



Board Dynamics

A female perspective

Women on FTSE 100 boards



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The boardroom is under scrutiny as never before – and rightly so, given recent events. The bank failures of last year highlight the central importance of challenge and debate to a healthy organisation. Robust discussion requires careful facilitation and a range of contributions from people who bring different perspectives and complementary skills and experiences to the table.

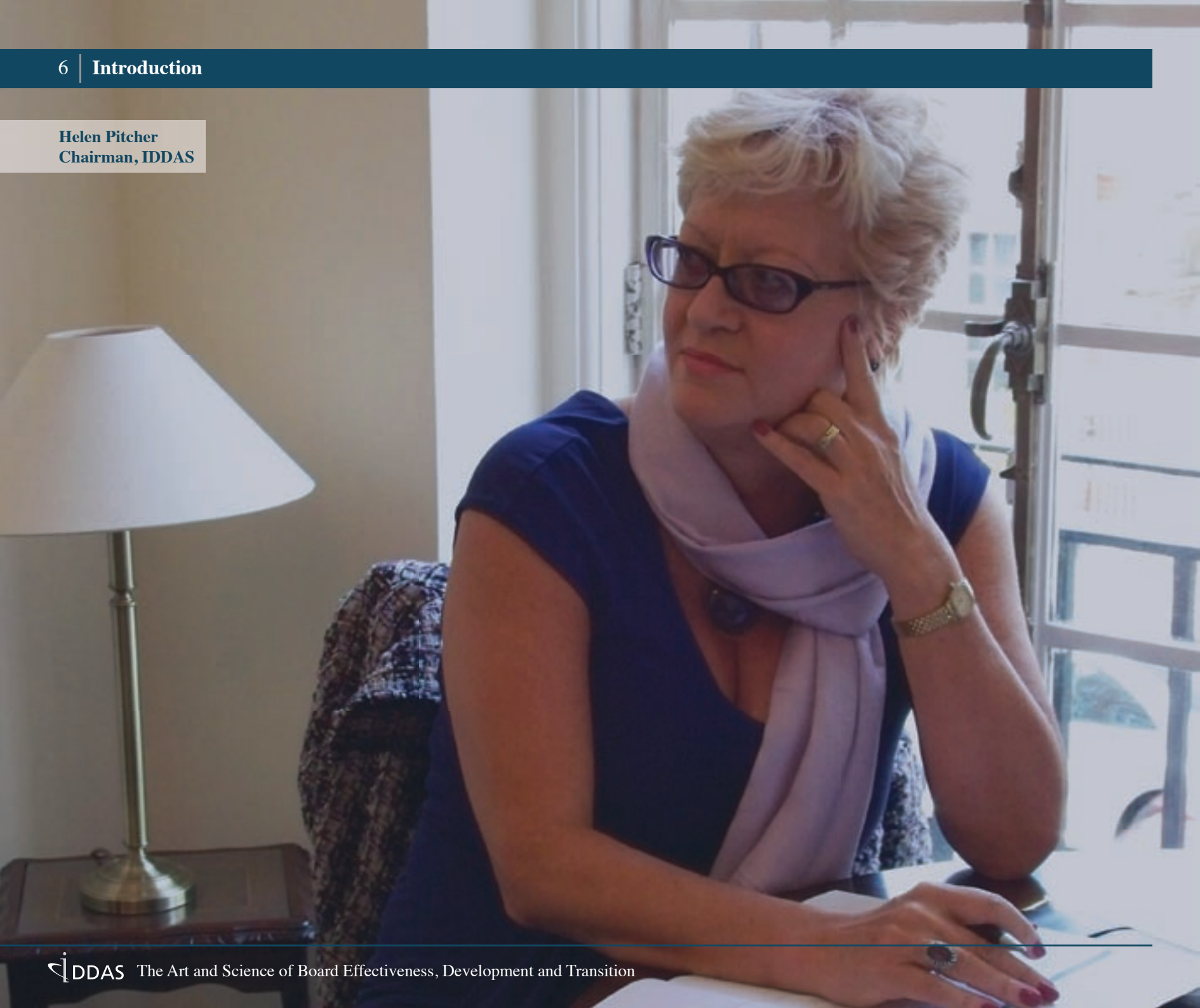
This report focuses on the strengths that female non-executive directors bring to the boardroom. It offers a rare insight into the actual experience of women operating at this level – part of a tiny band of just 113 female directors who sit on FTSE 100 boards.

They make an enormous contribution to their respective boards for many reasons which have nothing to do with gender. And yet many in this elite group, who have worked successfully in male-dominated environments for much of their careers, also believe that women can and do bring something different.

The views and advice contained in this report will be of interest to women seeking to make their mark. More important is that the message is heeded by the boardroom majority, and by those responsible for boardroom composition.

Lord Freeman
Chairman, Savile Group Advisory Board

Helen Pitcher
Chairman, IDDAS



The stimulus for this research was IDDAS's experience of coaching senior women. When we started the project at the height of the banking crisis, questions were being raised about the macho risk-taking culture which had fuelled the crisis and whether the more open, collective decision-making approach, typically ascribed to women, would have made a difference.

As we began conducting our interviews, Deputy Prime Minister Harriet Harman made the bold statement that a top political team should always consist of a man and a woman. Meanwhile, Home Secretary Jacqui Smith demonstrated an openness rarely shown by (mostly male) colleagues by stating that she would have liked some more training when she took over one of the biggest political jobs in the country.

We have since seen the publication of David Walker's review of corporate governance in UK banks and financial institutions. Walker concludes that the most important factor in ensuring long term corporate success for any organisation, *"is a highly effective executive team that is not dominated by a single voice; where open challenge and debate occurs; and yet the executive team is cohesive and collectively strong."*

The women who spoke to us – almost a fifth of all female board directors on FTSE 100 companies – felt that these were areas where their presence made a particular difference.

Our participants were frequently at pains to emphasise that the points they were making about the characteristics, skills or circumstances required for boardroom success

are equally applicable to men and women. Nonetheless, there was broad agreement that gender remains an issue in the UK's boardrooms and that women at this level have to be extra careful and confident in the value they add, because they are such a visible minority.

Our interviewees are an exceptional group of women. We would like to thank them all for the time they gave us, despite their numerous commitments. Their insights make invaluable reading for existing and aspiring board directors, whether male or female, and for anyone involved in the appointment and development of board directors.

Helen Pitcher
Chairman, IDDAS



Executive summary

The progress of women up the UK corporate ladder has been painfully slow. Despite the recommendations of the Higgs and Tyson reports in 2004, The Female FTSE Report 2008 indicates that women make up just 11.7% of board directors, a small improvement on 6.9% ten years ago, but there are still 22 companies in the FTSE 100 with all male boards and of the 149 new appointees in the last year only 16 (10.7%) were women.

We set out to interview those women who have made it onto boards of FTSE 100 companies to understand what they bring to their boards and what they have done to maximise their success.

We probed their attitudes to challenge and debate and what role the chair plays in enabling them to be effective as non-executive directors (NEDs).

Finally, we explored how they were recruited, how they responded to being in a minority and how they coped with media attention.

Over the course of three months we conducted structured interviews with 24 women, a fifth of all female directors in the FTSE 100.

All are either the only woman on their board or one of a small minority, a fact that makes them highly visible and places them under considerable pressure to perform. Several spoke of having to work hard not to be seen

as ‘the woman’ and said it was a relief when a second woman joined their board.

Many also felt that a balance of men and women improved board dynamics and the quality of discussion. In particular, the quality of questioning improved because women are more prepared to probe and clarify, if there is something they do not understand.

Our research revealed certain qualities that women at their best demonstrate. These are by no means exclusively female qualities, but areas in which the most successful women excel. Overall, women have usually had to work so hard to get to the board and are so well qualified and prepared that, “they raise the bar for everyone” as one interviewee put it.

Women at their best:

- Take their role as NED very seriously and choose carefully the right board to join.
- Are well qualified for the roles they take on and are proactive about plugging any gaps in their expertise.
- Often bring a different perspective to men.
- Are interested in building relationships and promoting good team dynamics on the board.
- Are not egocentric, focusing on the organisation’s goals rather than their own agenda.
- Are adept at challenge and seek to do so in a non-threatening way.
- Bring great energy, drive and commitment to the role.

The central importance of the role of the chair in managing a board effectively was another key finding. While the benefits are clear, dealing with the individual and team dynamics is harder work with a diverse board because more effort is required to ensure everyone contributes and the team manages to gel. The behaviours of effective chairs – and the consequences of poor chairing are explored on page 24.

We found that there is an important role for organisations to play in growing executive women for NED board positions. The best companies have a clear strategy to develop their own talented women, and are selfless in accepting that this talent will be used in the service of global business generally.

At the same time, organisations need to pay more attention to board development and assessment. Joining a board is the start of a journey, our participants told us, and they believe not enough weight is given to on-going learning and performance management. Their recommendations for induction, training and development are given on page 26.

Women at their best

Take their role as NED seriously and choose carefully which board to join

The women we spoke to see becoming a NED as an active career choice. They spend time finding out about a board before they join, make sure they know how they can add value and then commit themselves to learning about the company and staying abreast of the issues. Several stressed, in particular, the time they spent reading board papers thoroughly.

“I screen the opportunity very seriously before pursuing it and will only go for opportunities which are interesting, where I can contribute and where the chemistry of the board will work.”

“Can you look other NEDs in the eye and trust them? Is it right for you? Will the dates fit? All of this questioning makes you more rigorous in the process.”

“This role is not an easy option; it involves a significant commitment, which can have a critical impact on work-life balance.”

“I always do due diligence and have turned boards down. In the US, I turned one down because it did not feel right, and within weeks the CEO had sued the board for dismissing him!”

Are well qualified for the roles they take on and are proactive about plugging any gaps in their expertise

Like their male counterparts, the women we interviewed have years of executive experience, including specialist, operational and/or international roles, but they also have the confidence to seek out expertise or training, if they do not know about something.

“A NED needs to be forthright, and ask for what they need to know...they should take responsibility for customising their own induction, including acknowledging their own background holes.”

“I needed to learn about the actual business and organised my own induction. I had to be very pro-active in doing this.”

“One shouldn’t be embarrassed about asking and learning on the job. Finance was my shortfall, and I worked hard at applying myself to it.”

Bring a different perspective to men

Our participants often felt that they brought a different approach to the table than the male majority and that this difference was beneficial to the board.

“The ability to think laterally, to see a shape that no-one else does, to see things differently.”

“Women may approach things in a different way. Women are better at spinning many plates and having wider responsibilities and therefore perspectives. They may ask about different areas, rather than only focussing on one area.”

“Women understand people better and are not embarrassed to talk about the issues. Men are less prepared to talk about individuals’ needs. They talk more about the business issues, and outcomes and only then do they look at personnel, and reasons for particular performance.”

“I religiously raise the human dimension and am well received.”

Are aware of board dynamics and play an active role in building strong relationships and promoting good teamwork

Women recognise that building board relationships is very important. They are aware of boardroom dynamics and will give constructive feedback either to the chair or individual members to ensure the team works effectively. They come to the table with an appreciation that teams make better decisions than individuals.

“On the whole, women are good at reading reactions, at recognising the impact they will have on the feelings of the board. They can draw out a consensus where there is one to be had.”

“It is not the role of an NED to sort out the dynamics amongst the executive team, but the one service you can provide is to point out to the chairman that someone in the team is stressed, that something isn’t right. This is the softer side of what I do.”

“One of my major contributions is helping the board to feel open and relaxed with each other. I will often be the one who finds a way through the blocks or the posturing.”

“No-one really knows what strategic risk is, and no-one knows what risk is strategic. The current banking situation was never listed as a risk. Strategic risks usually emerge from discussion. It is not normally one person who raises it, but a number of them in discussion. I can’t think of a single example of just one person demonstrating huge insight.”

Are less ego-driven than men and committed to the organisation’s goals rather than their own agenda

While acknowledging that women too can have large egos, most of our respondents felt that women were less prone to this failing than men and more committed to the organisation’s goals as a result.

“In general, women have far fewer ego issues. At one organisation, I was on a board of strong personalities, opinions and egos. Some of the NEDs had joined because it was one of the big FTSE 100 boards to join, not because it was inherently interesting to them, or because they can add value. Individually they were nice,

but there was definitely a culture of ‘my car is bigger than your car’.”

“I am mostly competitive with myself, not seeking to get ahead at the expense of other colleagues. I want to be associated with being part of the best organisations but I am very concerned about the whole and what we are doing for the whole.”

“I have to be clear that it is about shareholder value and not for my own personal benefit. For instance, in evaluating an acquisition, I believe it needs to be for the good of the business, not for the good of the senior management.”

Are adept at questioning and challenging and seek to do so in a non-threatening way

Women are not afraid to raise tough issues, but think carefully about how to do so in a constructive manner. They are also willing to probe and ask basic questions.

“Women ask questions that other people are not prepared to ask and have a strong sense of smell – knowing where there is a problem, from a little flicker.”

“Women are less blunt, and therefore, in some ways, more effective. When you are NED, you are there to give advice and stop the company going off the rails (which happens relatively rarely!). You are talking finer shades of grey, and women are more gentle in their probing.”

“I am not fussed about raising issues. What’s the worst that can happen? You get shot down? NEDs should be ashamed if they don’t seek more information. They are not fulfilling the role.”

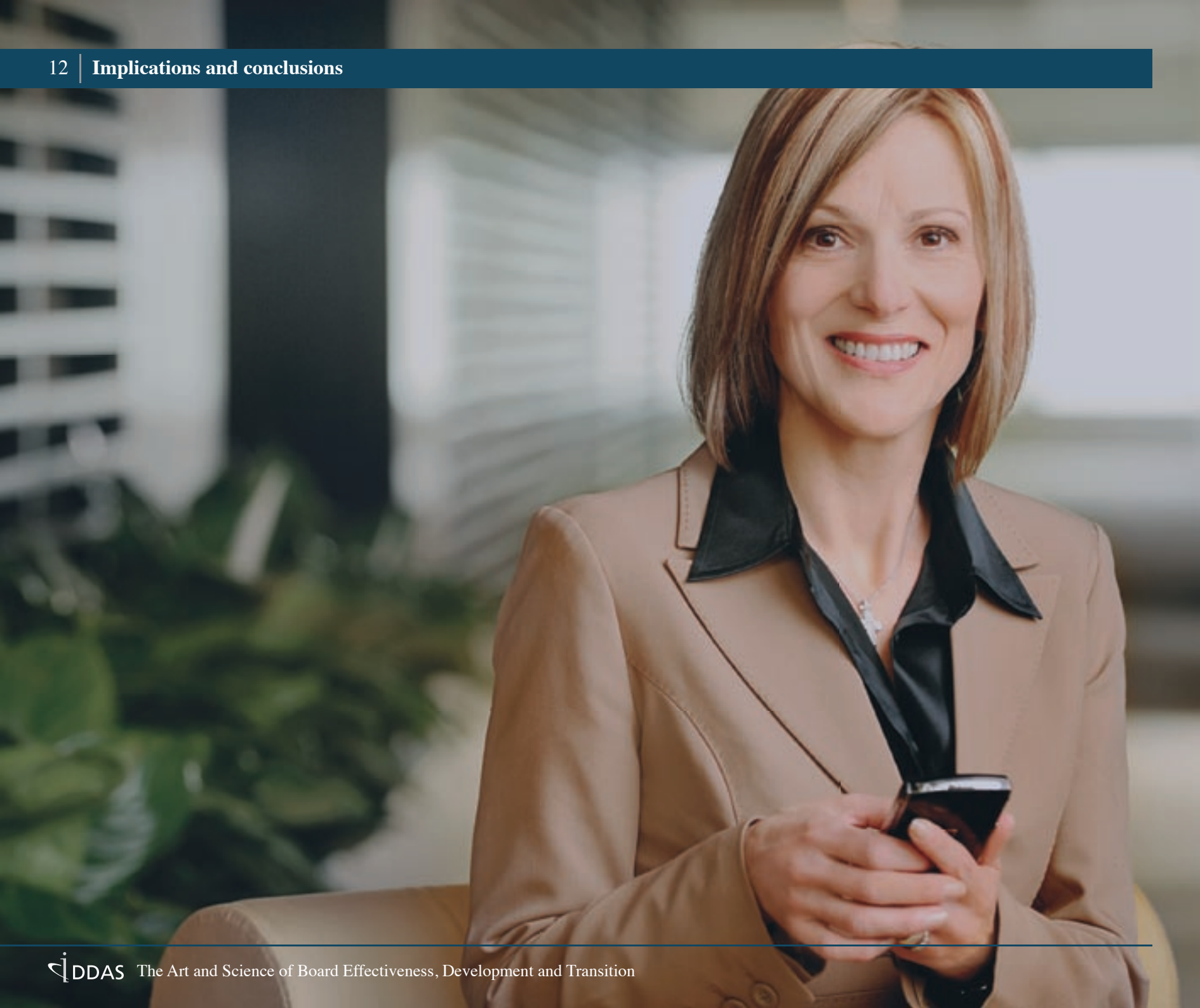
“Women can ask questions and disagree with grace. They get answers without putting people on the defensive.”

Bring great energy, drive and commitment to the role

We were struck during our interviews by the focus, determination and drive that the women demonstrated. It stood out from the whole body of an interview how much thought, effort and sheer hard work a woman had put into arriving at this point in her career. Sometimes it came through in asides about domestic arrangements or sacrifices to personal life, and occasionally it was explicitly stated.

“This role is not an easy option, it involves a significant commitment which can have a critical impact on work-life balance.”

“Women work hard and take their responsibilities very seriously. They come very well prepared. You can guarantee that they will have done their homework more thoroughly than the men.”



Implications and conclusions

For women

Becoming a NED is a serious career choice, which needs careful consideration. It comes at a price in terms of work-life balance. Women, in particular, must plan well in advance to position themselves correctly, amass the right kind of experience and network strategically, especially if they take career breaks. They must be very clear about the value that they bring.

Although it may be hard to get appointed, women should choose carefully to make sure they join the right board and can deliver what is expected to a high standard. They must be particularly discerning about whether they can work with the chair, whose role will be critical in determining their future success.

Although many of the factors that lead to success are not gender specific, gender is nonetheless an issue in many UK boardrooms because there are still so few women at this level, placing them constantly in the spotlight.

For boards and organisations

Women make a significant difference to board effectiveness through their individual contributions and through their effect on board dynamics. Organisations should be creative in their approach to recruiting women and should evaluate the overall combination of skills, experience and personal qualities an individual brings to a particular board. The NED role requires different strengths

to the executive – listening, probing, influencing and facilitation skills. These are areas in which women often excel.

Organisations can widen the pool of talented individuals suitable for board positions by grooming women and other under-represented groups and then actively encouraging them to find roles as NEDs with other organisations. Such individuals need to be carefully selected and assessed against a clear framework of technical and personal characteristics, but then actively helped to secure outside board positions.

Diverse boards are more effective, but successfully managing such a group requires greater skill on the part of the chair to ensure that everyone is included and that the more vibrant debate that characterises diverse teams can flourish. Chairs may need coaching to support them in this role.

Organisations and chairs should pay more attention to proper induction, training and development for NEDs, to help them become effective quickly and improve their overall performance. This should be a combination of orientation to the business, meeting key executives, spending time on role clarity with the chair and working with someone to evaluate contribution and performance. Chairs should spend time with NEDs and look at their personal development, including possible roles on committees. This is particularly important for women and other minorities.

Boards need to re-examine how they use their board evaluation data. Whilst it is laudable that boards are asking for external professional

guidance to evaluate their performance, it is not clear that the data is used to develop board effectiveness and foster personal and collective learning and growth.

Some thoughts on Walker

The case for more diverse boards is both overwhelming and widely accepted. Yet the actual number of women reaching board level in the UK's largest companies is still tiny. The Walker Review notes the central importance of boards not being dominated by a single voice and of encouraging challenge and debate.

However, there is a danger that Walker's recommendation to place greater emphasis on experience versus personal qualities in choosing NEDs for financial institutions, will have the effect of excluding women further.

Although Walker's recommendations relate specifically to the finance industry, they nonetheless set the agenda for all NED appointments. Amassing the requisite experience is where women generally – with notable exceptions, of course – tend to do less well than men, because of the challenges of combining a high-powered career with childraising.

It would be unfortunate if the Walker review did have this no doubt unintended effect. Yet it is hard to see how it can be avoided unless organisations make strenuous efforts to groom and assist promising women in obtaining NED positions – or the UK adopts a radical Norwegian-style solution of imposing quotas for female board directors on the largest companies.



The findings in detail

In this section we explain how we did our research and present some of the data in more detail.

We start by examining the impact for female directors of being the only woman on the board. We go on to describe a set of four characteristics that successful female board directors demonstrate: social intelligence; courage and resilience; breadth of view; energy and drive and we set out what most often trips them up.

We show how successful women use these characteristics to challenge in a non-confrontational way and highlight the vital role of the chair in helping women make a full contribution. We also set out participants' views about the induction and training they have received – and would have liked to have received – to maximise their effectiveness.

In the final section we look at how our interviewees were recruited; their differing approaches to networking and their attitudes to the media – including advice on how to handle the attention.

We end with top tips gleaned from the women on how to succeed as a board director.

Methodology

We wanted to be able to explore issues in depth, in a way that would not be possible with a tick-box questionnaire. So we chose a qualitative approach, based on structured interviews, created from a pilot group of seven women.

In all, we interviewed:

- 24 women from FTSE 100 boards
- 21% of current FTSE women directors

Board roles:

- 14 have one or more NED positions, 5 have both executive and non-executive directorships, 4 are executive directors

Nationality

- 15 are British, 8 North American, 1 European

Education

- 5 hold MBAs, including 4 from American schools, 5 trained in law, 2 are qualified accountants, 2 have PhDs.

Age

- Their ages ranged from 44-68. 4 were in their 40s, 14 were in their 50s, 6 were in their 60s.

Sectors of operation

- They operate in sectors, including financial services, public services, utilities, retail, telecommunications and manufacturing.

Each interview lasted 60-90 minutes and was conducted either face to face or on the telephone. Respondents gave us their views about their own contribution and their views on female colleagues who they have worked with or met at board level. A guarantee that all answers would be unattributable led the women to be open and forthright in what they told us.



Being the sole woman on a FTSE board

Our interviewees are so used to being the lone woman in the room, or one of a tiny minority, that the situation feels quite normal to them. Yet as one interviewee pointed out, most corporate men have no idea what it is like to be routinely outnumbered twelve to one in a meeting.

Many – though not all – feel that being the only woman does make a difference to how they are perceived, that they are more likely to be seen as ‘the woman’ than as just another director, but most go on to say that they make sure it does not affect them or their contribution.

Nonetheless, several interviewees said that things do change when there are more women; the tenor of discussion can be quite different when a board is more balanced and even having a second woman at the table can make a big difference. Apart from the impact on board dynamics, it takes the spotlight off the lone female and normalises women as board members.

Taken as a whole, the comments show just how tough these women have to be in order to be able to shrug off their minority status.

“As the only woman you are in the spotlight. Men may get away with things but it is more visible for the woman.”

“Women may be hindered by the expectations of the men on the board and, to some extent, by conforming to those expectations.”

“Being the only woman can be a problem, because you can be made to feel the token woman and are treated like that.”

“As the single woman, it would be very easy to feel excluded. I don’t because I am determined not to be. I know what to do: I am prepared, I can smile and grimace at the right time, and I do go out of my way to establish strong relationships.”

“Men see women as a category, not as an individual woman, and this blocks women’s very independence.”

“In principle, for those who are inclined to see how you act ‘as a woman’, then having more than one will show the differences between them. If people are not prejudiced, then it is not necessary.”

“More than one woman does change the dynamics in the room. I don’t see or feel it, because I have always been in a male dominated environment and boardroom, but when I do pay attention, there is a subtle change: it tends to make others more careful in their listening and general dynamics on the board. Women can raise the bar, because they are so well prepared.”

“In a predominantly male boardroom there is less willingness to share lack of understanding.”

“Having more than one woman on the board made things hugely much easier for the women. It made a big difference; we gave each other encouragement, smiled. As the only woman, you have to be quite brave to speak out.”

“It’s more comfortable for everyone [if there is more than one woman], because there is not such a spotlight. It doesn’t mean that you have a closer relationship with the other woman or women, as that is all about what you have in common.”

Some interviewees felt gender was not an issue

“I have no problems being the only woman. All the members are very down to earth and I am not singled out as a woman.”

“I am not convinced that there is a tipping point - that having five instead of two women would really make a difference. It depends more on personal style, values and principles. More critical is the leadership as this sets the tone, agenda and ensures the cogs fit and are properly tuned.”

“The views on this are a bit nebulous, as it is not women battling against men. It is much more subtle than that. In a group of 10-15 people, a woman is not an island unto herself.”

The characteristics of successful (female) board members: the bright side

It is no surprise that most of our interviewees found it easy to think about the characteristics of successful women, bearing in mind how hard it is for them to get appointed to a FTSE 100 board.

We have clustered the success factors for effective performance into four main areas: **social intelligence, courage and resilience, breadth of view and energy and drive.** A fifth characteristic – **mental agility** – also came up but was largely taken as a given: you do not get to this level unless you have a sharp mind.



Social intelligence

Effective women board directors consider the environment in which they operate, use insight to consider the best time and forum to raise issues and do this in a way that does not break relations. They use skills of mediation and facilitation to maximise their influence.

“As a woman, people confide in you. The majority of men don’t have the ability to ‘endear’, to form a relationship fairly quickly, and get people to talk. A woman can do this more naturally and comfortably. People are more apt to seek me out and talk.”

“This is an extremely sexist observation, but women are able to listen without ego, and find patterns in behaviour and point them out. At board level everyone is successful, but I’ve had experiences where the men have been attempting to establish who was the most successful. Female directors seem to require less feeding of their egos.”

“A board evaluation noted that women are better at picking up weak signals. One of the women NEDs in particular is very useful at throwing in a thought and picking up nuances that the men on the board would not naturally do.”

“Women are capable of fitting in with the culture and at times are almost

chameleon-like. They modify their approach and use their emotional intelligence to deal with different situations.”

“Women use techniques of affiliation and support people behind the scenes, rather than the direct Maggie Thatcher style.”

“Empathy, listening, sensitivity. Women have the ability to connect, to form those important relationships.”

“Personal insights, intuition, greater flexibility. The ability to assess a situation, step back and look at what approach will work, not just take the same approach again.”

“They have a distinctive ability to get on well with colleagues especially male colleagues and do not hold themselves apart.”

“Women are quite good listeners and recorders and can be objective about flow and what has been agreed. They listen to others’ opinions and can have a more practical perspective in questioning strategic options.”

Courage and resilience

Effective board directors have self-confidence and emotional resilience. They can cope with robust discussion and isolation. Many interviewees said that women are less afraid of asking basic questions and seeking further clarification.

“A woman has to not find being in a minority daunting and have had enough exposure to male dominated teams. You need confidence in yourself and to have enough experience to have your own point of view and to be able to express that point of view persuasively.”

“You have to have strength and tenacity.”

“I am prepared to challenge, probe, take an argument to its conclusion. I’m prepared to say difficult things like: I didn’t join this board to do that.”

“Probably women are more prepared to get into an issue: ‘Take me through that again, I don’t understand.’ Men don’t do this – in the same way they don’t like asking for directions at a garage.”

“You need the courage to ask the questions, to know when to.”

“You need a degree of confidence and bravery to be clear on what you are raising, and why. You must avoid trying to score a point, but must raise an issue when it is standing in the way of creating value.”

Breadth of view

Directors at this level need the ability to see a broad macro economic perspective linked to the current business environment. They must bring in strategic insights from other commercial situations.

“I have the capacity to put the question concerned in a wider context: what is the strategic importance of this issue?”

“The more experience you have, then the more you can draw on this; you can see patterns. If you’ve done so many mergers, change programmes, IT upgrades, then you know what questions to ask. The more you do, then the more capable you become and the more confident. People listen to you more.”

“You must prompt different perspectives and approaches around strategy, not about operations and detail. It involves putting forward views, and positions which are different. You must work to support the executive and the CEO. It doesn’t mean talking all the time; you must be mindful where you place your comments.”

“This is not a female thing, but a general comment: you are less successful if you tend to focus on minutiae, rather than on the long term needs of the business, and if you are strident.”

Energy and drive

Women are well organised and disciplined with a strong work ethic and enormous commitment. They plan ahead, manage the diary and prioritise time and commitments. They demonstrate huge energy and drive and can withstand significant periods of pressure.

“Perhaps from years of competing, we tend to be better prepared. Women typically are also prepared to work hard, in order to understand at a fundamental level.”

“I am very well prepared, and well organised. I plan my life two years ahead, and absolutely everything is scheduled (including vacations) within that timeframe.”

“Women have organisational strengths, because they are used to juggling: they have to be good at organising their time.”

“I allocate time to reading, as board packs are often meaty. For one board, there are six board meetings a year which last 2 days, so there is a lot of reading.”

“I don’t get sick. I’ve had only one half day off sick in nine years.”

The characteristics of less successful (female) board members: the dark side

We asked our interviewees to tell us what may block or hinder the effectiveness of women and to describe the difference between those who are only moderately successful and the best. The most common derailers our interviewees cited were lack of **self-confidence and personal impact** and a **tendency to perfectionism**, but they also mentioned characteristics that are equally associated with less successful male NEDs, such as being **too aggressive or trying to do the job of the executives**.



Low self confidence and impact

The most common answers women gave to our questions about derailleurs related to issues of confidence or assertiveness. Low self-confidence, they told us, leads some women not to speak up, or to speak only on their specialist area. Lack of assertiveness may mean they do not fight their corner. Both inevitably reduce their impact on the board.

“In the early years of my NED career, I thought many things before I spoke, and then kicked myself when men brought them up instead of me. [Confidence] is more gender oriented than you would like and hope.”

“I have seen it take women longer than their male counterparts to get comfortable to speak. In one case, I heard of a woman asked to leave as she was not challenging enough of the board.”

“Being too passive, not speaking up on areas outside their specialist areas of expertise, letting go of their view too quickly.”

“Women can let themselves down, by not standing their ground, not challenging.”

“At board level it is important to take personal ownership. Although already successful, women need to acknowledge that they will hit obstacles but they need to remain assertive

and get their point in the room, they must not let go of what they want to say.”

“Women do have a tendency to defer to those with more experience.”

“A hesitancy about making their mark, and turning their expertise and knowledge to good effect and in the process advancing their own reputation. Women are not as good as men at this.”

“Some are too quiet and restrained in expressing views at all or about a particular topic. One female NED I worked with said nothing, except on personnel which was her background”.

“They sit in their expert role, and don’t advance into the full territory of debate.”

“You are often the only woman on the board, and the others are not giving you the confidence. Also, most women are “slow burn”; they take time to learn their brief. You really have to get up to speed quickly, because the first impression is a lasting one, and is hard to change.”

Telling executives how to do their job

Failing to understand the difference between executive and non-executive roles is a common pitfall for newly appointed NEDs, including some women.

“It is difficult being a NED while still holding a senior executive position, because it is difficult to step from one mode into the other. The danger is that you appear to be telling the executive how to do the job; you must instead query, be objective, coach and mentor. You must also not behave like a less informed executive, but if you wait until you have left your executive role and have no NED experience, then it is very hard to step onto the NED ladder.”

“The biggest difference between executive and non-executive is that a totally different skill set is required. So, while your executive experience is valuable, the skills needed on the board are different. What are the important ones? The ability to influence. Successful executives sometimes struggle with the influencing skills needed, because they no longer have direct line, and cannot control in the way you can in an executive capacity.”

Challenging or aggressive behaviour

Women, like men, sometimes speak inappropriately or out of turn.

“It can be tough being the only woman, you have to cope with a load of banter and not just talk for the sake of it. Women need to learn to listen and to pace. While men may get away with it because there are so many of them, a woman does not. She is in the spotlight.”

“Of course, it is not necessarily a gender issue but more about how to raise issues and the need to influence and impact people in a way that it is not seen as confrontational, too clumsy and too brusque can be a problem.”

“Some women can talk about items that they know nothing about and this reduces their standing. They do not appear responsible but rather egocentric, determined to advance themselves at the expense of the organisation if necessary.”

“They feel they have to lose their temper and criticize management which is totally pathetic.”

Perfectionism

Several interviewees mentioned that women are more likely than men to hold back, if they are not absolutely expert.

“Women often want to be master of everything and if they are lacking in a small area of technical skills they discount themselves and their contribution. In an alpha male type boardroom environment they may hold back from making a full contribution.”

“Women worry about ‘winging’ it and aim to have mastery of the data; they need to learn to trust their instincts.”

“The toughest part for women is to recognise that they are always learning and as such will never have absolute mastery of a subject.”

Low interest in relationship building

Dealing with the reality of their minority status is something women must learn to do.

“Women can make some people less comfortable. They need to take on a responsibility to make sure relationships work and get past the first impediment.”



How women raise tough issues successfully

Many of our interviewees spoke about the efforts they go to if they want to raise a contentious issue. This was an area we explored in detail, given the central importance of constructive challenge to a healthy boardroom and the potentially disastrous consequences when non-executives cannot hold their own.

They consider the best approach and make sure it's not a surprise

"I will get the board agenda ahead of time and alert the relevant person before the meeting if I'm raising a contentious issue. This gives them an opportunity to prepare a response. You don't want someone to look bad as a result of being caught off guard."

They get the chair on board

"If I have an issue with something in the board papers, I will raise it with the chairman beforehand. Often the chairman concurs with

the point and I have never been put back into the box. If I had a real problem, I would 'phone the CEO, via the chairman, to pre-wire them on my thinking. That gives the executive the opportunity to answer. You don't just throw a bomb into the room. That would destroy trust and people would then withhold information."

They are less confrontational...

"A woman's approach can be different. A woman recognises the value of someone else's contribution before they tear it apart. This confirms it is not a personal attack but about an issue: "That is an interesting view point," whereas men are more ready to go for the jugular."

"I probe differently. I don't do the belligerent approach ever. If I'm asking a difficult question or expressing an unpopular view, I might do it almost with regret; I don't want it to be seen as criticism."

"Women are less blunt and, therefore, in some ways, more effective. When you are non-executive, you are there to give advice and stop the company going off the rails (which happens

relatively rarely!). You are talking finer shades of grey, and women are more gentle in their probing."

...perhaps because they have to be

"I'm not sure that men like being challenged by women and so women have to make it palatable."

Or perhaps they are better placed?

"In my experience, most men are the sole breadwinner, and won't raise contentious issues – they don't want negativity after the event, or to affect their bonus. A woman can raise things in a more conciliatory fashion, 'I am wondering why we are doing this?'"

"Women may be more willing to take a risk and probe because they are not part of the club, so they don't have to worry about playing golf with the same colleagues afterwards."

The role of the chair

The chair has an enormous impact not only on the board but on ensuring a diverse board works effectively. For our interviewees the management of board dynamics was critical, and in fact women often turn down a position if they feel the chair will not actively support them and include diverse views and opinions. In other cases they have turned down a second term when they felt the chair did not manage the egos in the room or encourage an openness to alternative views.



A strong chair will discuss development with a female NED and, in particular, her appointment to committees. Taking on a committee role was found to be highly beneficial and increased both the credibility and confidence of women NEDs.

“Chairing a committee takes you to a different level of participation; you take a different position in the boardroom as you now report to the board and have others on your committee from the board reporting to you. This undoubtedly increases your expertise. However, it is not all about previous expertise but rather intelligence, commitment and analytical skills – often it is more about asking the right questions.”

“The role [of the chairman] is critical for all directors, but even more so for women and ethnic minorities. It is essential for the chairman and CEO to work well together, especially on female development issues.”

Chairs who are most effective at engaging diverse members of the board will:

- Show respect and actively include minority groups
- Listen to different perspectives
- Recognise the importance of their own role in building a strong team

Show respect and actively include women

“There is no question that the chairman – especially for women who have had limited exposure at board level – has to make particular effort to include them in conversations and solicit their views and opinions. If the chairman is not inclined to do this, it won’t happen. I went to a women’s network meeting at one of my companies, and was struck by a comment there: It’s one thing to recruit, another to include.”

“The way the chairman relates to women is very important. He needs to give them respect. There is a two-way responsibility. He sets the standard and allows contributions from men and women which will add value.”

“Role of chair is crucial. They get it right when they invite comment, solicit input, and give visual cues of contact and interest.”

Listen to different perspectives

“The chairman sets the tone for meetings, behaviours expected, and willingness of board members to listen to each other. It is critical that he guide the meetings.”

“One of the important roles of the chairman is to get the best out of each of the board

members and acknowledge what they bring to the discussion. For instance, some may be more able to contribute on brand strategy, while others move on the recommendation on the next dividend. Both are fundamental issues for the board, but different members will bring distinct experience. The chairman must recognise the respective experience, and get it onto the table to enrich the discussion. The chairman will seek a richness of views from the board.”

“The chairman is key in terms of women contributing to the full, being even-handed in taking contributions from all NEDs. This is essential on policy and people issues. Part of his task is to listen to different perspectives. A poor chairman does not give sufficient weight to the NED perspectives, conversely giving too much to the executives.”

Build a strong team

“The more I sit on boards and committees, the more respect I have for a good chairman and realise how difficult the role is. On a big board, managing the interaction of a number of highly opinionated people is a real skill. I’m cautious about generalities of gender – but noisier people dominate discussion; it is a failure of the chairman if they don’t make sure everyone contributes.”

“The chairman has to lead what typically is a group of disparate individuals, who have been brought together for the board. They will have different views, but the same objective to help the company.”

“The role of the chairman is completely critical. It is very important to create space in meetings for everyone to contribute. There is always someone who jumps in first, and you really need to create space for all to make their point. This is the skill of the chairman.”

“The chair should conduct evaluations and give feedback and look at the overall board dynamics at least once a year. The chair should consider how to promote women onto committees to raise their profile and prominence. The chair should do their background work before they get in the room and know who is keen on certain issues and then makes sure that these issues are surfaced. A good chair also spends time creating good social bonds and the space for networking.”

“The chairman also needs to make sure of the fit on the board. You need to check this out beforehand. In my role on nominations committees, I try to get candidates in front of as many directors as possible, but it is up to the chairman then to create enough

opportunities, face time, and relaxed face time for the board to gel and become a team.”

Cautionary tales...

“At one company, I witnessed the chairman ‘turning off’, and then no-one controlled the CEO. This is when things can happen, and if you, as a woman, challenge this, the CEO may end up very much countering you and doing his own thing. The chairman is essential to keep control and be open-minded.”

“One chair managed to call all of the three women by the wrong name. You let this kind of thing pass at your peril. I suggested at one meeting that he might call all of us Jane: I was fierce and furious!”

“I had an issue with a CEO who was not respectful, and would shut me up. The executive team said they really wanted to hear what I had to say; I had to be resilient.”

Induction, training and development

Our interviewees were very clear that the journey does not end once you are appointed, but the amount of induction and training on offer, even in the largest companies, varies considerably, so you need to be a “self starter” to get the support you need.

There is no single answer to what will give a NED the most value, but options range from a discussion with the chair to clarify the role and expectations, to in-depth induction on the business, meetings with key advisers (auditors, lawyers, investment analysts) and opportunities to meet the top executives and to get to know other board colleagues.

Women said a new NED should be prepared to visit the different business sites, be it the mines, the nuclear reactor, the call centre or the production facility. Several women commented how much they had learnt from spending time with the company secretary.

Often the women had been active in arranging visits and meetings themselves but they emphasised that it works best when there is a partnership between the NED and the company in arranging support. It is also important that the NED is prepared to say what they do not know.

Many participants commented that they had not been offered coaching or mentoring but believed this would be beneficial.

They also mentioned the role of external training programmes and in particular the NED course at Cranfield School of Management. Such courses help to clarify the exact responsibilities, expectations and liabilities. They felt it was particularly important to understand the difference between NED and executive roles.

Training on media management and communications was considered vitally important (see page 30, section on impact of the media).

Our participants believe that there is more work to be done by companies to improve the level of support for NEDs – and to ensure on-going performance management and development, particularly in the light of increasing expectations being placed on this role.

“Induction courses are necessary, but you have to be prepared to say what you don’t know. At one company I had to meet every director for 90 minutes, and it was incredibly useful. I’ve subsequently made a point of asking for this whenever I join a board.”

“Something resembling coaching would have been very useful – to have somebody on the board who will take a younger person under their wing. It happens more for the senior executives in the company, because they all know you. On the board, it is much more difficult, because you are there in an individual capacity, so it depends on how the interactions play out. You typically do not get feedback from your board colleagues.”

“Support from the chairman is very important, plus practical support from company secretarial functions can make an enormous difference, as well as support in the form of further training and development.”

“[You need] a really good induction, not just in governance, but into the business. An audit course might help some. NEDs tend to get less of an induction than an executive.”

“I learned both from inside and outside – from suppliers, customers, research, etc. You have to understand the company’s marketplace, its strategy and performance.”

“One company paid for me to attend the NED training course at Cranfield, which was fabulous. It gave me a good understanding of the role, the differences between executive and non-executive, and of the role of the Company Secretary which doesn’t exist in the US.”

“Very few chairmen raise the spectre of how the board operates. Appraisals of the board are very cursory. Some take it more seriously: they employ consultants to speak with both the executive and non-executive director, but I’m not sure that they revisit and reassess against the recommendations. There is more to be done.”

“Boards are not good at looking at their own performance and how they can develop skills. Board reviews are increasing and we need to look at performance going forward.”

The recruitment process

Interviewees gave us encouraging feedback on the recruitment and selection process. It is clearly highly professional and involves a significant number of meetings with key personnel, which was appreciated by women. Our respondents believe that it is a two-way choice and that it is critical for both parties to make the right decision.

Headhunters are the most significant route to NED board appointment. Women also used networking to secure appointments but stressed that this was not like “an old boys club” but linked closely to their experience and performance. The speed of the appointment process varied from four weeks to six months.

“The recruitment process has been changing and improving. You used to meet just the headhunter and the CEO. Now there will be several meetings: the chairman, CEO, the Senior Independent Director and NEDs. It might be up to six people.”

“A headhunter was involved in all my appointments. In two cases, I did not know the chairman or CEO at all beforehand. With another, I had been on the board with someone who became a chairman elsewhere, and he instigated the approach, but still went through the headhunter.”

“For one board I met the chairman, CEO, the chairman of the Nominations Committee, and another NED. This was followed by dinner with the whole board.”

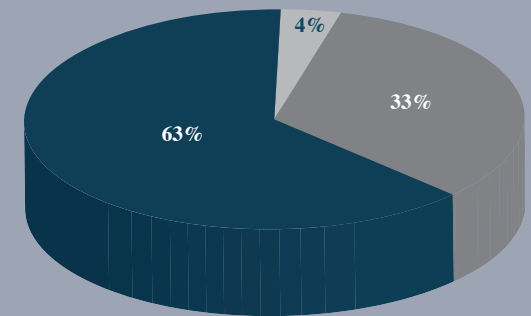
“Headhunters were involved in all of my appointments, and they have worked to a brief, and given structured interviews. In some cases, the client has been led by the chairman, in others the Senior Independent Director; in all cases I have been given exposure also to the senior management.”

“When I’ve been recruited through my network, I would not describe it as the old chum network. I’m getting roles based on what I’ve done. I think it works differently

for men, where the ‘usual suspects’ are placed. This doesn’t happen for women.”

How women are recruited to the board

- Headhunter
- Direct approach/networking
- Recommended by employer



Women and networking



Our interviewees had wildly differing approaches to networking. Some were highly networked and placed considerable importance on maintaining a wide range of contacts. Others said they did very little, either because they lacked the time, but also because they did not enjoy it or see it as important.

Many of our participants are members of women only networking groups, the most common being Forum UK. They said such groups give them the opportunity to share learning and seek support in a safe environment. However, the strong networkers also spoke about the importance of cultivating a broad set of networking relationships, both male and female, across a range of organisations.

Several women also alluded to the fact that it can be harder to network with male colleagues, because their wives may be unhappy about them having dinner with a woman. However, women need to find a way around these problems as the benefits outweigh the initial barriers.

Our participants also recognise the power they have as positive role models and many of them take on a role as mentor to other women with board potential. The increasing

length of maternity provision available to women makes networking critical to enable women to keep in contact and maintain their personal development.

Some women prioritise it

“Networking is important both to help you get into the boardroom and then to build credibility in the boardroom. It gives you people to call when you need to do due diligence. Formal networks can help build mentoring relationships and sometimes being able to share issues with similar types of people e.g. other women, can help, but you need a diverse set of networks not just women-only groups.”

“It is important to be part of a number of different networks, women only groups can form a support system but you need to be part of other networks.”

“Managing the work-life balance is difficult and critical. I have children, never took much time off and always worked more than full-time. It is important for women to network and learn from each other how to manage. I don't know what will happen for women now they can have 12 months maternity leave. I would suggest that they don't have the time

totally off and maintain any voluntary roles from which they can learn. This whole area has not been thought out.”

“I have increased my networking, partly because I now have more time, and also I make time for it. I volunteer to be a speaker, attend coffee mornings and lunches with key people. I still network with financial services connections, and with the Big Four, as they have good insights into what is happening to the business and the market. KPMG NED breakfasts are good for meeting peers.”

“I stay in contact with a wide network through business and NED connections. It is an enormous advantage being able to seek advice and to ask questions from a peer group. I try also to do things for younger women. I want to contribute to their futures.”

“Women are good at helping to bring on other women...but if there is no culture for this in a company, then women can struggle and fail.”

“I started a network for all the female directors in subsidiaries and business units around the world. This kind of networking is helpful for women and can help them understand how to manage their careers.”

Others are less active

“I am not a member of a female network, or indeed any network. I don't like networking, and don't have time. I've got children and I work three days a week away from home, staying in a hotel.”

“I'm not a member of any network of women board directors and have never felt the need. The need is to meet male board directors, not female. I chair the women's network at one of my companies and am involved in diversity and inclusion issues. I recently spoke at a NED programme, which was good, except the participants, aspiring NEDs, were all 'pale, stale and male'.”

“I'm not part of a women's network although a senior female colleague recently tried to get me to join one. I'm nothing like the best at networking, but must be reasonably OK, to do the job and to make the links.”

“I am not a member of a network. Partly it's lack of time, but also because I'm shy, an extreme introvert. I am one of the world's worst networkers. I find it horrible.”



The impact of the media

We asked if the media put women off from taking on a NED role. Our interviewees do indeed feel that the media has a pervasive impact but they regard this as part of the territory and seek actively to manage the risk it can pose. Some also acknowledge that the media have had a positive impact in highlighting the importance of the NED role. More off-putting, they said, is the level of responsibility and the risk to reputation for very low pay.



“You will think twice now about joining a FTSE Board. It is very tough knowing how big, complex organisations work, and very difficult to perform your fiduciary responsibility.”

“It has made me reflect more on the risk/reward balance of doing the job particularly as I’m on the board of a bank. The responsibilities that go with it, and what is expected of a NED, make the equation a lot less balanced.”

“Recent events have been very unfortunate. It is appalling that something as important as the role and responsibilities of the board has been made less attractive to good potential recruits. On the other hand, it is not an easy role, so maybe it’s a good thing that this is understood. It is very, very responsible, particularly if things are going wrong. It is very time consuming.”

“Media coverage doesn’t put me off; in fact, it has emphasised how important effective corporate governance is. It ensures that the right things are discussed, including the risk register. It can be a shot across the bows of a very forceful CEO.”

“As a minority it is all in your own hands. If you play on the fact that you are the only

woman on a board, then they will come after you if you are in the public eye. You do get higher recognition as a woman and the papers write more about you.”

Specific advice included:

Avoid life style articles

“I once gave an interview to the Sunday Telegraph and would never do it again. The questions were personal and family related, and would not have been asked of my husband. I found it demeaning.”

“Avoid ‘celebrity’ coverage, unless you have an important message to get across for your cause. The press always know if you are trying to use them for your own aggrandisement, to create a profile: stay away from this, and from lifestyle articles.”

“There is a natural tendency here in the UK to be preoccupied with individuals, how they run their lives, what they like to do. I’ve been shocked by what has been published about me – with no foundation. This can be a complete turnoff for women. Shareholders and investors are not so naturally confident about women – so it’s best to avoid publicity.”

Think carefully about what you say

“On a personal level, I am very sensitive about not saying or doing anything which will attract attention to myself, to other NEDs or to the company.”

“Remember that things can be misrepresented and misquoted.”

Get professional media training from the beginning of your appointment

“If I was to do this again, I would want a PR consultant at my elbow from day one. You need training and mentoring. Women can be more sensitive and therefore need to think early about controlling the press. By the time of a crisis, it is often too late to control.”

“In general, interviews are too superficial. Journalists can mess it up profoundly and no company should allow a board member to be interviewed alone without a press officer. This makes the interview more disciplined, and it protects the individual.”

“I’ve certainly had negative press in the past and now know I need to be street smart. It is important to have media training.”

Develop a thick skin

“I have been hero and zero and know what short memories papers have. I used to talk often to the press, but now have a press officer. I’m not bothered by the media, despite being set up by a journalist who told total lies. Now I just think: so be it.”

“I just accept that women attract more attention and I live with the description they have of me.”

“I’m used to bad press and manage the reputation. It’s ‘tall poppy syndrome’, where people want to have a go at you for being at the top.”

“I ignore the media, although I’ve been in their sights for years.”



Top tips for board success



With so much experience under their belts, our interviewees are well placed to advise other women on building a successful board career. These are their top tips for aspiring directors.

Plan your career

“You need to be able to bring years of experience, either or both specialist and operational and often international.”

“Build up ‘baby NEDs’ – voluntary, or subsidiary boards. Otherwise it is hard to be seen as credible for main boards. This will also help you network where you might be seen.”

Pick wisely which boards to join

“Do your due diligence. The composition of the board is critically important when you are deciding. Meet up with as many people as possible. You don’t want to make a mistake about the calibre and behaviour of the board; this will not be good for you.”

“If you have any doubts about the chairman, then don’t take the role.”

Prepare your initial impact

“Think very carefully about how you present yourself the first time you meet the other board members – first impressions are everything. You must be able to hold your ground and remember the agenda when you are being interviewed.”

“Don’t say anything at the first meeting unless you have a real contribution to make; instead, tune into the conversation and say up front: ‘I’m probably not going to say very much as I’m keen to absorb the issues and conversation.’”

“Work hard at having something important to say right from the beginning. It is part of your job to influence and impact. You are not there to keep the chair warm.”

“Think about dress. Successful women should not look blousy. They must project the right image if they want to be taken seriously. There should be no cleavage in the boardroom.”

Work out how you can add value

“Really think about the issues you are going to make your own. Do the homework; learn how it works, and how you can add value.”

“Make sure you go onto a board where you can see for yourself what you can add: a specific background, experience, which will fit in with what the company does. The last thing you want is a crisis on what you can contribute. It can be anything, but it is important to know.”

Get to know the business quickly

“Work hard in the first couple of months so that you can begin to contribute quickly. Don’t be afraid to ask silly questions at this stage but hit the ground running. You can’t sit back and wait while getting the feel, as you will be typecast as a pushover”.

“The day you say yes, you have to start learning and meeting people. Make sure you build your own orientation programme, use the time wisely, ask questions, skull around.”

Develop strong relationships with board members

“As in any other job, it is relationships with people which count, their respect, and their confidence.”

“You need to build quasi-social relations with other directors, and to find common interests. You also need to be able to have an intellectual debate, which may not be a gender debate. What broke the ice for me was the after-meeting drinking. I also fly fish, and did once kill a moose: reciting this helped, as the others thought it was hilarious. They tell the story again and again, and it made a big difference.”

Don’t be pigeon-holed

“Directors are picked for specific attributes – speak on those, and be intelligent on others but avoid being stereotyped with soft stuff.”

Follow Up

“Take questions off-line, if you are not able to contribute in a main meeting. Educate yourself and follow up later on a one to one basis.”

Have confidence in yourself

“You are better than you think; you would not be here if someone had not recognised that you had something valuable to contribute. Don’t undervalue your own position.”

“Be yourself, don’t try to compete on the board or emulate someone else, but remain true to yourself.”

“Don’t talk too much. You don’t need to hear your own voice – this indicates insecurity.”

Have fun

“Life is too short to take this role on and not enjoy it.”

The project team

Helen Pitcher – Project Sponsor

Helen is Chairman of IDDAS. Her career spans 30 years in both the business world and the consulting sector. At the age of 27 she was appointed the youngest ever board director for a division of Grand Metropolitan. In her subsequent consulting career, she became CEO of CEDAR, which she built into one of the best-regarded consultancies in the human capital world.

Helen is recognised as a leading organisational performance coach and mentor, who works at the most senior level in FTSE 100 and international companies, as well as the public sector. She has a worldwide network of contacts and alumni whom she has coached and developed over the years. Helen is a panel member of the Employment Appeal Tribunal, Member of the Selection Panel for Queen's Counsel, Chairman of KidsOut and is also a trustee and fundraiser for several other charities.

Helen has a Law Degree and an MA, is an APECS accredited coach and qualified psychometric assessor. She is a Fellow of the IOD, CIPD and RSA and has worked across a range of sectors including financial services, utilities, media, leisure, telecommunications, retail and public sector.

Hilary Sears – Project Director

Hilary is a senior IDDAS mentor who undertook the majority of the interviews. She has extensive experience in executive search and board assessment, as a director/vice president in Carré Urban, Korn Ferry and AT Kearney. Hilary worked in the Cabinet Office on secondment to the Leadership and People Strategy Directorate. In 2007, she was appointed as Chairman of the Association of MBAs, which accredits MBAs internationally, and in 2008 as Chairman of KIDS, a charity for disabled children. She is on the board of Forum UK, part of the International Women's Forum.

Hilary has a BSc from UCL, an MBA from Cranfield, and the Certificate in Coaching from Henley Business School.

Adrienne Rosen – Design Consultant

Adrienne is a senior consultant at IDDAS, who designed the overall research, undertook the pilot interviews and wrote the research report. Adrienne has over 20 years of experience in leadership assessment, coaching, human resources and development as a practitioner and a consultant. Her area of expertise is in psychological assessment and personal development, specialising in leadership. Her areas of research have

included the characteristics of successful chief executives and senior managers; what it takes to be a successful NED and evaluating high performance teams. Adrienne has a BA from Bristol University and an MBA from Cass Business School. She is a Fellow of the CIPD, an accredited coach and a visiting lecturer at Cass Business School.

Susan Dudley – Project Co-ordinator

Susan's background is in HR, consultancy, administration and project co-ordination. She provides project co-ordination and consultancy services to a number of corporate clients across various sectors, including utilities, telecoms, retail and the NHS. Susan is a member of the CIPD and qualified psychometrician.



IDDAS is a leading boardroom consultancy firm, specialising in individual director and boardroom effectiveness; this covers experience based mentoring, coaching, facilitation, strategic advisory and governance services.

IDDAS also assists directors and senior executives with their business and personal career transitions.

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- Leadership Facilitation
- Executive Coaching
- Career Mentoring
- Business Mentoring
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