

A WOMAN'S PLACE IS IN THE BOARDROOM
Peninah Thomson and Jacey Graham with Tom Lloyd

Last year, women accounted for 10% of FTSE100 board positions and 4% of executive and 13% of non-executive directors in the UK

(Female FTSE Report 2004: Cranfield School of Management)

This recent analysis of the representation of women in the boardrooms of the UK's top companies is not at all encouraging. *A Woman's Place is in the Boardroom* presents breakthrough research into the real reasons for the small numbers of women executive and non-executive directors. It argues that the large, increasingly global, institutions that shape our world and our lives are themselves misshapen, because they are led and governed almost entirely by men. It suggests that organisations would be a more potent force for good, a more powerful engine of economic growth and a more prolific creator of value for shareholders if more women were more directly involved in their guidance and governance.

The authors draw on conversations with Chairmen and CEOs from both FTSE100 and Fortune 500 companies, who are responsible for board appointments. They distil the views of those leading many of our large companies, outline their ideas about why there are so few women in the boardroom, and describe what they personally are trying to do about it. The book also taps into the personal experiences of aspiring female executives, and of those few women who have already reached the upper echelons of organisations. It reviews the progress that companies in other countries are making in achieving more balanced corporate boards. *A Woman's Place is in the Boardroom* is anchored in practical, everyday life in business, and proposes a new agreement between the sexes about how our large companies are organised, managed and led.

Peninah Thomson and Jacey Graham are experienced consultants with proven reputations in work at boardroom level. With Tom Lloyd, they have drawn on research in social science, evolutionary psychology and contemporary business thinking. They have applied new thinking to a complex problem, and the book offers practical advice to leaders of large companies and to individual women executives on how to effect meaningful change and promote long-term cultural adaptation to the tension between the female-dominated marketplace and the male-dominated company.

Contents:

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- The view from marzipan
- Bridging the gap
- A woman's touch
- The experience of women directors
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- Priming the pipeline
- Changing the game
- Any other business

About the Book

A Woman's Place is in the Boardroom will be published in hardback by Palgrave Macmillan in September 2005 priced at £25.00. ISBN: 1-4039-9683-0

About the authors (see Notes to Editors for further biographies)

PENINAH THOMSON is a Senior Executive Coach and a Partner at Praesta Partners LLP, the UK's leading executive coaching firm. She was formerly a Partner of The Change Partnership/Whitehead Mann, and a Director of PricewaterhouseCoopers.

JACEY GRAHAM is a Partner of Brook Graham LLP, a strategic diversity consultancy and formerly Head of Diversity Strategy and Planning at Shell International.

Both authors are co-founders of Women Directors on Boards, a UK consortium for action and change and an influential group of women in senior positions in government, academia and large companies. They are also co-founders of the FTSE100 Cross-Company Mentoring Programme.

KEY THEMES ADDRESSED by *A Woman's Place is in the Boardroom*

The primary reason why companies need more women at board level is that they need the very best talent at the most senior levels, to ensure that the widest possible range of thinking, perspectives, experience and abilities is brought to bear on high-level decision-making and the formulation of strategy. Research conducted in the UK and around the world shows that there is sub-optimisation of talent in business.

This is not a market inefficiency that can be left safely to correct itself over time: not least because demographic trends demonstrate that the catchment group (males under 45) from which the UK leadership *cadre* has traditionally been drawn is reducing in size. In the UK, males under 45 will account for barely one-third of the workforce in seven years' time. Leading companies cannot continue to rely on them for over 80 percent of their boardroom needs, especially not at a time when the pressure of corporate governance reform obliges them to reduce their non-executive commitments. The authors argue that, in the long term, there is no reason to suppose that boards could not be split 50:50 between men and women. Each company will need to make its own judgement – they should, however, look closely at their own markets and the demographic changes taking place within them.

The research undertaken by the authors of *A Woman's Place is in the Boardroom* demonstrates that there is no conspiracy or deliberate attempt to keep women from the top jobs. On the contrary, many CEOs and Chairmen recognise the advantages of having women at the board table. There are however some systemic issues that are still making the climb to the top more difficult for women.

One senior executive woman from the UK commented on the reasons behind the lack of women on the board: “I think that, to a large extent and for a long time, although people said it was a ‘good thing’ women came through into senior positions, nothing much was done about it. It was left to happen, and it doesn’t happen without some sort of intervention. So, in terms of culture, many organisations were effectively, if not consciously, certainly subconsciously, making it difficult for a woman to progress to the top level.”

The leadership styles of men and women are *different*. Research shows that women at senior levels in business lead in a different way from their male peers, and that the differences are frequently not regarded as valid – or valued. There are, however, some CEOs and Chairmen who recognise these qualities. As one UK CEO stated: “Men will hate this! Women are better lateral thinkers; they’re less structured and see things in the round. They’re also aware of the human issues, be it customers or employees.” The authors advocate the reconciliation of competition and co-operation – what they term the arrow and the spiral.

There is some evidence to suggest that performance management frameworks – and the competency analyses that underpin them – may be suffering from unconscious bias because they are predicated upon leadership attributes most frequently found in men. New leadership models and corporate structures need to be developed that are more in tune with the competencies and leadership approaches of the women executives whom companies need to attract and keep if they are to remain competitive.

Childcare and flexible working – although important – are not the main impediments to the progression of senior women to board level. Women who are near the top of large organisations report that aspects of corporate culture and style, which up to now have been strongly male-oriented, are the main barriers to their progression and are a significant deterrent: they are ground down by organisational cultures they had no part in shaping.

In addition, interviews with Chairmen, headhunters and senior women themselves suggest that some thought patterns and behaviours are not helping women progress to the most senior roles. There are things that women can do to help themselves in this process.

“We tend to undersell ourselves” said one senior female executive. “We don’t do boasting. We don’t promote ourselves. We’re not political. We don’t exaggerate our good points. We just quietly get on with it and do more and more work. I realised five years ago that I’d never get anywhere if I hid my light under a bushel.”

Despite this, the advancement of women to the very top of companies in significant numbers will not happen without deliberate and focused intervention led from the top of business over a sustained period of time. Peninah Thomson and Jacey Graham advocate that companies should commit to change programmes that build inclusive organisational cultures (to the

benefit of all - not just women) and to the focused development of their senior women, and that they apply the same rigour and management discipline to these issues as they would to any other strategically important business change.

Advice from a senior woman was to bring more women through the organisation. "It's a pipeline, isn't it – how you manage talent. Then they need to review the mechanism to make appointments to boards and ask 'is it woman-friendly?' If they're simply going through a network and asking who the Chairman or CEO knows and so on, is that stacking the odds against finding a woman right from the very beginning?"

Whilst the longer-term cultural change takes effect, there are actions that companies can take in the short and medium term to support the progression of women coming up through the 'talent pipeline'. The formation of networks, in-house mentoring, the provision of executive coaching and specialist development programmes for executive and non-executive directors all help women executives develop their signature leadership style. Most importantly, though, an agreement between the sexes must be reached about how large companies are organised, managed and led to make them better adapted to, and more welcoming for women, enabling them to make their optimum contribution to the company.

NOTES TO EDITORS

1. Peninah Thomson – Praesta Partners

Peninah Thomson is a Partner at Praesta Partners LLP (www.praesta.com), the UK's leading consultancy specialising in executive coaching and sponsor of the FTSE100 Cross-Company Mentoring Programme. For the past eight years she has worked exclusively as a board level executive coach.

Peninah began her career working for the Board of National Delegates to NATO in Paris and, after Doctoral studies at Oxford University, joined PricewaterhouseCoopers' Government Services Division, working at Cabinet Office level in the UK and overseas. She spent two years seconded to the UK Cabinet Office and subsequently became a Director in the firm's Corporate Transformation Practice, working at board level in FTSE 100 companies.

A regular speaker on issues such as the role of women in business, organisational culture change and talent management, Peninah has published several books and refereed articles on leadership, corporate governance, business ethics and organisational change. She is a co-founder of *Women Directors on Boards* – a consortium of women drawn from business, academia and government addressing the shortage of women directors in the UK – and manages the FTSE100 Cross-Company Mentoring Programme (see below).

2. Jacey Graham – Brook Graham

Jacey Graham is a Partner and co-founder of Brook Graham LLP (www.brookgraham.com), which specialises in the strategic management of Diversity and Inclusion in global companies.

Starting her professional career as a banker with Lloyds Bank, Jacey has since held various corporate roles in talent management, leadership development and executive resourcing for the Lloyds TSB Group. In the mid 90s, as Lloyds TSB's head of Career Management, she devised and implemented a strategy to address the Group's under-representation of women at senior levels. Over three years, the strategy resulted in a 100% increase in senior appointments for women.

In 2001 Jacey moved to Shell International to lead its global strategy on Diversity and Inclusion. Women's advancement was integral to the programme and Shell received a number of awards in this area in the US, UK and the Netherlands.

Jacey is a co-founder of *Women Directors on Boards* and manages the FTSE100 Cross-Company Mentoring Programme on behalf of Praesta Partners LLP, She also lectures and speaks widely on the business case for women in the boardroom and related diversity, talent and career management issues.

3. FTSE 100 Cross-Company Mentoring Programme

The FTSE 100 Cross-Company Mentoring Programme was launched in November 2003 and initiated by Women Directors on Boards (www.womendirectorsonboards.co.uk). The Programme involves 27 FTSE100 Chairmen and Chief Executives acting as mentors to women one or two levels below the main board in other FTSE 100 companies.

The objective is to guide and advise women in the management of their careers so that they are better positioned to attain executive and non-executive directorships. Research has shown that board level appointments are still largely made on the basis of introduction. The cross-company aspect of the Programme helps bring different people to the attention of Chairmen and CEOs so that, as appropriate opportunities arise, they may be able to introduce their mentees to others.

Some of the companies involved in the Programme are: Lloyds TSB, O2, HSBC, 3i, AstraZeneca, BAE Systems, Reuters, Unilever, ScottishPower, Shell, Tesco and United Utilities.

Further information is available from the Programme's managers: Jacey Graham (jacey.graham@brookgraham.com); Peninah Thomson (Peninah.Thomson@praesta.com)

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