INSPIRE BUSINESS ARTICLE

As a way to help the executive leaders in Inspire stay informed on key topics important to our membership, Inspire publishes business articles from time to time. We hope you find this briefing on women ranks in UK and U.S. boardrooms and leadership teams of interest. If you have topic suggestions for future articles, please share them with Alexa Bailey in New York (alexa.bailey@harveynash.com or +1 212-481-2563) and/or Carol Rosati in London (carol.rosati@harveynash.com or +44 207-333-1587).

Women in Boardrooms in 2010: Where Are We?

In recent years, a combination of voluntary and government-mandated quotas designed to increase the number of women executives in boardrooms have been introduced by various countries. The most recent effort in the UK is the 30% Club, a private organisation that is championing the promotion of women in the boardroom by challenging UK companies to work toward achieving at least 30% female board representation by 2015.

Rather than a voluntary programme, Norway began legally mandating that 40% of the seats on the boards of public companies go to women in 2002. That quota was officially achieved in 2008 and the percentage of women holding board positions continues to grow.

In 2007, Spain passed a law requiring firms with 250 employees or more to create gender equality plans. The country's largest companies must have 40% of board seats filled by female executives by 2015. Belgium, France and Sweden are all considering or writing similar legislation. In Germany, one of the country's largest companies, Deutsche Telekom now requires that nearly one-third of its middle- and upper-management positions go to women.

The debate on whether quotas or a merit-based approach is best in increasing female ranks is being argued by business leaders and politicians around the globe. To give our readers insight on where the hard figures are today in terms of the number of women on boards, Inspire has provided the following account of the most recent statistics and studies of UK and U.S. women on executive boards.

In the United States

Women held 15.2% of board seats at Fortune 500 companies according to the 2009 Catalyst Census. While almost 90% of those companies had at least one woman director, less than 20% had three or more women serving together.

The numbers change significantly outside of the Fortune 500. The Corporate Library, an independent corporate governance research firm, found that almost 90% of S&P 500 companies have at least one woman board member. It also found that as company size shrinks so does the role of women in leadership. For example, only 60% of the companies in the Russell 3000 index have at least one woman director. When drilling down even farther to the Russell 2000 index, which measures the performance of the small-cap segment of the U.S. equity universe, the survey found that half of those companies have no female directors at all.

To put it into context of women in the workplace, a survey by the World Economic Forum in March of 2010 found that in American businesses women make up 52% of the workforce. In academic terms, the gender gap is wider. The American Council on Education reports that as of January 2010, enrollment in colleges nationwide is 57% female and 43% male.

In the UK

Today, the issue is at the forefront of UK business news as leaders debate the merits of a government-mandated system versus voluntary initiatives, such as those proposed by the 30% Club or Deutsche Telekom in Germany. Each year, the Cranfield School of Management produces an annual Female FTSE study. This year's results found that 12.5% of the directors of the UK's top 100 listed companies (or one in eight) are female. Showing the potential stagnation many in the UK are worried about, those numbers were the same in 2008 and in 2009.

A positive note from the survey showed that while 25% of FTSE 100 businesses had no women on their boards last year, this year only 20% report having all-male boards. However, when expanding the survey to the FTSE 250, only 7.8% of directorships are held by women. This echoes the trend in the U.S. that as you examine mid- and small-size companies the numbers of women on boards plummets.

For More Information

Inspire is happy to gather these figures for our members. Should you wish to examine the issue more closely or look at other geographies, Catalyst offers Women on Boards Quick Takes—an annual publication that tracks government and private-sector data on board positions held by women.The Cranfield School of Management in the UK, produces the annual Female FTSE report.

HARVEY NASH
The Power of Talent

© 2010 Harvey Nash plc. All Rights Reserved.