JUSTICE

Exchange of good practices on gender equality

Women in economic decision making

Norway, 10-11 May 2012

Discussion paper – United Kingdom

The UK's Approach to Women on Boards: The Davies Report and Beyond

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1. Description of the main elements

The priority of the ‚good practice' is to improve the representation of women on the UK's corporate boards. The main argument given for this requisite change in the UK is not one based on fairness, but on the ‚business case' for diversity and better talent management. The driver, according to the Prime Minister, David Cameron, is to support economic growth. The aim is therefore to remove obstacles, allowing more women to take positions leading the UK's largest public limited companies (PLCs).

1.1 Background and general policy context of UK

The UK takes a voluntary regulatory rather than a mandatory legal framework approach to boardroom governance and behaviours, aiming 'to set a global standard for good practice in corporate governance' (Heidrick & Struggles, 2009: 44). This regulation is overseen by the Financial Reporting Council (FRC) and has been guided by a code of conduct which has undergone a number reviews over the past 20 years. The Financial Reporting Council is the UK's independent regulator responsible for promoting high quality corporate governance and reporting to foster investment. The UK Corporate Governance Code (referred to as 'the Code') is a set of principles of good corporate governance aimed at FTSE[1]-listed companies and require that these public limited companies (PLCs) disclose how they have complied with the Code, and explain where they have not applied the Code - in what the Code refers to as 'comply or explain'.[2] The Code adopts a principles-based approach in the sense that it provides general guidelines of best practice. This contrasts with a rules-based approach which rigidly defines exact provisions that must be adhered to. The Code is essentially a consolidation and refinement of a number of different reports and codes concerning good corporate governance produced in the UK over the past 20 years.

The main changes to the Code in the past decade which are relevant to boardroom diversity are Higgs Review (2003)[3] and Tyson Report (2003), which stated the need for greater diversity and recommended the use of external serach consultants for board appointments, and the FRC's revision to the Code in May 2010, to include for the first time a principle recognising the value of diversity in the boardroom, stating that *„the search for board candidates should be conducted and appointment made on merit, aginst objective criteria and with due regard for the benefits of diversity on the board, including gender.“*[4]

In 1999, Cranfield School of Management's International Centre for Women Leaders (CICWL) created its first index of FTSE 100 companies ranked in terms of their percentage of female board directors. Every year since then this project has grown and

1 Financial Times Stock Exchange.
2 Listing rule 9.8.6(6) - see p.14 of the June 2010 Combined Code of Governance.
3 Higgs Review of Corporate Governance (2003).
4 Supporting Principle B.2, UK Corporate Governance Code, Financial Reporting Council, May 2010.

now reports on board and executive committee composition of up to 1,600 UK listed companies. The report has been backed by government at the highest ministerial level, sponsored by several major businesses and receives much media coverage. The appetite for this information has grown year-on-year.

By 2010, after a decade of reporting, the headline percentage of women on boards in the UK had risen just five percentage points from 7% to12%. The sense of growing frustration felt by government and women in business was reflected in the media. Following Norway's 2008 adoption of a 40% quota and Spain's move to recommended targets, discussion around the European community countries about possible action was increasing. Parts of the then UK government were keen to become more actively engaged with this issue.

In 2010, the Australian Stock Exchange Securities Council (SESC) introduced gender metric reporting as part of its governance code. The aim was to significantly increase the proportion of female board directors and avoid any requirement for (threatened) government intervention in the form of legislation. The SESC figures showing the percentage of new appointments going to women rising from 5% in 2009 to 27% in the first half of 2010[5] demonstrating what could be achieved once the individual stakeholders were motivated.

Australia has similar board structures and coprorate governance rules to the UK and so a similar approach was recommended to the UK government by CICWL. In 2010 a new coalition government took office and, concerned about the lack of progress on the issue of women on boards in the UK, asked Lord Mervyn Davies (ex-trade minister and ex-Chairman of Standard Chartered Bank) to set up a review. The choice of individual was important, and was backed by both the Government Equalities Office (GEO) and the department for Business, Innovation and Skills (BIS), signaling that the government saw this as a business issue, not one led by equality. Building on a decade of CICWL statistics and two reports produced for GEO in 2009[6], the remit was *"to identify barriers preventing more women reaching the boardroom and to make recommendations regarding what government and business could do to increase the proportion of women on corporate boards"*[7].

A consultation period ensued with a wide range of stakeholders – senior business figures, women in business, entrepreneurs, academics, executive search firms, investors, women's networks. In addition an online call for evidence produced over 2,600 responses. Lord Davies was supported by a Steering Board of experts from the business world and academia. In February 2011 they produced their initial report[8].

1.2 The goals and target groups of the good practice

What was crucial and different about the Davies Report was the lack of recommendations and actions aimed at women themselves. This report was not about „fixing the women". This sent a clear signal to business that the government's approach to this issue was squarely aimed at other multiple stakeholders The report states:

5 Australian Institute for Company Directors.
6 Sealy, Doldor & Vinnicombe 2009 a + b.
7 Davies Report – Women on Boards, February 2011, p.6.
8 Davies Report – Women on Boards, February 2011.

- All FTSE 350 Chairmen should set aspirational targets for the percentage of women they aim to have on their corporate boards by 2013 and 2015. It recommends that FTSE 100 companies should aim for a minimum of 25%.

- Quoted companies should disclose proprtions of women in their workforce and in Senior Execitve positions. Cheif Executives should review the percentage of women they aim to have on their Executive Committee.

- The Financial Reporting Council (FRC) should amend the UK Corporate Governance Code to require companies to establish a policy on boardroom diversity, including measurable objectives and disclose annually their progress.

- Chairmen will be encouraged to sign a charter supporting the recommendations.

- Chairmen should disclose meaningful information about board appointment process.

- Investors should pay close attention to recommendations when considering companies.

- Companies are encouraged to advertise non-executive directorship (NED) positions.

- Executive Search Firms (ESFs) should draw up a voluntary Code of Conduct addressing best practice for gender diversity on boards.

- The pool from which potential female directors are drawn should be widened. As well as the current corporate mainstream, female academics, entrpreneurs, civil servants and those with professsional services backgrounds should also be considered.

- The Steering Board should meet every six months to review and report progress.

Although thus far regulatory attempts had not led to mandatory legislation in the UK, pressure was currently mounting for visible progress to be achieved through non-mandatory solutions. Short of that, Lord Davies (2011: 2) reminded the report's audience that:

> *„Government must reserve the right to introduce more prescriptive alternatives if the recommended business-led approach does not achieve significant change.“*

In addition to taking forward the Lord Davies recommendations, the government, with senior figures from three leading UK companies, the Confederation of British Industry (CBI) and other top companies launched 'Think, Act, Report', a new approach to improve transparency on pay and wider workplace equality that will help drive change, including closing down the gender pay gap and supporting the talent pipeline. The simple, voluntary step-by-step process involves companies first identifying any issues around gender equality in their workforce or pay structures, then taking action to address those issues, and finally reporting publicly on progress. Businesses are asked to think about gender equality, monitor relevant measures and act on their findings, and to report relevant information for them through narrative reporting, reporting on workforce measures and/ or reporting on pay measures. A toolkit was made available to help this[9]: The government intends to report annually on whether more organisations are starting to think, act and report on gender equality. They are also establishing a Women's Business Council to provide advice on how to improve the business environment for women to maximise their success.

1.3 Institutional arrangements and procedures of implementation

Over the summer of 2011, FTSE 350 companeis received letters from the Home Secretary and Business Secretary, from Lord Davies, from the Institute of Charterd Secretaries and Adminsitrators and from Cranfield School of Management (monitoring responses).

A six month interim report was launched with a highly publicised Prime Ministerial event at Downing Street. It monitored and stated which companies had responded. Those companies that had not responded in any way received a personal letter from the Prime Minister, encouraging them to do so. One year on, the annual Female FTSE Report was launched as an anniversary to the Davies Report and continues to focus on the figures of women on boards, and how companies are responding.

The various other stakeholders have all been engaged in dialogue with the Steering Board – e.g. the FRC, the investor community, the ESF community – and Lord Davies has made over 130 public speeches on his report to relevant audiences in the year since the report launched.

2. Impact of the Davies Report: One Year On

2.1 Key results

This section outlines the key results in relation to the baseline situation and specifically considers progress on the recommendations made in the Davies Report.

2.1.1 Headline Improvements

Between 1999 and 2010 the percentage of women on the UK top 100 boards increased incrementally from 7% to 12%. At that pace of change it was going to take several decades before we could ever reach any degree of parity. There have since been some substantive changes following the Davies Report.

Based on the turnover figures from previous Female FTSE Reports (an average of 14% over six years), the Davies Report speculated that if one third of all new FTSE 100 board appointments were given to women between 2011 and 2015, then from a starting point of 12.5% female directors, a figure of 23.5% could be achieved across the FTSE 100 companies by 2020. However, ensuring that only two thirds of all new appointments go to men would signify quite a change in behaviour, as the annual percentage of new appointments going to women over the decade 2001-2010 was on

9 http://www.homeoffice.gov.uk/publications/equalities/womens-equality/gender-equality-reporting/vger-comm-toolkit

average 14.2% - hence the very incremental changes made over that period. Therefore, it is interesting that in the 12 months since the Davies Report, **the percentage of new appointments going to women was almost 25%.**

This had brought the headline figure from 12.5% to 15% over a 15 month period[10]. In addition, there appears to have been more change in directorships as the turnover figure rose to 17.5% (however, this is not unprecedented and may be due to ecnomic climate).

Trajectories are hard to predict, but useful in order to see the levels of activity required to reach particular goals. In the graph below, the lower line shows the outcome of maintaining the current pace and rate of change – i.e. 25% female appointees of a 17.5% annual turnover. **This predicts a total percentage of women on boards of 22.2% by 2015 and 27.5% by 2020.**

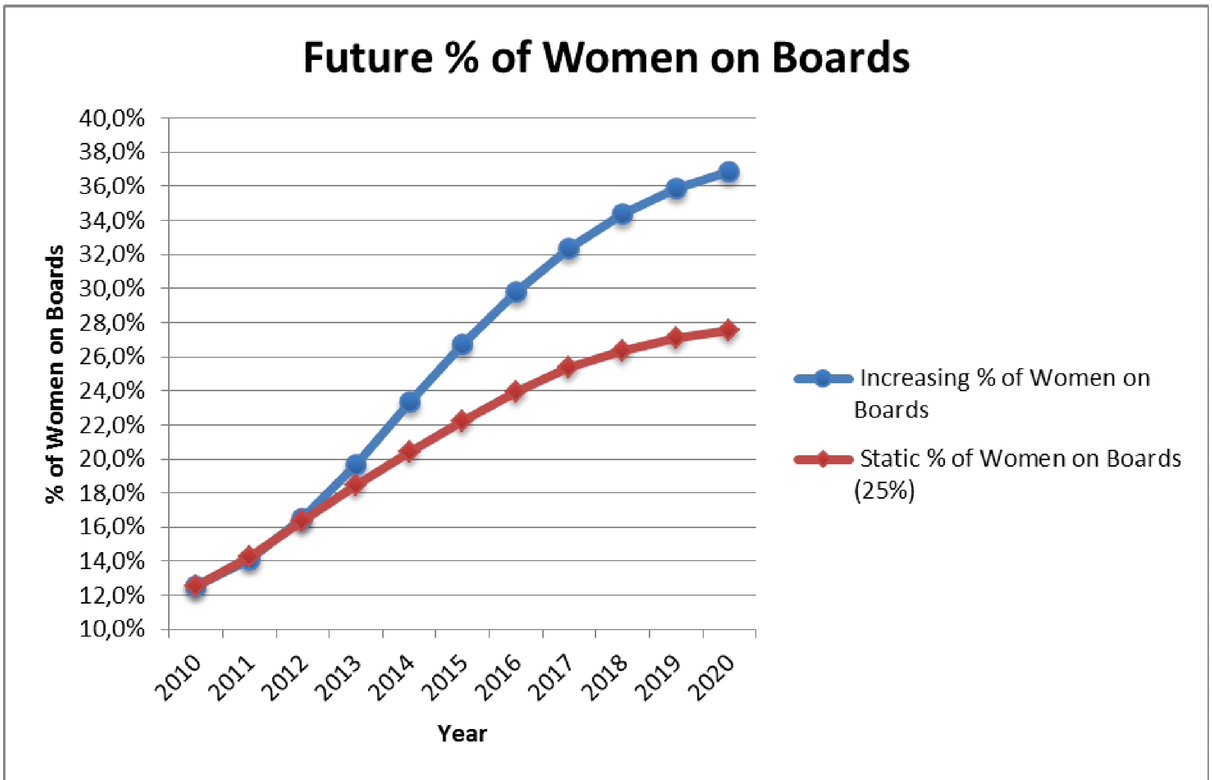

Figure 1: Trajectories of future women on UK FTSE 100 boards

However, there is a noticeable momentum in the UK at present in terms of addressing this issue. Several times every week there are articles in the popular, business and pracitioner press. Thanks to the Davies Report there are multiple stakeholders engaged in trying to solve this problem and many of these believe that in fact there will be an increasing percentage of new appointments going to women, which will create a ‚wave effect'. This has started to occur in the past year. In 2010, the percentage of new appointments going to women was 13.3%. The Six Month Monitoring Report of October 2011[11] recorded women taking 22.5% of new appointments and by January 2012 this had risen to 25%. Therefore, in the second trajectory above, this gathering of momentum is demonstrated with an increased percentage of appointments going to women increasing at a rate of 2.5% every six months until it reaches 35% at the end of 2014 and is then held constant until 2020. The 'wave effect' is clear. In both graphs the

10 Cranfield's Female FTSE Report 2010.
11 Sealy, Doldor, Singh & Vinnicombe, 2011.

annual turnover going forward has been held constant at the current 17.5%. **This predicts a total percentage of women on boards of 26.7% by 2015 and 36.9% by 2020.** After a decade of incremental increases, these trajectories feel pleasantly optimistic.

As can be seen from Table 1 below, 89 of the 100 companies now have at least one woman on their board (an increase of 10 since 2010) and half of the companies have multiple female directors (an increase of 11). The percent of female Executive Directors has increased from just 5.5% to 6.6%. This figure is clearly still very low and needs to be addressed.

In the FTSE 250 companies (companies number 101-350 by market capitalization) we have also seen some significant improvements. Within the boardrooms of those companies **9.4% (189) directorships are held by women. This has increased from 7.8% (154)** recorded in the 2010 Female FTSE Report. Historically, the figures of women on boards of the FTSE 250 companies have been much lower than those of the FTSE 100 companies and some commentators would suggest that this is because they are less in the media spotlight than their FTSE100 counterparts. However, it appears that FTSE 250 Chairmen are beginning to realise the benefits of boardroom diversity and understand that ignoring this issue is no longer acceptable from a governance perspective. The Financial Reporting Council's changes to the Code regarding gender diversity apply to all listed companies.

Female FTSE 100	2012 (15 mths)	2010	2009
Female held directorships	163 (15.0%)	135 (12.5%)	131 (12.2%)
Female executive directorships	20 (6.6%)	18 (5.5%)	17 (5.2%)
Female NEDs	143 (22.4%)	117 (15.6%)	114 (15.2%)
Women holding FTSE directorships	141	116	113
Companies with female executive directors	17	16	15
Companies with at least one female director	89	79	75
Companies with multiple female directors	50	39	37
Companies with no female directors	11	21	25

Table 1 – From Female FTSE Report 2012

Of the **FTSE 250 companies 135 (54%) now have women in their boardrooms, finally making all-male boards a minority.** This figure of 135 has increased from 119, but interestingly the number of companies with two female directors has also increased substantially from 25 to 40. This would indicate that the overall percentage increase of women on FTSE 250 boards has come equally from companies placing their first and also their second woman on the board.

With 47 new female-held directorships in the FTSE 100 and 53 in the FTSE 250, the **post-Davies Report period has already delivered 100 women to the boardrooms of the FTSE 350 listed companies.**

2.1.2 Targets and Pipleine measurements

The majority of Public Limited Companies (PLCs) in the UK are not in favour of any quota legislation and have said that this should be an issue for business to sort out itself. The Davies Report set out how it believed business and other stakeholders could act to ensure a sufficient, timely and sustainable increase in the proportion of women in leadership positions. The Davies Report required that Chairmen should *announce their aspirational targets „by September 2011“* and in the Six Month Montioring Report, October 2011, it was disappointing to note that only 33 of the FTSE 100 companies had set out their targets. In January 2012 the Company Secretaries of all FTSE 350 companies were written to asking for an update on a number of issues, including their targets. One hundred and seventy responded. The number of **FTSE 100 companies with declared aspirational targets has risen to 38.** Of the 68 FTSE 100 responding companies, nine have stated categorically that they will not be setting targets, the remaining 21 were supportive but non-committal. A number of companies which have consistently had more than 25% of women on their boards have chosen not to respond on the issue of targets. But whilst their current percentages are to be commended, it is a shame they do not choose to show leadership in this area. It should be noted that 25% was never intended by the Davies Report to be an ultimate goal, merely an achievable stepping stone towards a more realistic balance.

There were 102 responses from the FTSE 250 companies. **Thirty-four of those companies have set aspirational women on board targets**. This is an increase of 14 companies since the Six Month Report, last October. From the responses, 27 stated that they would not be setting targets and the remaining 41 companies were supportive in principle but non-committal.

With regards to information about the percentage of women at all levels of each organisation, of the 68 responses of FTSE 100 companies to Company Secretary letter, 33 provided information on their female pipeline. It was interesting to note that whilst some companies could easily pull this data off various reporting tools, several organisations clearly did not routinely track this information. In addition to those companies who did provide information, a further seven stated that the requested information would be reported in their annual report later in the year.

Companies should be greatly encouraged to monitor this information going forward. It is critical for companies in optimising their talent management that they are aware of diversity at all levels.

2.1.3 Financial Reporting Council Change of Code

Following public consultation after the Davies Report, the Financial Reporting Council announced in October 2011 that it intends to amend the UK Corporate Governance Code to require companies to report on the board’s policy on boardroom diversity, including gender, on any measurable objectives that the board has set for implementing the policy, and on the progress it had made in achieving the objectives[12]. In addition, the FRC will amend the Code to identify the diversity of the board as one of the factors to be considered when evaluating its effectiveness[13]. These amendments will formally apply to financial years beginning on or after 1 October 2012, at the same time as other proposed changes to the Code in which the FRC will consult in early 2012, but the FRC has encouraged companies voluntarily to apply the amendments with immediate effect.

[12] Supporting Principle B.2.4, FRC October 2011.
[13] Supporting Principle B.6, FRC October 2011.

2.1.4 Charter

In March 2011 EU Justice Commissioner Reding launched a „Women on the Board Pledge for Europe", calling for EU listed companies to sign up before March 2012[14]. The Davies Steering Board decided that a separate UK pledge would be counterproductive, so this has not been pursued.

2.1.5 Disclosure on Appointments process

In accordance with the Code of Governance, the Davies report recommended that companies give detailed information about the work of their Nomination Committee, including the process used to search and appoint directors. Given the 2010 amendment to the Code, the recommendation requested information on how specifically diversity is addressed (as opposed to just saying "varied knowledge, skills and experience") by the Nominations Committee and whether gender is explicitly considered.

FTSE 100 Companies reporting on:	Percentage
Nomination Committee section	96%
Detail on appointment process	73%
Use of executive search firms	73%
Is diversity addressed?	43%
Is gender specified?	20%

Table 2 – From Six Month Monitoring Report 2011

The Six Month Monitoring Report[15] revealed that almost all of the FTSE 100 companies had a section in their Annual Reports giving details on the work of the Nominations Committee. Almost three-quarters gave reasonable detail regarding the transparency of their process. In line with best practice recommended since 2003[16], 73% stated that they engaged an external executive search firm in the appointment process. Given the amendment to the Code mentioning diversity was made in 2010, it was disappointing that only 43% addressed diversity and only 20% specifically mentioned gender diversity in regard to their appointment process. Following the further amendment to the Code in October 2011, it is expected that many more companies will report in more detail and refer to gender diversity in the 2011 Annual Reports (the majority of which are published March-June 2012).

2.1.6 Investor involvement

Historically, it has been challenging to engage investors on diversity issues. However, since the Davies Report the investor community has been very proactive in its response. Recommendation 6 of that report stated that investors "*should pay close attention"* to the behaviours of companies in terms of the Davies recommendations, including company transparency around targets, reporting on proportions of women at various levels, the appointment process, boardroom diversity policies and measurable objectives. There has been a very positive response from some of the UK's largest institutional investors, with a number setting out their own policies on how they will engage with companies on the diversity issue. Investors need companies to report diversity information and increasingly the sense from is that those companies that do not are at best ignorant (and therefore inactive) or at worse obstructive.

[14] Europa Press Release, 1st March 2011.
[15] Sealy, Doldor, Singh & Vinnicombe, 2011.
[16] Higgs Review of Corporate Governance, 2003.

2.1.7 Advertising Non-Executive-Directorships (NEDs)

This recommendation was included as part of the aim to increase transparency in the recruitment process. There has been little evidence that business has taken up this recommendation and appears little appetite for this to be the case.

2.1.8 Executive Search Firms New Code of Conduct

As a result of the Davies recommendations, in an unprecedented move in July 2011, leading Executive Search Firms (ESFs) came together and deveoped a Voluntary Code of Conduct[17]. To date there have been 22 signatories and the code is championed by the Association of Executive Search Companies and the Association of Executive Recruiters. A number of FTSE companies have stated they will only use ESFs who are signatories to the code. The Equality & Human Rights Commission have commissioned research into the role of (ESFs) in the board appointment process. A particular emphasis was placed on what was being done to make Boards more gender balanced, with an aim to identify good practice in the executive search sector. Whilst the board appointment process remains opaque and typically driven by a small group of elite Chairmen, there is much opportunity for subjectivity around the notion of „fit". Prior research has reported a collusion between Chairmen and ESFs that resulted in a lack of diverse candidates[18]. However, in 2011, ESFs reported a heightened awareness of the need to address the issue at board level, both within their firms and among their clients. A number of good practices were found, although the extent to which they are embraced varied from search firm to search firm. The research is due to be reported in late spring 2012 and will outline a number of good practices found and some recommendations to continue the progress on this front. Whilst some ESFs appeared to be paying lip-service, a number were proactively engaged with the need to rapidly alter the diversity of the largest boards.

2.1.9 Expanding the Talent Pool

In the 12 months to January 2012, 47 women took up new roles on FTSE 100 boards (25% of all new appointments). Of these 47**, 29 women (62%) had no prior FTSE350 board experience**. However, most of these new women did have experience on a range of other boards, including public and charitable sector boards. This is encouraging and shows a change from past trends, when previous Female FTSE Reports have reported a relative recycling of female directors[19]. This represents a good addition to the talent pool, suggesting that the appointment process is beginning to open up to new women and Chairmen and ESFs are being a little more creative with their directorship brief.

Despite the economic climate, a large number of private, public and corporate initiatives have been developed over the last year, specifically with the intention of developing the female talent pipeline. In addition the Home Secretary, Theresa May, has asked the newly established Women's Business Council to consider how this work could be brought together to achieve a compounded impact.

Company Secretaries were asked for examples of work that their company was undertaking specifically to address talent pipeline issues. Several examples of new

[17] PRNewsWire, July 22nd 2011.
[18] Cranfield's Female FTSE Report 2010.
[19] Cranfield Female FTSE Report 2008.

programmes were supplied, for example Annual Diversity Reviews, which encorporated many of the Davies recommendations, in terms of monitoring, but also company-specific policies to address the challenges faced by women in their particular environment. A number are featured in the 2012 FTSE Report[20].

2.1.10 Steering Board to Monitor

A six month monitoring report[21] was commissioned by the Steering Board in October 2011, measuring the progress specifically against those recommendations concerning targets, polcies and reporting measures. The Female FTSE Report 2012 and Lord Davies‘ one year on statement will be published in March 2012[22].

2.2 Challenges, obstacles and constraints

As mentioned above, the UK takes a voluntary regulatory rather than a mandatory legal framework approach to boardroom governance and behaviours. The Code Of Governance adopts a principles-based approach, providing general guidelines of best practice as opposed to a rules-based approach which rigidly defines exact provisions that must be adhered to. And whilst companies are expected to “Comply or Explain”, there is **no compulsion or immediate sanction for non-compliance**. Following Australia’s example, this is the route that the UK government and business have adopted with regards to making changes to female representation on corporate boards. In the **current economic climate**, it is an easy excuse to say that diversity initiatives need, along with many other things, to be cut. However, those companies who understand that diversity, and particularly gender diversity, is not a ‚nice-to-have‘ but an economic necessity, given the demographics of our society, the make-up of employees and customers and the need for better corporate governance post-financial crisis, are doubling their efforts to ensure that their initiatives work.

The approach of a government-backed selected Steering Board relies entirely on the voluntary actions of those involved and is very labour intensive. The Steering Board, its supporters and various government ministers have needed to use their pursuasion and influence without any real power. There has been mention of a ‚quota threat‘, both from the government and at an EU level, but much of British business simply does not believe this to be any more than empty words.

Of the 11 FTSE 100 companies with all-male boards a number of them are predominantly based overseas and listed on the UK stock exchange for strategic reasons. They do not have a real presence in the UK and do not therefore feel under the media scrutiny that others perhaps do. It is interesting to note that there are other aspects of the governance code recommendations that they do not comply with – for example three of the four FTSE 100 companies who have an Executive Chairman (something which is strongly disapproved of in the Code) are among those 11. At a recent meeting of the Davies Steering Board it was proposed that pressure should be brought to bear from the London Stock Exchange for those companies to adhere to more of the Code’s recommendations or consider delisting from the UK.

[20] Cranfield Female FTSE Report 2012.
[21] Sealy, Doldor, Singh & Vinnicombe, 2011.
[22] Sealy & Vinnicombe, 2012; Women on Boards 2012.

Media pressure and peer pressure to conform have played a significant part in the recent past. There are a handful of the most respected very senior Chairmen who, for the past two-three years have been quite vocal on the topic. In „Conversations with Chairmen“ in the 2010 Female FTSE Report the idea was suggested that these senior FTSE 100 Chairmen had a signficant role to play in influencing the FTSE 250 Chairs.

FTSE 100 companies are very media-aware as they are continually in the business and popular press. There is less substantial press coverage of FTSE 250 firms and therefore they can, and believe they can, get away with less compliance on such issues. However, this does seem to be changing a little, particularly if changes are being led by the investor community and the FRC.

3. Assessment of the strengths and weaknesses

3.1 Innovativeness

The structure of the Davies Review was not designed or intended to be particularly innovative, with an open government consultation period and round-table discussions with various stakeholder groups. However, the number of respondents to the online call was a great surprise to the government and another indicator of how seriously this issue needed to be approached. Interestingly, in the corporate world, activity around women's career issues tends to be organised through company or sector networks and therefore, using social media, the call for responses ‚went viral‘.

Whilst it would not be unexpected for such a review to produce a report, the regular monitoring, at stated intervals, set out as a recommendation of this report could be considered innovative. This could have led to members of the Steering Board losing interest and a lack of a long-term commitment, but the group is a small and tight one and have determined to stay with their project.

The emphasis on gender metric reporting was entirely borrowed from Australia. In 2010, two members of Cranfield's International Centre for Women Leaders (CICWL) visited Sydney to learn about their new approach. Australian and UK business are similar in their governance structures (with their regulation based on the rather more pithy *„If not, why not?“*) and socio-cultural challenges concerning women as leaders. Australian business appeared to be responding to a very real quota threat, but very quickly it was easy to see the output that could be achieved when the motivation was there. Being able to base the argument for gender metrics on very visable and instantaneous results in a similar business environment, made the idea ‚evidence based‘ and more attractive to both UK government and business.

Certainly in comparison to most other previous reports into gender diversity it was **innovative in it's breadth of scope of recommendations** and its lack of suggestions for women to change or adapt their behaviours. The 2010 Female FTSE Report had started this process, with recommendations of actions for Chairmen, CEOs and ESFs. It had also proposed advertising of NED positions and strengthening the 2010 principle on diversity in the Code. The engagement with the investor community is new. However, although the FTSE Report is a well-known, and its headlines are always widely cited in the press, it had not in the past always been read by Chairmen. The Davies Report, which Chairmen could consider to be produced by ‚one of them‘ (Lord Davies is ex-Chairmen of Standard Chartered and another member is a very senior FTSE 100 Chairman) has therefore been welcomed as refreshing in its outlook. This is particularly felt by women themselves, who are often jaded by yet more advice on how to adapt themselves and what they are doing wrong.

3.2 Effectiveness

Thus far, the evidence (shown above) suggests that the impact of the Davies Review. 12 months later, has been incredibly positive. The headline figure for women on boards is increasing at a much faster pace than ever before, the women appear to be taken from a wider pool, the FRC, investors and ESFs have engaged and the majority of Chairmen – whether voluntarily or not – are taking some action to address the issue.

The efficacy so far of this initiative could in part be put down to the breadth of stakeholders involved – the problem is being attacked similtaneously from many angles. In addition, the dogged determination and effort of one man, Lord Davies, should not be underestimated. He is, undoubtedly, a major part of the success of this intiative, but that also becomes its weakness, should his energy wain.

3.3 Partnership approach

The benefits of the multi-stakeholder approach have already been mentioned. But the importance of the individual relationships in the partnership approach should also not be understimated. Cranfield's International Centre for Women Leaders has always been very cognisant of the importance of partnering with three other stakeholders in the past and has developed these partnerships over a decade. The focus has been on:

- Business (particularly the Chairmen, Heads of Diversity and Senior-most women of the largest corporations). This has sometimes involved sponsorship money, but more often has been about access for research – whether quantitative data on the organisation, or qualitative information gathered through interviews. The relationship is often two-way, with information also flowing from Cranfield to the organisation to inform at a policy level.

- Government, regardless of politics, touching different individuals and departments (e.g. GEO, BIS – formerly DTI and BURR - Minister for Women, Minister for Equality, Deputy Prime Minister, Home Secretary, Business Secretary, Prime Minister). Again, this has been both about small amounts of sponsorship as well as access. The information flows two-ways and policy decisions have been based on CICWL's research findings.

- Media (particularly the broadsheet business editors and freelancers). CICWL has always been conscious to be generous with both time and information with the media. Frequent and often lengthy conversations with a core group of mainstream journalists over a number of years has altered the way this issue is reported. And how the media reports this issue signficantly influences the conversations had. The media has played a substantial part in moving the debate forward about women in leadership and on boards in the UK.

3.4 Transferability

It is difficult to comment on the transferability of the approach currently adopted by the UK. On one hand, as previously mentioned, many aspects of the approach have been ‚borrowed', successfully, from Australian business. With some knowledge of women on boards in other Western economies, the natural instinct is to suggest that socio-political, historical and cultural factors are all incredibly important – for example in some cultures the concept of government intervention is more acceptable (e.g. Norway) than in others (e.g. USA). Some societies are perhaps more individualistically focused (e.g. USA and possibly UK) than communally focused.

As well as socio-political factors, the governance and ownership structures of organisations can be very different across countries. For example, in the UK we have a unitary board system, whereas in many European countries there is a two-tier system. We have above alluded to the different challenges for increasing the numbers of female executive and non-executive directors. Boards in other countries may have directors who are either employee representatives or shareholder representatives. Having these individuals as the ‚token female' may be quite different from a female executive or non-executive director. In addition, in some countries (e.g. Norway) there is still a considerable amount of state ownership of the largest corporations. If the government is a major shareholder in these companies, it may make it easier for them to influence conduct around these issues.Other countries may be more legislatively driven in their coproate governance, whereas the UK, as discussed above, has a long history of self-managed governance on the basis of „Comply or Explain".

Australia and the UK do have a lot of similarities in terms of corporate governance and ownership structures and some overlap in socio-political factors. However, it would appear that one of the main factors in the apparent success of the approach, both in Australia and the UK is the drive and motivation of individuals behind the project. The importance of this should not be underestimated in the transferability of a similar project.

3.5 Sustainability

As mentioned above, one of the innovative aspects of the Report is its focus on ongoing monitoring. The CICWL has been charged with monitoring various asspects of the recommendations every six months until 2015. It is believed this way that the momentum will be sustained as the spotlight will remain firmly in place on the listed companies. The threat, veiled or otherwise, of some kind of Europe-wide legislation is currently still an issue helping to maintain urgency. At the time of going to press, it had not become clear whether Ms Reding would announce recommendations or directives on the issue. The clear focus of the Report on multiple stakeholders all in some way responsible for changing the status quo may well help to sustain it, as there may be isomorphic pressures to comply and one party would not want to be seen to be the first to drop out.

However, it should not be forgotten that overall responsibility to ensure the sustainable supply of qualified women rests with the company Chairmen and Chief Executives who have a responsibility to identify and develop the next level of senior women within their company. But with all the other partners working together towards the same goal this should both sustain the momentum for demand but also the increased supply.
Let us hope that in ten year's time we look back on this exciting era as a great period of change. For now, only time will tell.

4. Main questions and issues for debate at the seminar

- What other innovative approaches are other countries trying?
- What models are other countries using to predict their trajectories of increasing their numbers of women on boards?
- In taking forward research across the EU on women on boards, which are the countries we should be comparing and contrasting to learn about different initiatives?

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List of Abbreviations

BIS	Department for Business, Innovation and Skills
CBI	Confederation of British Industry
CICWL	Cranfield School of Management's International Centre for Women Leaders
ESFs	Executive Search Firms
FRC	Financial Reporting Council
FTSE	Financial Times Stock Exchange
GEO	Government Equalities Office
NED	Non-executive directorship
PLCs	Public limited companies
SESC	(Australian) Stock Exchange Securities Council