

New look women directors
add value to FTSE 100 Boards

THE FEMALE FTSE INDEX 2005

by
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With a Foreword by Tessa Jowell

Secretary of State for Culture, Media and Sport and Cabinet Minister for Women

Centre for Developing Women Business Leaders
Cranfield School of Management

Rank 2005	% Female Board	Total Board	No of Women	Company (Bold = has Female Executive Directors)	Female Directors (* = Executive Directors)	Chairman (Bold denotes Company with Female Executive Directors)	Rank 2004
1	30.0%	10	3	Scottish Power	Vicky Bailey, Judi Johansen* , Dr Nancy Wilgenbusch	Charles Smith	6
1	30.0%	10	3	British Airways	Denise Kingsmill, Alison Reed, Baroness Symons	Martin Broughton	4
3	28.6%	14	4	Astrazeneca	Dr Jane Henney, Michele Hooper, Dr Erna Möller, Dame Bridget Ogilvie	Dr Louis Schweitzer	3
4	27.3%	11	3	Centrica	Helen Alexander, Mary Francis, Patricia Mann	Roger Carr	1
4	27.3%	11	3	Pearson	Rona Fairhead* , Prof Susan Fuhrman, Dame Marjorie Scardino*	Dr Glen Moreno	4
6	26.7%	15	4	Lloyds TSB	Teresa Dial* , Dr DeAnne Julius, Angela Knight, Helen Weir*	Maarten Van den Bergh	9
7	25.0%	8	2	Whitbread	Margaret Ewing, Angie Risley*	Anthony Habgood	9
8	22.2%	9	2	BAA	Margaret Ewing* , Janis Kong*	Marcus Agius	9
9	21.4%	14	3	Legal & General	Kate Avery* , Frances Heaton, Beverley Hodson	Robert Margetts	8
10	20.0%	10	2	3i Group	Baroness Hogg, Christine Morin-Postel	Baroness Hogg	9
10	20.0%	10	2	EMAP	Rita Clifton, Karen Jones	Adam Broadbent	26
10	20.0%	10	2	Friends Provident	Alison Carnwath, Hon Barbara Thomas (Lady Judge)	Adrian Montague	21
10	20.0%	15	3	Royal Dutch Shell Plc	Linda Cook* , Mary Henderson, Christine Morin-Postel	Dr Aad Jacobs	18
14	18.8%	16	3	Aviva	Mary Francis, Carole Pivnica, Dr Elizabeth Vallance	Pehr Gyllenhammar	26
14	18.8%	16	3	WPP Group	Esther Dyson, Orit Gadiesh, Lubna Suliman Olayan	Philip Lader	9
16	18.2%	11	2	Cadbury Schweppes	Rosemary Thorne, Baroness Wilcox	John Sunderland	9
16	18.2%	11	2	O2	Judy Gibbons, Kathleen O'Donovan	Sir Thomas Arculus	83
16	18.2%	11	2	Severn Trent	Marisa Cassoni, Rachel Brydon Jannetta*	Sir John Egan	23
19	16.7%	12	2	Alliance & Leicester	Jane Barker, Margaret Salmon	John Windeler	6
19	16.7%	12	2	BOC	Rebecca McDonald, Anne Quinn	Robert Margetts	23
19	16.7%	12	2	Morrison Wm.	Marie Melnyk* , Susan Murray	Sir Kenneth Morrison	35
19	16.7%	12	2	Reuters	Lawton Fitt, Penny Hughes	Niall FitzGerald	18
23	15.8%	19	3	HSBC Hldgs	Baroness Dunn, Rona Fairhead, Sharon Hintze	Sir John Bond	9
24	15.4%	13	2	HBOS	Coline McConville, Kate Nealon	Lord Stevenson	32
24	15.4%	13	2	Northern Rock	Nicola Pease, Rosemary Radcliffe	Dr Matthew Ridley	50
26	14.3%	14	2	Cable & Wireless	Kate Nealon, Agnes Touraine	Richard Laphorne	87
26	14.3%	7	1	Capita Group	Martina A King	Rodney Aldridge	72
26	14.3%	14	2	Prudential	Bridget Macaskill, Kathleen O'Donovan	Sir David Clementi	23
26	14.3%	14	2	Tesco	Karen Cook, Carolyn McCall	David Reid	29
30	13.3%	15	2	Liberty International	Kay Chaldecott* , Lesley James	Sir Robert Finch	50
30	13.3%	15	2	Standard Chartered	Val Gooding, Ruth Markland	Bryan Sanderson	65
32	12.5%	8	1	Boots	Hélène Ploix	Sir Nigel Rudd	35
32	12.5%	8	1	DSG International	Rita Clifton	Sir John Collins	32
32	12.5%	8	1	Kelda	Kate Avery	John Napier	-
32	12.5%	8	1	Royal & Sun Alliance	Noel Harwerth	John Napier	26
32	12.5%	8	1	Sainsbury J	Bridget Macaskill	Philip Hampton	1
37	11.1%	9	1	Compass	Val Gooding	Sir Francis Mackay	50
37	11.1%	9	1	Hanson	Baroness Noakes	Michael Welton	39
37	11.1%	9	1	Kingfisher	Margaret Salmon	Sir Francis Mackay	39
37	11.1%	9	1	Scottish & Southern Energy	Susan Rice	Sir Robert Smith	50
37	11.1%	9	1	Smith & Nephew	Dr Pamela Kirby	Dudley Eustace	32
42	10.0%	10	1	BG Group	Baroness Hogg	Sir Robert Wilson	45
42	10.0%	10	1	BHP Billiton	Hon Dr Gail de Planque	Donald Argus	83
42	10.0%	10	1	Diageo	Maria Lilja	Lord Blyth	45
42	10.0%	8	1	Enterprise Inns	Susan Murray	Hubert Reid	35
42	10.0%	10	1	Imperial Chemical Industries	Baroness Noakes	Peter Ellwood	39

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42	10.0%	10	1	ITV	Baroness Prashar	Sir Peter Burt	74
42	10.0%	10	1	MAN	Alison Carnwath	Harvey McGrath	45
42	10.0%	10	1	Next	Christine Cross	David Jones	81
42	10.0%	10	1	Reckitt Benckiser	Judith Sprieser	Adrian Bellamy	9
42	10.0%	10	1	Tate & Lyle	Carole Pivnica	Sir David Lees	-
52	9.1%	11	1	British American Tobacco	Dr Ana Maria Llopis	Jan du Plessis	39
52	9.1%	11	1	Gallaher	Alison Carnwath	John Gildersleeve	45
52	9.1%	11	1	GlaxoSmithKline	Dr Lucy Shapiro	Sir Christopher Gent	56
52	9.1%	11	1	GUS	Lady Patten	Sir Maurice Blank	35
52	9.1%	11	1	Hilton Group	Pippa Wicks	Sir Ian Robinson	39
52	9.1%	11	1	Intercontinental Hotels	Jennifer Laing	David Webster	71
52	9.1%	11	1	SabMiller	Nancy DeLisi	Jacob Kahn	50
52	9.1%	11	1	Schroders	Merlyn Lowther	H. Michael Miles	50
60	8.3%	12	1	Alliance Unichem	Ornella Barra*	Paolo Scaroni	56
60	8.3%	12	1	Land Securities	Alison Carnwath	Peter Birch	45
60	8.3%	12	1	Rio Tinto	Vivienne Cox	Paul Skinner	87
63	7.7%	13	1	BPB	Lady Balfour (Dr Janet Morgan)	Sir Ian Gibson	-
63	7.7%	13	1	BT	Baroness Margaret Jay	Sir Christopher Bland	56
63	7.7%	13	1	Imperial Tobacco	Susan Murray	Derek Bonham	93
63	7.7%	13	1	Sage	Tamara Ingram	Michael Jackson	93
63	7.7%	13	1	Unilever	Baroness Chalker	Antony Burgmans	67
68	7.1%	14	1	National Grid	Maria Richter	Sir John Parker	60
68	7.1%	14	1	United Utilities	Priscilla Jane Newell	Sir Richard Evans	39
70	6.7%	15	1	BAE Systems	Prof Sue Birley	Richard Olver	56
70	6.7%	15	1	British Sky Broadcasting	Gail Rebeck	Keith Murdoch	65
70	6.7%	15	1	Carnival	Baroness Hogg	Michael Arison	60
70	6.7%	15	1	Rolls-Royce	Hon Amy Bondurant	Simon Robertson	60
70	6.7%	15	1	Royal Bank of Scotland	Eileen Mackay	Sir George Mathewson	68
70	6.7%	15	1	Vodafone	Penny Hughes	Lord MacLaurin	60
76	6.3%	16	1	Anglo American	Dr Maria Marques	Sir Mark Moody-Stuart	60
77	5.9%	17	1	Barclays	Prof Dame Sandra Dawson	Matthew Barrett	29
77	5.9%	17	1	BP	Dr DeAnne Julius	Peter Sutherland	69
79	0.0%	6	0	William Hill		Charles Scott	70
80	0.0%	8	0	Associated British Foods		Martin Adamson	74
80	0.0%	8	0	Marks & Spencer		Paul Myners	18
80	0.0%	8	0	Shire Pharmaceuticals		Dr James Cavanaugh	74
80	0.0%	8	0	Yell		Robert Scott	74
84	0.0%	9	0	Antofagasta		Jean-Paul Luksic Fontbona	74
84	0.0%	9	0	Rentokil Initial		Brian McGowan	72
84	0.0%	9	0	Rexam		Rolf Börjesson	74
87	0.0%	10	0	International Power		Sir Neville Simms	-
87	0.0%	10	0	Old Mutual		Christopher Collins	83
89	0.0%	11	0	British Land		John Ritblat	87
89	0.0%	11	0	Cairn Energy		Norman Murray	-
89	0.0%	11	0	Exel		Nigel Rich	87
89	0.0%	11	0	Hammerson		John Nelson	-
89	0.0%	11	0	Johnson Matthey		H. Michael Miles	87
89	0.0%	11	0	Scottish & Newcastle		Sir Brian Stewart	98
89	0.0%	11	0	Wolseley		John Whybrow	87
96	0.0%	12	0	Amvescap		Charles Brady	93
96	0.0%	12	0	Smiths Group		Donald Brydon	99
96	0.0%	12	0	Xstrata		Willy Strothotte	93
99	0.0%	13	0	Reed Elsevier		Jan H Hommen	93
100	0.0%	15	0	Daily Mail & General Trust		Lord Rothermere	99

FEMALE FTSE INDEX 2005: EXECUTIVE SUMMARY

New look women directors add value to FTSE 100 boards

Seventy-eight FTSE 100 companies, a new record number, now have women directors, up 13% from last year. But the breakthrough is in who these new female directors are and the diverse experiences they bring to the boardroom. The new female directors are more likely to be international, have board experience and have much richer, more varied work backgrounds than the men. Six FTSE 100 companies appointed their first ever woman director (Intercontinental Hotels, Capita, ITV, BHP Billiton, Rio Tinto, Sage). However, only eleven FTSE 100 companies now have female executive directors, down from 13 in 2005 and worryingly, below the 2002 figure. Still 22 of the FTSE 100 boards are all-male, an anachronism in 2005.

Female FTSE Indices 2000 – 2005	2005	2004	2003	2002	2001	2000
Female-held directorships	121 (10.5%)	110 (9.7%)	101 (8.6%)	84 (7.2%)	75 (6.4%)	69 (5.8%)
Female executive directorships	14 (3.4%)	17 (4.1%)	17 (3.7%)	15 (3.0%)	10 (2.0%)	11 (2.0%)
Female NEDs	107 (14.5%)	93 (13.06%)	84 (11.8%)	69 (10.0%)	65 (9.6%)	60 (9.1%)
Women holding FTSE directorships	99	96	88	75	68	60
Companies with women executive directors	11	13	13	12	8	10
Companies with at least one woman director	78	69	68	61	57	58
Companies with multiple women directors	30	29	22	17	15	12
Companies with 1 woman director	48	40	46	44	42	43
Companies with 2 women directors	19	19	13	11	12	14
Companies with 3 women directors	9	8	7	6	3	1
Companies with 4 women directors	2	2	2	0	0	0
Companies with no women directors	22	31	32	39	43	42

Companies with the Highest Percentage of Women on the Board

Scottish Power, with one female executive director and two female NEDs, tops the 2005 Female FTSE Index with British Airways, which has three female NEDs. In both companies Scottish Power and BA women comprise a third of their directors. AstraZeneca comes third with four female directors making up 29% of its board. In joint 4th place are Pearson (female CEO, CFO and one NED) and Centrica, (three NEDs) having 27% female boards. Lloyds TSB, Whitbread, BAA and Legal & General all have over 20% female boards, and also have female executive directors.

Female-held FTSE 100 Directorships

The number of female-held directorships increased to 121 in 2005, up from 110 in 2004. These 121 seats are held by 99 women as some women hold several FTSE 100 directorships. Alison Carnwath holds four. The number of women holding FTSE 100 directorships has only increased by three this year (96 to 99 women), the lowest increase in six years and indicates that the number of female held directorships is rising through giving the existing female directors additional posts rather than by extending the pool of female directors. There is still only one female CEO and one female chairman. In 2005, women have again taken 17% of new director appointments.

Profiles of the New Female Directors 2004

Of the 30 female appointments over the last year, nine women have taken up a second or third FTSE 100 board seat. New executive directors were Kay Chaldecott at Liberty International, Linda Cook at Royal Dutch Shell and Teresa Dial at Lloyds TSB. Susan Murray took up three new directorships at Enterprise Inns, Imperial Tobacco and Morrisons. The first Arab woman to be appointed to the FTSE 100 was Lubna Olayan at WPP. A third of these new women were from outside the U.K.

Managing the Female Talent Pipeline to the Board

From interviews with 12 companies, four key factors emerge as driving change: (1) Continuous communication from individual top leaders of the strategic need to build the female talent pipeline, and of performance expectations, (2) Robust management disciplines, (including goal setting and accountability for improvement), being applied to the problem, as in the case of any other critical business priority, (3) Diversity being fully integrated into the talent agenda and processes and (4) Creation of an inclusive culture (starting with education and awareness of business leaders and HR business partners), so that the talents and differences that women bring to business are recognised and valued in the talent process. Interestingly some of the companies with the highest percentages of women in the marzipan layer are not necessarily the companies with the largest female workforces.

Good Corporate Governance

We repeated our study of corporate governance indicators emanating from the Higgs and Tyson Reports 2003. Overall companies with women directors scored significantly higher than companies with all male boards. They had higher scores for process transparency, were more likely to have board development processes in place, and to report compliance on independence measures. We found no relationship between board diversity and financial performance measures.

Characteristics of the New Female Directors 2001-2004

The new female directors appointed between the years 2001 and 2004 differ from their male counterparts in the following significant ways: (1) In terms of nationality, 32% of them are from the US and Canada (compared to 7% of male directors), (2) In terms of board experience, surprisingly, a greater proportion of female directors already have board experience. 22% have previous FTSE 100 experience (compared to 42% male directors) and 62% have minor board experience (compared to 39% of male directors) and (3) In terms of work experience, 28% of them have come out of management consultancy (compared to 14% male directors) and 32% out of the public sector (compared to 18% of the male directors). The new women directors have experience spanning more sectors of activity than the male directors.

The new female directors bring a much greater diversity of experience to the board than their male counterparts derived from their gender, nationality, ethnicity, reputation, board experience, professional skills and sectoral work experience. This study is ground breaking because it is the first real evidence that Chairmen/CEOs are rewriting their definitions of "relevant experience" for a FTSE 100 board directorship.

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