company	Committee Name	EDs	Size of EC	% Female	Female Executive Directors	Female Senior Executives & Company Secretaries
77	AVIVA	Executive Committee	2	15	6.7%		Amanda Mackenzie-Chief Marketing Officer
77	AUTONOMY CORPORATION PLC	Executive Officers	2	15	6.7%		Nicole Eagan-Chief Marketing Officer
82	DIAGEO	Executive Committee	2	17	5.9%	Deirdre Mahlan-CFO	
83	KAZAKHMYS PLC	Senior Management	2	27	3.7%		Gulshat Zholamanova-Vice Chairman Financial & Economic Matters

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

#### No Females on Executive Committee

Essar Energy, Fresnillo, Aggreko, Johnson Matthey, Lonmin, Morrisons, Old Mutual, Reed Elsevier, Rolls Royce, Royal Dutch Shell, Schroders, Scottish & Southern Energy, Vedanta Resources, Weir Group, Wolseley, Xstrata

#### Company would not disclose Information on Executive Committee

Antofagasta

## 3.5 FTSE 100 Boards Over The Last Five Years: A Comparison of the Most Gender-Diverse and all Male Boards

In this section we have taken a retrospective look at companies who, over a five year time-span (2006-2010), have performed well on gender diversity and those that have failed to make any headway. We undertook a longitudinal analysis to map out the companies that have consistently had at least 20% of women on boards and the companies that have consistently had zero women on their boards<sup>1</sup>. This allowed us to identify trends in the most and the least diversified boards over the last five years.

Table 10 presents a ranking of companies with most diversified boards having an average of at least 20% female directors between 2006 and 2010. Amongst the 11 best companies, **British Airways** is at the top of the list with an average of 28.9% women on boards over the last five years, followed by **Astrazeneca** with 26.3% and **Sainsbury** with 26.1%. We congratulate those organisations on their progress, particularly three of the eleven who now have over 30% of women on their boards (**Diageo, British Airways, Pearson**). Evidence has shown that a minimum of 30% minority membership is required in order create a significant and enduring impact on the dynamics and culture within a group.

1. The fact that we aimed to include companies which have been FTSE 100 listed in each of the last five years means that regrettably we excluded companies that have had high percentages of women on boards for less than five years. For example, Alliance Trust had over 30% women on boards between 2008 and 2010, but was not included in the FTSE 100 list in previous years.

Table 10: FTSE 100 companies with most diversified boards 2006-2010

Rank	Company	2010 %age Female	2009 %age Female	2008 %age Female	2007 %age Female	2006 %age Female	Average %age Female 2006-2010	Average Board Size 2006-2010
1	BRITISH AIRWAYS	30	33.3	27	27.3	27	28.9	10.4
2	ASTRAZENECA	27.3	25	23	27.3	29	26.3	12.2
3	SAINSBURY	27.3	30	30	30	13	26.1	9.8
4	DIAGEO	36.4	36.4	20	18.2	18	25.8	10.2
5	PEARSON	30	25	23	25	25	25.6	11.8
6	MARKS & SPENCER	27.3	27.3	33	22.2	11	24.2	9.8
7	RSA INSURANCE GROUP	22.2	22.2	30	22.2	22	23.7	9.2
8	3i	22.2	33.3	20	20	20	23.1	9.6
9	WPP	21.4	21.4	20	18.8	20	20.3	14.8
10	AVIVA	23.1	27.3	17	18.2	15	20.1	12
11	CENTRICA	20	20	20	20	20	20.0	10

In terms of mapping the least gender-diverse boards of FTSE 100 listed companies, we have identified the eight companies with no women on their boards over the five year period. We refer to them as the “Zeros”. It is surprising that in a context of increasing gender diversity of FTSE corporate boards, these companies have obstinately retained all male boards. (Table 11)

Table 11: FTSE 100 Companies with no women on boards 2006-2010

Rank	Company	2010 %age Female	2009 %age Female	2008 %age Female	2007 %age Female	2006 %age Female	Average Board Size 2006- 2010
1	INTERNATIONAL POWER PLC	0	0	0	0	0	11.2
2	OLD MUTUAL PLC	0	0	0	0	0	11
3	XSTRATA PLC	0	0	0	0	0	10.8
4	HAMMERSON PLC	0	0	0	0	0	10.6
5	ANTOFAGASTA PLC	0	0	0	0	0	8.8
6	ASSOCIATED BRITISH FOODS PLC	0	0	0	0	0	8.4
7	KAZAKHMYS PLC	0	0	0	0	0	8.2
8	VEDANTA RESOURCES PLC	0	0	0	0	0	6.6

### 3.5.1 Differences Between Companies with Gender Diverse Boards and Companies with no Women on Boards

An analysis by **sector** indicates that companies with most gender diverse boards are from sectors such as Aerospace & Defence; Pharmaceutical & Biotech; Food, Beverage and General Retailers; Insurance & Life Assurance; Media & Entertainment; and, Oil & Gas, whilst those with no women on their boards are Electricity, Life Assurance, Real Estate, Mining, Steel, and Food Production. Therefore **sector does not account for the polarizing trends** regarding gender diversity of boards. It is also worthwhile mentioning that other companies from the same sectors as the 'Zeros' have actually managed to embrace gender diversity at board levels. For example Anglo American (Mining) has a female CEO, Aviva (Life Assurance) is in our group of more than 20%, Unilever (Food Production) has three women on its board, and Land Securities (Real Estate) has a female Chairman.

In terms of **board size**, the most gender diverse and all male boards **are not different** either. Average board size over the five year period was 10.8 versus 9.4 for companies with the most diversified boards and companies with no women on boards respectively. Half of the 'Zeros' boards have an average size of more than 10 board members. Whilst it is often believed that fostering **gender diversity is related to enlarging the board size**, the comparison between these extreme categories **dispels that myth**.

### 3.5.2 Monitoring the Pipeline in Companies with Most Gender Diverse Boards and Companies with no Women on Boards

We also compared the two categories of companies according to gender diversity at the level below the board, namely in the executive committees. Tables 12 and 13 list the percentage of women on executive committees in our two categories. With very few exceptions, **companies with most gender diverse boards have also had relatively high proportions of women on executive committees**. In contrast, companies with no women on their boards tended to have no women on their executive committees. This trend indicates that **companies who have women on their executive committees also tend to have more women on boards**. Certainly board appointments are not primarily dependent upon the composition of executive committees, because NEDs constitute the major proportion of board seats. Although the proportion of women on executive committees does not fully and directly account for the proportion of women on boards, the trend is interesting precisely because it signals that **chairmen in the 'Zeros' companies appear to show a lack of attention to developing their pipeline at executive committee level**. There appears to be a clear connection between women on boards and women in the pipeline. **Chairmen who have women on their executive committee are demonstrating an attitude towards developing their organization's pipeline of female talent**.

Table 12: Women on Executive Committees in the most diversified companies

Rank	Company	2010 %age Female	2009 %age Female	2008 %age Female	2007 %age Female	2006 %age Female
1	BRITISH AIRWAYS	16.7	18.2	0	0	0
2	ASTRAZENECA	12.5	11.1	12.5	0	0
3	SAINSBURY	18.2	30	33.3	20	25
4	DIAGEO	5.9	5.9	0	9.1	10
5	PEARSON	27.3	27.3	18.2	18.2	18.2
6	MARKS & SPENCER	30.8	33.3	25	20	10.5
7	RSA INSURANCE GROUP	27.3	27.3	36.4	30	8.3
8	3i	12.5	11.1	8.3	9.1	11.1
9	WPP	14.4	21.4	20	18.8	ND
10	AVIVA	6.7	10	9.1	0	ND
11	CENTRICA	37.5	25	22.2	22.2	14.3

Table 13: Women on Executive Committees in the 'Zeros' companies

Rank	Company	2010 %age Female	2009 %age Female	2008 %age Female	2007 %age Female	2006 %age Female
1	INTERNATIONAL POWER PLC	9.1	9.1	9.1	11.1	7.1
2	OLD MUTUAL PLC	0	0	0	ND	6.7
3	XSTRATA PLC	0	0	0	0	0
4	HAMMERSON PLC	12.5	6.7	9.1	7.1	ND
5	ANTOFAGASTA PLC	ND	ND	ND	ND	ND
6	ASSOCIATED BRITISH FOODS PLC	0	0	0	0	0
7	KAZAKHMYS PLC	3.7	4.3	4.8	0	0
8	VEDANTA RESOURCES PLC	0	0	0	0	0

ND signifies no data available

### 3.5.3 Board Size

Much has been made over the past few years of the link between company board size and the ability to place women on the board. Having compared the two groups of companies at the extremes of our rankings and found no link between board size and women's presence, we looked again at the whole FTSE 100 group. What became apparent is the danger of just looking at averages. Board sizes range from 6 to 18. See Table 14. In fact, with the exception of boards with eight members, at every size of board there are more boards with women on them than without. **This ratio provides more evidence that size need not constrain choice when it comes to gender diversity.**

Table 14: Board size versus number of women on boards on FTSE100 companies in 2010

Board size	Number of women on boards					Total	Ratio of companies*
	0	1	2	3	4		
6	1	1	0	0	0	2	1:1
7	1	2	0	0	0	3	1:2
8	8	2	1	1	0	12	8:4
9	7	5	3	1	0	16	7:9
10	1	8	6	2	0	17	1:16
11	2	7	4	4	1	18	2:16
12	1	5	2	2	0	10	1:10
13	0	6	2	1	0	9	0:9
14	0	3	2	2	0	7	0:7
16	0	0	2	1	0	3	0:3
17	0	1	1	0	0	2	0:2
18	0	0	0	1	0	1	0:1
Total	21	40	23	15	1	100	21:79

\* Number of companies without women on boards versus companies with.

## 4. FTSE 250 Companies 2010

### 4.1 FTSE 250 Companies With Female Directors 2010

FTSE 250 describes the companies ranked from 101-350 in terms of market capitalisation. Of the **FTSE 250 companies, 119 have women in the boardroom, which at 47.6%** is significantly below the 79% of FTSE 100 firms with female directors. See Table 15. **It is disheartening that in 2010 less than half of these companies have women on their boards.** One reason sometimes given for this is that FTSE 250 boards are smaller than FTSE 100 boards. However, as mentioned above, this must not be used as an excuse, as several of the top ranking FTSE 100 companies have boards of only eight or nine members, including the top two. 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.

“ FTSE 250  
Chairmen need to  
know that a bigger  
mix of people works  
– we need to do more  
to bring them into  
the conversation.”  
FTSE 100 Chairman

Table 15: FTSE 250 Companies

FTSE 250 Companies	No.	%
Companies with female directors	119	47.6%
Companies with 2 female directors	25	10.0%
Companies with 3 or 4 female directors	5	2.0%
Companies with female executive directors	24	9.6%
Companies with 2 female executive directors	3	1.2%
Average board size	7.9	
Average number of executive directors	2.6	
Average number of non-executive directors	5.3	

“ FTSE 250 Chairs should be asked  
‘why did you not consider a woman?’...  
You should go and ask that question  
of all the FTSE 250 Chairs.”

FTSE 100 Chairman

In the FTSE 250 companies there is little difference between the board size of those with female directors (8.2 members) and those with only male directors (average 7.5 board members). **With a difference of less than one person, this cannot be used as a reason to exclude women.**

See Table 16 for a listing of companies with at least 20% female boards – **one good news story is that an extra ten companies have joined this list this year.**

Table 16: FTSE 250 Companies with at least 20% Female Directors

Rank	FTSE 250 Company	Percent Female Board	Number of Female Directors	Female Executive Directors
1st	FIDELITY SPECIAL VALUES PLC	50.0	3	0
2nd	JPMORGAN AMERICAN INVESTMENT TRUST	40.0	2	0
3rd	TAYLOR WIMPEY	33.3	3	1 (ED)
3rd	ELECTRA PRIVATE EQUITY PLC	33.3	2	0
3rd	WETHERSPOON(J.D.) PLC	33.3	3	1 (ED)
3rd	REDROW PLC	33.3	2	1 (GFD)
3rd	JPMORGAN EUROPEAN SMALLER COMPANIES TRUST PLC	33.3	2	0
3rd	TALKTALK TELECOM GROUP PLC	33.3	3	2 (CEO, CFO)
9th	DE LA RUE PLC	28.6	2	0
9th	3i INFRASTRUCTURE PLC	28.6	2	0
11th	MONKS INVESTMENT TRUST PLC	25.0	1	0
11th	DEBENHAMS PLC	25.0	2	0
11th	SDL PLC	25.0	2	1 (COO)
11th	NORTHUMBRIAN WATER GROUP PLC	25.0	2	1 (CEO)
11th	CABLE & WIRELESS COMMUNICATIONS PLC	25.0	2	0
11th	HSBC INFRASTRUCTURE CO LTD	25.0	1	0
11th	TALVIVAARA MINING CO PLC	25.0	2	1 (CFO)
18th	LOGICA PLC	22.2	2	0
18th	MONDI PLC	22.2	2	0
18th	JUPITER FUND MANAGEMENT PLC	22.2	2	0
18th	ATKINS(WS)	22.2	2	0
18th	STAGECOACH GROUP PLC	22.2	2	0
23rd	RATHBONE BROTHERS	21.4	3	0
24th	SYNERGY HEALTH PLC	20.0	1	0
24th	INTERNATIONAL PUBLIC PARTNERSHIPS LTD	20.0	1	0
24th	TEMPLE BAR INVESTMENT TRUST	20.0	1	0
24th	MURRAY INCOME TRUST PLC	20.0	1	0
24th	LAW DEBENTURE CORP PLC	20.0	1	1 (MD)
24th	MITIE GROUP PLC	20.0	2	2 (CEO, CFO)
24th	SUPERGROUP PLC	20.0	2	1 (COO)
24th	MURRAY INTERNATIONAL TRUST PLC	20.0	1	0
24th	PERPETUAL INCOME & GROWTH INVESTMENT TRUST PLC	20.0	1	0
24th	BRITISH ASSETS TRUST PLC	20.0	1	0
24th	SHAFTESBURY PLC	20.0	2	0
24th	SCOTTISH MORTGAGE INVESTMENT TRUST PLC	20.0	1	0
24th	ST. MODWEN PROPERTIES	20.0	2	0
24th	RPS GROUP PLC	20.0	2	0
24th	BRITISH EMPIRE SECURITIES & GENERAL TRUST	20.0	1	0



## The FTSE 250 Companies Listed below have Zero Women on their Boards:

Table 17: FTSE 250 Companies Zeros

ABERFORTH SMALLER COMPANIES TRUST PLC	DOMINO PRINTING SCIENCES PLC	MITCHELLS & BUTLERS PLC
AFREN PLC	DOMINO'S PIZZA UK & IRL PLC	MONEYSUPERMARKET.COM GROUP PLC
AQUARIUS PLATINUM LTD	DS SMITH PLC	MORGAN CRUCIBLE CO PLC
ASHTREAD GROUP PLC	EDINBURGH DRAGON TRUST PLC	MOTHERCARE PLC
AVEVA GROUP	ELECTROCOMPONENTS PLC	PARAGON GROUP OF COMPANIES PLC
AVIS EUROPE	ELEMENTIS PLC	PARTYGAMING PLC
BABCOCK INTERNATIONAL GROUP	ENQUEST PLC	PERSIMMON PLC
BALFOUR BEATTY PLC	F&C COMMERCIAL PROPERTY TRUST LTD	PETROPAVLOVSK PLC
BANKERS INVESTMENT TRUST PLC	FENNER	POLAR CAPITAL TECHNOLOGY TRUST
BARR(A.G.)	FERREXPO PLC	PUNCH TAVERNS
BBA AVIATION PLC	FIDELITY CHINA SPECIAL SITUATIONS PLC	PZ CUSSONS PLC
BEAZLEY PLC	FIDELITY EUROPEAN VALUES PLC	RANK GROUP PLC
BELLWAY PLC	FILTRONA PLC	REGUS PLC
BH GLOBAL LTD	FOREIGN & COLONIAL INVESTMENT TRUST PLC	RENISHAW
BH MACRO LTD	GARTMORE GROUP LTD	RENTOKIL INITIAL PLC
BIG YELLOW GROUP PLC	GENESIS EMERGING MARKETS FUND	ROBERT WISEMAN DAIRIES
BLACKROCK WORLD MINING TRUST	GENUS PLC	ROTORK PLC
BLUEBAY ASSET MANAGEMENT PLC	GREAT PORTLAND ESTATES PLC	SALAMANDER ENERGY PLC
BLUECREST ALLBLUE FUND LTD	HALFORDS GROUP PLC	SAVILLS PLC
BODYCOTE PLC	HELICAL BAR PLC	SCOTTISH INVESTMENT TRUST
BOVIS HOMES GROUP	HERITAGE OIL PLC	SEGRO PLC
BRIT INSURANCE HOLDINGS NV	HIKMA PHARMACEUTICALS PLC	SENIOR PLC
BSS GROUP PLC	HOCHSCHILD MINING PLC	SHANKS GROUP
CALEDONIA INVESTMENTS	HOMESERVE PLC	SOCO INTERNATIONAL PLC
CAPITAL & COUNTIES PROPERTIES PLC	HUNTING PLC	SPECTRIS PLC
CATLIN GROUP LTD	IG GROUP HOLDINGS PLC	SPIRAX-SARCO ENGINEERING PLC
CENTAMIN EGYPT LTD	IMAGINATION TECHNOLOGIES GROUP PLC	SPIRENT COMMUNICATIONS PLC
CHARTER INTERNATIONAL PLC	IMPAX ENVIRONMENTAL MARKETS PLC	SPORTINGBET
CHEMRING GROUP PLC	INTERMEDIATE CAPITAL GROUP PLC	SPORTS DIRECT INTERNATIONAL PLC

Table 17: FTSE 250 Companies Zeros (cont'd)

CITY OF LONDON INVESTMENT TRUST PLC	ITE GROUP PLC	SSL INTERNATIONAL PLC
CLOSE BROS GROUP PLC	JD SPORTS FASHION PLC	STOBART GROUP LTD
COLT GROUP SA	JKX OIL & GAS	TELECITY GROUP PLC
COMPUTACENTER PLC	JPMORGAN ASIAN INVESTMENT TRUST PLC	TEMPLETON EMERGING MARKETS INVESTMENT TRUST PLC
COOKSON GROUP	JPMORGAN EMERGING MARKETS INVEST TRUST PLC	TRAVIS PERKINS PLC
CPP GROUP PLC	JPMORGAN INDIAN INVESTMENT TRUST PLC	TULLETT PREBON PLC
CRANSWICK PLC	KESA ELECTRICALS PLC	UK COMMERCIAL PROPERTY TRUST LTD
CRODA INTERNATIONAL	LAIRD PLC	ULTRA ELECTRONICS HLDGS PLC
CSR PLC	LAMPRELL PLC	UNITE GROUP PLC
DAEJAN HOLDINGS PLC	MEGGITT	WELLSTREAM HOLDINGS PLC
DAILY MAIL & GENERAL TRUST PLC	MELROSE PLC	WILLIAM HILL PLC
DANA PETROLEUM PLC	MERCANTILE INVESTMENT TRUST PLC	WOOD GROUP (JOHN) PLC
DAVIS SERVICE GROUP PLC	MERCHANTS TRUST PLC	YELL GROUP PLC
DEVRO PLC	MILLENNIUM & COPTHORNE HOTELS PLC	YULE CATTO & CO
DEXION ABSOLUTE LTD	MISYS PLC	

## 4.2 FTSE 250 Female Directors and Senior Executives 2010

Table 18 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. As with the FTSE 100 figures, there is an **incremental increase of women on boards, from 7.3% in 2009 to 7.8%** this year. There has been a small decrease in the number of board positions from 1,994 to 1,966, but this may be a reflection of the economic climate and a cost-cutting exercise.

The total number of senior executives reported has increased (from 2,025 to 2,186), with **just over half of the additional positions going to women, raising the percentage from 13.3% to 16.6%**.

Table 18: FTSE 250 Directors by Gender and Role

FTSE 250	Females	Males	Total
Executive Directors	27 (4.2%)	613 (95.8%)	640
Non-Executive Directors	127 (9.6%)	1199 (90.4%)	1326
Total Directors	154 (7.8%)	1812 (92.2%)	1966
Senior Executives	362 (16.6%)	1824 (83.4%)	2186

## 4.2.1 FTSE 250 Chief Executive Roles held by Women

There are now **ten female CEOs in the FTSE 250**. They are: Lynn Fordham, SVG Capital; Dr Harriet Green, Premier Farnell; Ruby McGregor-Smith, Mitie Group; Dr Louise Makin, BTG plc; Dorothy Thompson, Drax; Caroline Banzsky, Law Debenture Corp PLC; Kate Swann, W H Smith; and new this year are Carolyn McCall, EasyJet PLC; the Honourable Dido Harding, Talktalk Telecom Group PLC; and, Heidi Mottram, Northumbrian Water Group PLC.

Harriet Green has just started (November 2010) as an NED at BAE Systems and Dorothy Thompson has held an NED at Johnson Matthey for some time. Ruby McGregor-Smith and Louise Makin each hold one FTSE 250 NED, but the remaining **six CEOs do not hold an NED position**.

In addition, seven women hold the top financial position in the FTSE 250 companies. They are: Shirley Garood, Henderson Group PLC; Deena Mattar, Kier Group PLC; Suzanne Baxter, Mitie Group PLC; Barbara Richmond, Redrow PLC; Amy Stirling, Talktalk Telecom Group PLC; and, Saila Miettinen-Lähde at Talvivaara Mining Co PLC. **None of these financial directors holds an NED position on a FTSE 350 listed company board.**

## 4.2.2 Cross-Index Comparison

Table 19 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 19: FTSE 100 and FTSE 250 Comparison

At September 2010	FTSE 100	FTSE 250
Female-held directorships	135 (12.5%)	154 (7.8%)
Female executive directorships	18 (5.5%)	27 (4.2%)
Female non-executive directorships	117 (15.6%)	127 (9.6%)
Companies with female executive directors	16 (16%)	24 (9.6%)
Companies with at least one female director	79 (79%)	119 (47.6%)
Companies with multiple female directors	39 (39%)	27 (12.0%)

## 4.3 The Pipeline to FTSE Board Directorships

The FTSE 100 has only 12.5% female-held directorships, and the FTSE 250 has increased to just 7.8%. In response to the question as to whether the less established or newer companies of the smaller listings might have more female-friendly boards, for the last two years, 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 20. Again, for the smaller listings, women's representation on the board is a very disappointing 5.1-7.8%, **clearly belying the myth that it is easier for a woman to become a director of a smaller firm**. Undoubtedly, there is a lot of work to be done in these smaller companies.

Table 20: 2010 Cross-list Pipeline

Index	%age Female board	%age Female Snr Mgrs	No. of Female Board Directors	No. of Female Snr Mgrs
FTSE 100	12.5%	17.2%		161
FTSE 250	7.8%	16.6%	154	362
FTSE AIM	5.1%	15.9%	296	706
FTSE Small Cap	7.6%	17.1%	122	258
FTSE Techmark 100	7.4%	15.2%	37	120
FTSE Techmark All-share	7.8%	15.6%	49	151
FTSE Fledgling	6.5%	17.8%	48	87
			<b>706</b>	<b>1845</b>
<b>Women in pipeline to FTSE 100 board position</b>				<b>2551</b>

However, what this table does show is the **substantial and growing pipeline of talented women** that are available to search firms and companies, in particular for non-executive board roles. Chairmen and search consultancies agree that the talent pool of women needs to be expanded and so the fact that just six women new to the FTSE 100 companies were appointed as NEDs this year is very disappointing.

“There is no supply line problem... you just have to look.”  
FTSE 100 Chairman

This table shows **there are now 2,551 women** (up from 2,281 last year) 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. These **figures refute the myth that there is a supply problem with talented women**. We have highlighted 179 women on the Executive Committees of the FTSE 100 companies who might be appropriate candidates for FTSE 250 NED directorships. In addition, there are 27 Executive Directors on the boards of FTSE 250 companies, including ten CEOs and seven CFOs, who are potential candidates for FTSE 100 NED positions – immediately.

**In 2010, there are just 116 women holding board directorships in FTSE 100 companies and 139 women in FTSE 250 companies. The numbers needed to totally transform the landscape for women in the top 350 companies of UK PLCs are not huge – it seems to us that from a talent pool of 2,551, two hundred women could be found.**

## 5. Conversations with the Chairmen: The Appointments Process for NEDs

Women accounted for only 13% of new director appointments this year (there were 117 new male appointments and 19 new female appointments). We interviewed 14 chairmen representing 17 companies, to understand more about how the appointment process for NEDs works. We paid particular interest to how candidate lists are drawn up, what role the chairmen themselves play, how they use the Nominations Committee and other directors in making their selection, and the role of the search consultants. We sought their views on what difference the new principle in the UK Corporate Governance code will make to “pay due regard for the benefits of diversity on the board, including gender”. Finally, we asked chairmen for their ideas as to how the appointments process could be improved and how the overall challenge of getting more women onto corporate boards might be addressed.

(A full list of companies whose chairmen were interviewed is contained at the end of this section of the report).

### 5.1 Establishing the Criteria and Coming up with Names

It is clear from these interviews that the threshold for NED applicants is extremely high for both men and women. Chairmen commented on how the quality of candidates had risen and how the process has become more rigorous over the past few years. It is the norm now for a thorough review of the skills, competencies and experience required, to be carried out when there is an NED vacancy on a board. Most chairmen talked about the task of not just replacing the skills and knowledge of departing NEDs, but taking the opportunity to review NED requirements in the context of current business priorities and challenges for the company, and in the light of the mix of skills and experience already in existence around the boardroom table.

“You cannot duck the fact that you need to have the right blend of skills, skill sets and bandwidth of skills, and a domain knowledge that can drill down into the heartlands. The Nominations Committee need to spend time stress-testing the job spec. It’s not enough to replicate what’s gone before. We have 2-3 rounds at Nominations Committee which I chair.”

The reduction in the number of directors on a board in recent years makes the opportunity to appoint new director-level talent all the more challenging. As one chairman put it “On a FTSE 100 Board, eight people is not much to play with. It’s like assembling a football team – you don’t want four left backs”. In our view chairmen overplay how the small size of board can constrain gender diversity. The top two companies in the Female FTSE 100 list are Burberry and Alliance Trust who have only eight and nine on their respective boards, yet manage to have three women directors each. An additional 11 companies in the FTSE 100 have more than eight directors on their boards, but no women. Further afield, approaching 30% of new appointments to Australian boards this year, of which the average size is seven, have gone to women.

Board evaluations can help with the compilation of skills audits in readiness for appointments. Carried out every three years, as required under Corporate Governance, a number of the chairmen interviewed ensure that internal evaluations are conducted annually, thereby keeping the skills profile of the overall board up-to-date and any ‘gaps’ front-of-mind. Vacancies tend to arise on a rolling basis with most NEDs serving two 3-year terms. This, of course, restricts board turnover (currently 13% across FTSE 100 companies) and in turn the growth of female representation on boards.

## Case Study

### Establishing the Criteria

“I am involved at the initial briefing with the head-hunters for Non Executives. We keep them on their toes and we talk to several but we have had a fairly consistent relationship. We define the criteria that we want. Now we are getting more sophisticated but this is relatively recent. I use a set of matrices for defining what I am looking for in directors. I look at industry specialisms – I want somebody who understands [the specific aspects of this sector]. So how do you rate there? Then I look at specific skills and I have got a range of a dozen or so skills that I think are relevant to our businesses. They range from finance, risk, sales and marketing, right across the spectrum. In both of those camps then, we have set definitions of what base level expertise that you expect, which is pretty much the basic standard that all directors should attain. Then what is the definition of an expert in those areas? To be a chair of a board committee such as an audit committee or remuneration committee, you should meet the expert level. So then I have a picture which I use for my performance reviews with existing directors and I use it as a tool for recruitment and inductions. So I put all those together then, to say here is the total board profile, where are the gaps, where are the things that we are not strong enough on? Because that would direct me in my recruitment and in terms of succession to chairs of committees, where are the training programmes that I would need with this individual, to make them eligible to chair this committee in twelve months time?

The important thing is then that it doesn't become a box ticking exercise. I don't think that every NED has to tick every box at the basic level, as long as the board in aggregate has sufficient of those skills.”

It is evident from the chairmen we interviewed (many with women on their boards and some without) that the ‘old boys network’ style of recruitment deemed to be prevalent at the time of Cranfield’s first Female FTSE Index in 1999 has been greatly diluted today in identifying potential NEDs. The very thorough skills matrix process described above is illustrated in a second case study below, which also demonstrates how Nominations Committee members’ and other directors’ suggestions are a secondary part of the process.

## Case Study

### Coming up with the Names

“Well, the Nominations Committee would, first of all, think about.... we have a skills matrix, so we think about what skills we need and we periodically update that. So that would be things like international skills, particularly in this business, contracting skills. Obviously engineering skills, finance skills, and so on. We map where people are very strong, medium or weak. And then overall, what we're looking for is to have strength and depth everywhere. So we do that. And then when we're doing a specific search, we'll start off by looking at each other and saying well what actually is the skill and the role we want fulfilled this time? And often, I think most often, I will sit down and write a brief for a search firm. And then, when the search firm's engaged, they will probably work with me, to polish that. And we give some pretty direct steers to a search firm. The search firm is contracted to the Nominations Committee, not to the Company. And I, as the Chairman of the Nominations Committee, work very, very closely with the leader in the search firm. If you mapped the interactions through this process, the interactions between me and the designated person in the search firm would be the most intense. And sometimes, we actually come up and introduce names as well. So they don't always all come from the search firm. They often do, but they don't always. And so we have had people on this Board who have not actually been found from the search firm, but have been found by us, and then we will benchmark them against the others and make the decision, but that is not the norm.”



There is a division of opinion as to whether candidates need to have had previous experience in an executive level operational role with P&L accountability, in order to be a credible candidate for a board. Some chairmen were more relaxed about this than others with several emphasising the importance of drilling down on skills during the skills audit “otherwise there is a temptation to say you need P&L experience”. One chairman was very clear about not needing P&L experience in every NED prior to appointment as “you can teach people that”; and another said: “I don’t think that every NED has to tick every box at the basic level, as long as the board in aggregate has sufficient of those skills”.

Several chairmen cited examples of women (and men) whom they had appointed to their boards without PLC experience at all. Describing one such example a chairman said: “She had a fantastic overview of the business scene..... the international scene and was very, very sensitive to the public mood – a huge amount of emotional intelligence if I can put it that way”. Another chairman voiced the opinion that companies might think about taking a few more risks with NED appointments in this context. “NEDs are only here for 21 days a year as opposed to 220 (for Executive Directors). It should therefore be slightly easier to take a risk.”

Several of the chairmen interviewed could name individual women on their boards with whom they had taken risks; women who would not have appeared on search consultants’ lists. One such woman was transitioning from a senior role in a strategy consulting firm to a senior corporate role. Here the risk was whether she would be able to focus on her new NED responsibilities, whilst coping with a new demanding corporate role. She proved to be a great success!

A radical risk approach was described by one chairman who is prepared to have all female lists.

“You have to get to a moment in time when actually you want some other skills...general business skills or international skills. Maybe you want a serving Chief Executive. You do that and then you say well now I only want to see women on the list. Actually you begin to get some focus on the game. I have another search going on for an American woman... and actually we’re down to two... You’ve got to be careful you don’t get the thing too narrow. And you have to take risks.”

Chairmen need to take care not to stereotype particular roles as being unsuitable paths to NEDs – human resources and law being two often quoted examples. One chairman who fell into this category, promptly pointed out how his legal director (male) had just successfully been appointed to an NED in another company and what a good appointment it was. Chairmen, Nominations Committees and search consultants need to look beyond the role at the person.

## 5.2 Working with Search Consultants

There was a concurrence of views that the quality of search varies and chairmen felt they could only refer to experience with individual search consultants and not search houses in general. Some search consultants seem to take the search for female candidates seriously. Chairmen use different firms depending on what they are looking for but in general, they talked about having to be explicit with search consultants to produce a candidate list which includes women, as well as people from other under-represented groups:

“If I am particularly looking for a woman NED then I have to make sure I ask the search consultants – they don’t automatically do this; you need to make it part of the search, just as you would say ‘I want someone Chinese on the board’.”

There was a view that the consultants are behind the curve on this issue and have not yet grasped the importance to UK PLC of identifying and supplying female talent on their long lists. Several chairmen felt that whilst the search consultants are excellent at carrying out objective evaluations of candidates, they could do much more to be proactive in finding them:

“I was searching for a female NED and I found that the choice and the quality of the lists that were sent to me were depressing.”

“I think they could certainly up their game because when you say I would like to be in the market for a new candidate and I would be particularly interested if you could find me a suitable female candidate, invariably they are disappointing.”



“Headhunters need to offer a more rigorous service. It’s right for them to challenge the Nominations Committee. My advice to women who are seeking NED roles is to get plugged into the right part of the headhunters’ database, e.g. if you want to be on a retail board then you have to make sure you’re speaking to the headhunters who deal with retail appointments. Once you’ve done that, you have to go back and let them know you’re still alive; don’t expect them to automatically think of you.”

Another chairman described the short-termism of the search consultants’ approach to potential candidates: “It is a little bit like a grocer turning over stock; if they can’t turn over quickly, they are not interested.”

There were some examples of search consultants exhibiting a more developmental approach and coming forward with women candidates to chairmen prior to there being a vacancy on the board. It is evident that in these circumstances the chairmen remember good women and we heard of several examples where chairmen had looked out for opportunities, even where these did not exist on their own boards. One chairman talked about “lowering the bar” as part of a developmental approach in bringing women onto boards, but explained that this is not about taking women who are less qualified or experienced in their functional role: “what it means is taking women who haven’t yet served as NEDs. Any chairman worth his salt should be comfortable in chairing a board of NEDs with varying degrees of NED experience.”

In a number of cases, chairmen had appointed women they had met personally and had not relied on the search consultants. On the whole, however, the move towards a skills audit approach and the use of search consultants, means that it is becoming more normal for NEDs not to be known particularly well to chairmen. One chairman said that he had known only one of his NEDs previously and another said: “Most of my non-executive appointments are perfect strangers to me”. Several chairmen expressed the view that the more objectivity there is in the process (and provided the search consultants play their part), the more likely you are to find women, whereas asking directors to use their own networks is likely to reduce diversity.

Search consultants therefore have an increasingly important role to play in the sourcing of good female talent and can either be extremely important champions for change in this process or they can be a block. We heard examples of consultants making judgements on ‘fit’ and experience of women, with which chairmen disagreed. As one chairman said: “I have never found that people don’t ‘fit’ at this level. I have no concern about people not fitting in. I’m more concerned about non-contribution and people who are sitting silent. You want everyone’s mind – you want everyone to contribute from their perspective.” Another chairman had referred two female acquaintances to various headhunters who rejected them instantly because they did not have prior board experience. This chairman was adamant that previous board experience is not necessary; “It’s more important to understand the company’s business.”

Interestingly, these interviews illustrate that certain FTSE 100 Chairmen are more prepared to ‘take a risk’ than the search consultants who take a more traditional and narrow view of “suitable” NED candidates.

## 5.3 Role of the Nominations Committee

Across the FTSE 100 companies, 83 chairmen chair their Nomination Committees. In every case bar one, the chairmen we interviewed chair their board Nominations Committee and are highly engaged in the appointments process, seeing it as one of the most crucial parts of their role. As one said: “I couldn’t be more engaged with the process. I think one of the most important responsibilities of any chairman is the shaping of the board that he or she chairs and therefore the selection of the individual candidate is absolutely crucial because in the small hours of the morning, what matters, when you have got a crisis, is the culture that exists around the board table.”

In terms of how a ‘long list’ is reduced to a ‘short list’, this varies. In a recent search, one company had asked the search firm to come up with names after they had done a skills audit, which produced 20 names. Then a combination of the CEO, Chairman, HR Director and Company Secretary met all of them before this was whittled down to four and circulated to the whole board.

In some companies the chairman and one or two members of the Nominations Committee reduce the long list, but the whole Nominations Committee then meet and interview each person on the short list. Another chairman discusses the long list with the Senior Independent Director and out of that discussion they reduce it to a short list which is circulated to the whole board either for additional names or to see if any of the board knows anyone on the short list. The chairman and the SID would then interview five or six people to get down to the last two who are met by other members of the board.

From our conversations, it seems that moving from a long list to a short list is one of the most critical points of the process. This is where a large number of the candidates “disappear”. As one chairman said,

“I would generally expect the long list to be discussed with myself and the SID but not more widely. And then I’d expect out of that to come a shorter list – five or six candidates. I would usually circulate that list to the board because it’s always seemed stupid to me that there may be someone else on the board who knows someone. Why not get their feedback? And then I would expect generally myself and the SID would see probably five or six people and attempt to get it down to one or two and then widen the group to look at the one or two.”

This is clearly a process which is potentially infused with unconscious bias. Personal knowledge and reputations of candidates dominate these conversations. Personal sponsorship of candidates, particularly by the chairman is crucial here, as is the position of the chairman in terms of holding to the criteria set for the appointment. It is clear from our interviews that chairmen vary; some hold rigorously to the original criteria whilst others are prepared to relax them if they see other potential contributions that candidates offer.

In most cases, the Nominations Committee is made up of the most senior directors on the Board (often the heads of each of the other committees) and therefore from the companies interviewed there was not always a woman on the Nominations Committee by dint of length of service and experience. There are 81 (out of 117) women on the Nomination Committees of the FTSE 100 companies. We asked chairmen whether this mattered and although some of them did not think so, several said that women did add value to the process. Amongst those where women are on the Nominations Committee, there was a view that “women bring a whole new dimension to the quality of the debate when you’re hiring. They are not looking just at technical aspects of the role; they will look at the softer skills and so on.” Another Chairman said, “I think it just makes people stop and think and gives space to consider everybody on the candidate list.” So, gender diversity on the Nominations Committee can promote a more inclusive discussion of candidates.

## 5.4 Whether Diversity is Important

Not all chairmen agreed with the case that it is important to have women on a company's main board in order to meet market interests, although this view seemed to differ dependent on the industry sector. One chairman failed to see how a retailer could afford not to have a woman on the board. Stronger reasons, recognised by most chairmen, seemed to be along the following lines: "Having a woman on a board really changes the dynamics of the board – they're a civilising influence. Also they understand the issues experienced by women working in the company."

Nearly all of the chairmen interviewed talked in terms of a broader range of diversity (other than just gender) being important to boards. For many companies, national diversity was as important from the perspective of their markets as gender, along with experience in different industry sectors. For most chairmen it seems that (to quote one of them) "Diversity is not just one-dimensional but multi-dimensional."

The main benefits are clear: "Diversity to me means a range of viewpoints" and several chairmen talked about how the women on their boards are more likely to ask awkward questions and help avoid the 'groupthink' much written about in the wake of the financial crisis:

"I think when you have women on boards they are better corporate citizens....they keep asking the awkward questions."

"Diversity on a board is a sign of good corporate citizenship. To be an NED you have to fulfil corporate responsibility, i.e. being a good listener and being a critical assessor."

"In my view, Executive Directors provide the in-depth technical expertise. You need the right people for the relevant debate – you need NEDs to be above the field and bring in different expertise. The "troublemaker" (i.e. the person who asks the difficult questions) is often the best person in the room."

However, there was also much comment from chairmen about the specific context for the financial services sector appointments and a shared fear that new requirements in the light of the financial crisis are already having the impact of reducing diversity on the board. Chairmen are concerned about each NED position needing to be subject to rigorous FSA examination, regardless of whether or not banking experience is the 'gap' which the skills audit has identified. One interviewee illustrated the following scenario to illustrate the point:

"If we had identified we had a gap in, say, technology we wouldn't be able to appoint someone with a background in technology if they hadn't also been in a robust banking role. The FSA is valuing banking expertise over diversity (of perspectives/experience) and yet the banks which fell over during the crisis were criticised because there wasn't enough challenge and difference in perspective...If the FSA insist on bankers, then automatically they'll be reducing the pool of women too."

Another chairman summarised the concern: "The FSA requirements on banking boards will lead to a monoculture developing" and another said: "The ultimate nightmare is that all our boards end up with clones of recently retired audit partners, because they are the only people that could pass the exams."

There was a general view amongst chairmen that insistence on this will be diluted over time and that the pendulum will swing back but as one interviewee cautioned: "...not for at least five years so we'll lose momentum in diversifying the pipeline."

“From my own experience, I am clear that whilst women should win board positions on merit, they add value to the role with a different mindset, a different skill set and a different style. Boards are intellectually and socially enriched by the presence of women, more reflective of the markets they serve and I believe consistently more effective through balanced judgement in decision making.”

Roger Carr, Chairman, Centrica

## 5.5 Board Evaluations

Although we wanted to see whether the increase in board evaluations was shining a spotlight on the diversity of the board, it does not appear so from these interviews. Whilst most companies conduct board evaluations (some complete an informal one annually, with an external one every three years, as stipulated by the Corporate Governance Code), there does not appear to be any particular methodology in the market. Most chairmen felt that there is a conflict of interest in asking search consultants to complete the review and therefore companies are drawing on their own contacts to conduct the evaluation. None of the evaluations we asked about had included a question or comment on the diversity of the board as part of the review of board effectiveness.

## 5.6 Reaction to the Recent Gender Diversity Principle

We wanted to ascertain what impact chairmen thought the new principle, which has been recently introduced by the Financial Reporting Council into the UK Corporate Governance Code, would have (i.e. that companies must “pay due regard for the benefits of diversity on the board, including gender” when making appointments).

For chairmen who already consider diversity in the appointments process, the new clause was welcomed as being at the forefront of good governance and as a helpful reminder: “I think that the fact that it is there as a spur to remind people is a good thing, but really it shouldn’t be necessary....I’m rather of the view, that boards who do pay consideration are happy to see it in writing.” It was also felt that, as one Chairman put it: “It will underscore it for those who are not at the forefront.” Another said “it will make a difference in a modest way – it will guide behaviour at the margin.” However, there was also worry expressed that “anything you put in a code ends up being box ticking.”

There is a strong sense emerging that the appointment of women to boards is now becoming a political issue that companies cannot ignore. Lord Davies’ review had just commenced at the time of these interviews and most chairmen seemed aware of the approaches taken by other countries. Despite the fatigue expressed by some about corporate governance measures in general (“After the last 24 months many chairmen feel they have to comply or they’ll be beaten up! ”), there was still some doubt that this measure has gone far enough. One chairman described the principle as “wishy-washy” by not being a required point of disclosure and another said: “It’s a signal that this is a good direction to go in if you want to, no more than that. The Code is still ‘comply or explain’. I would say it’s a weak acknowledgement of an issue. I’m sure it was right not to go the prescriptive Scandinavian route for instance with 40% requirement.” The latter viewpoint about quotas was echoed by all of the chairmen we interviewed, particularly in the context of board size reducing in the UK, although several were supportive of targets to set direction for improvement (see Recommendations below).

In thinking about whether pressure from institutional investors might bring the principle to ‘front of mind’ in all NED appointments, one chairman was highly sceptical based on his experience of inviting his top team of institutional investors to meet with him on a one-to-one basis each year. So far only one has taken up his invitation over the past ten years! “They’re too busy – these fund managers – they haven’t got time to take up corporate governance issues.” This may well change with the Stewardship Code.

## 6. Recommendations from Chairmen

To our surprise, not all of the chairmen interviewed had seen the Female FTSE Report before, despite being in its 12th year of publication. They asked for it to continue and for Cranfield and the report sponsors to do all they can to ensure it is widely circulated and receives proper attention from Chairmen, CEOs, HR Directors and Search Consultants so that it can be used as the basis for action. There is a general feeling amongst chairmen that the political pressure is on (especially from the EU) for UK PLC to 'get its house in order' over the appointment of women directors, or legislation will be forced upon us.

**We conclude the 2010 Female FTSE Report with the key recommendations from the Chairmen interviewed and from our research which spans 12 years:**

### AJ Actions for Chairmen

1. Continue to make the appointments process as rigorous and objective as possible through use of skills audits. Ensure that the skills audits are able to showcase possible breadth and depth of contribution across the different skill sets.
2. Require search consultants to produce balanced candidate lists. There was a suggestion that if each FTSE 100 and FTSE 250 Chairman was to ask search consultants to include women on the lists, efforts to seek out female candidates amongst the head-hunting community would intensify overnight.
3. Hold the CEO and Executive Team accountable for plans to bring women through to executive level. There was a consistent view that Executive Directors are the main talent pool for NED positions and FTSE 100 companies should therefore redouble their efforts to develop female talent for top executive jobs. The chairman undoubtedly plays an important role in continuing to encourage executives to focus on this task.
4. Use peer-to-peer pressure to encourage FTSE 250 Chairmen to seek female candidates for their boards. If through their personal influence of other chairmen, FTSE 100 chairmen can increase opportunities for women to become NEDs in FTSE 250 companies, this will in turn create a bigger talent pool for FTSE 100 companies. If 79% of FTSE 100 companies have women on their boards why do only 47% of FTSE 250 companies have women on their boards?
5. Consider a more flexible approach to the timing of NED appointments to the board, when presented with a strong female candidate or a high potential but 'risky' new female. In other words chairmen might hold a new director on the board until a vacancy exists (which is nearly every year given the rotating basis of tenure).
6. Evolve a stronger methodology for Board Evaluations and include a review of diversity.

### BJ Actions for CEOs and Company Executives

1. Increase the focus on developing the female talent pipeline to executive roles in order to build the talent pool for main board directors. Several chairmen felt that CEOs could set meaningful targets in the context of their business sector in order to drive towards improvement (20% was cited as a 'soft target' that most companies should be able to attain for female representation at executive level). One chairman gave an example in his company where the CEO has set a target that there must be one woman on every short list for senior appointments.
2. Encourage women on Executive Committees to seek NED roles in other companies e.g. the 179 women on the Executive Committees of the FTSE 100 boards should be specifically targeted for NEDs on FTSE 250 boards. Provided conflicts of interest are managed, the chairmen interviewed cited great personal development for executives in doing this (both male and female), together with enhanced insight for the ExCo as a whole from individuals sitting on the board of another company in a different sector.

### C] Actions for others involved in the NED appointment process

1. Strengthen the new principle on diversity in selection to “Comply or Explain”. Any chairman with less than 20% women on their boards and Executive Committees needs to explain why this is the case in their annual reports. This should apply to all FTSE 350 listed companies. The 20% should be reviewed in three years’ time with a view to lifting it to 30%.
2. Advertise all NED positions in the private sector. There were reservations amongst most chairmen about this idea, (largely on the basis of the appropriateness and number of the likely applications), but several were open to it. We believe that attention to wording (as happens with Executive Directorship advertisements) would address the problem of appropriate applications. This change would send out a powerful message regarding openness and transparency of NED appointments in the private sector.
3. Search consultants should target women NEDs in FTSE 100 companies who have the capacity to take on a second/third NED seat.
4. Search consultants to be pressured to make visible their successes in getting women NED roles. (There were 10 new female NED appointments across the FTSE 100 this year; which search consultants were responsible for them?)

We would like to thank all the chairmen who took the time to help with this research. The companies which they chair include the following:

Alliance Trust	Anglo-American
BAE Systems	Barclays
Centrica	ICAP
Inchcape	Liverpool Victoria
Lloyds Banking Group	National Grid
Phoenix Group	RBS
Reed Elsevier	Standard Chartered Bank
Unilever	Whitbread



## Appendix:

# 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](http://www.som.cranfield.ac.uk/som/research/centres). There is also available 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 international corporate boards.

Her Research Centre is unique in Europe with its focus on women leaders and the annual Female FTSE

100 Report is regarded as the global premier research resource on women directors.

Susan has written ten books and over one hundred articles, reports and conference papers. Her latest book, "Women on Corporate Boards of Directors – International Research and Practice" (with R. Burke, D. Bilimoria, M. Husen and V. Singh published by Edward Elgar) was published in 2009. Susan sits on the Editorial Board of five academic journals.

Susan has consulted for organisations in over 20 countries on how best to attract, retain and develop women executives. She has advised the government in the UK, New Zealand, Australia, Finland and Spain on how to increase the number of women on their corporate boards. Susan is regularly interviewed in the press and on the radio and television for her expert views on women directors, and is a frequent keynote speaker at conferences. Susan is the founder judge for Women in the City Awards and judge for many women's awards including Future Women of Achievement Awards. She is a Board member of the Saudi British Joint Business Council and Vice Patron of Working Families, a charity. She is also a Visiting Professor at Curtin University, Graduate Business School, Perth, Australia.

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

Email: [s.m.vinnicombe@cranfield.ac.uk](mailto:s.m.vinnicombe@cranfield.ac.uk)



### **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 the development of high potential talent, focusing on emotional intelligence and cognitive processing, working extensively in the engineering/aerospace sector.

Email: ruth.sealy@cranfield.ac.uk

### **Jacey Graham BA (Hons), ACIB, FRSA**



Visiting Fellow, International Centre for Women Leaders

Director Brook Graham Ltd

Jacey Graham is a Director of Brook Graham Limited, a specialist global Diversity & Inclusion consulting firm whose clients are large multi-national organisations. Prior to co-founding the company in 2004, she was head of Diversity Strategy at Shell and before that spent 20 years in the financial services sector, where she held corporate roles in talent management, diversity, leadership development and executive succession.

Whilst her experience encompasses broad aspects of diversity in countries around the world, Jacey has particular expertise in building female talent pipelines in large private sector organisations. She co-founded the UK FTSE 100 Cross Company Mentoring Programme, sponsored by Praesta Partners, is an author of 'A Woman's Place is in the Boardroom' published by Palgrave MacMillan and the successful follow-up book 'A Woman's Place is in the Boardroom: The Roadmap'. Jacey has always worked closely with Cranfield School of Management and for the past five years has been a Visiting Fellow in Cranfield's International Centre for Women Leaders. She is a judge for the Opportunity Now awards in the UK, as well as the Women in the City Awards.

Jacey has a BA from Exeter University, is an associate of the Chartered Institute of Bankers, a member of the British Psychological Society, a Fellow of the Royal Society of Arts, a liveryman of the Worshipful Company of Coopers and a Freeman of the City of London.

Email: jacey.graham@brookgraham.com

### **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 organisational 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 organisational 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.

Email: [Elena.Doldor@Cranfield.ac.uk](mailto:Elena.Doldor@Cranfield.ac.uk)

### **Patricia Pryce BSc MSc MRes**



Research Assistant

Patricia is a doctoral researcher at the International Centre for Women Leaders. Patricia is interested in how women develop their careers to the most senior levels within organisations. Her current research explores how individuals develop and use social capital (resources gained through network activity) for career progression and whether there are gender differences in this process.

The early part of Patricia's career was spent in Human Resources working within the retail and distribution sector followed by five years within the health and fitness industry, during its period of rapid growth. Patricia has also worked as an Executive Search Consultant recruiting into mid to senior level management positions.

After completing her Masters in Organisational Psychology in 1996, Patricia became more interested in business psychology and set up her own consultancy providing learning and development programmes at personal, management and leadership levels. Much of the work she has done with individuals has encouraged them to explore the significance and value of their business based relationships, identifying the benefits these can have on career progression for themselves and others. She has worked across many industries both in the UK and overseas (America, Singapore, Czech Republic, Germany, Spain and France). Patricia is also a qualified Executive Coach.

Email: [Patricia.Pryce@Cranfield.ac.uk](mailto:Patricia.Pryce@Cranfield.ac.uk)

## Notes

## Notes

## Notes



INTERNATIONAL CENTRE FOR WOMEN LEADERS  
Cranfield School of Management  
Cranfield, Bedford, England MK43 0AL

Telephone: +44 (0)1234 751122      Fax: +44 (0)1234 751806