

# 9 FOCUS

## Women on Boards: A Conversation with Directors

*male*

Compiled and Edited by Marie-Laurence Guy,  
Carmen Niethammer, and Ann Moline

*Foreword by Nena Stoiljkovic*



Global  
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Forum



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*Foreword by Nena Stoiljkovic*

## About The Editors

**Marie-Laurence Guy** is a Senior Projects Officer in charge of the Global Corporate Governance Forum's knowledge management portfolio. Over the years, she has continually worked on developing global corporate governance reform tools to help implement best practices. Marie-Laurence has coauthored and coordinated a number of publications, including three toolkits: *Building Director Training Organizations*, *Developing Corporate Governance Codes of Best Practice*, and *Resolving Corporate Governance Disputes*. She also oversees the Forum's activities in the Middle East and North Africa, as well as in Europe and Central Asia. Prior to joining IFC, she worked with the Corporate Affairs Division of the OECD (Organisation for Economic Co-operation and Development) and the French Ministry of Finance, Economy, and Industry.

**Carmen Niethammer** is responsible for Strategy and Knowledge in IFC's Women and Business Program, which is charged with creating opportunities for women as leaders, entrepreneurs and employees in developing client countries. Previously, Carmen was the Gender Program Manager with IFC Advisory Services in the Middle East and North Africa, based in Cairo, where she led the team that provides technical solutions to growth-oriented small and medium female-owned enterprises.

**Ann Moline** is a writer and journalist with a specialty in business, finance, and international economic development. Her work has appeared in a variety of publications, including *Site Selection* magazine, *Womens e-News*, and the *Washington Business Journal*. She is a communications consultant for IFC and the World Bank.

The editors would like to thank all the directors, whose views are expressed in this publication, as well as Carla Mavaddat, Alexander Lang, and Shannon Roe for their contribution to this project.

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## Foreword

Increasing the participation of women on corporate boards inspires heated debate around the world, with some countries even adopting legislation to enforce their presence. Research has shown that the inclusion of female directors has a direct and positive impact on a company's profits and risk management. Women board directors also broaden a company's market knowledge as well as raise its profile.

While increased gender diversity on corporate boards has been examined from many different angles, IFC decided to add a fresh perspective to the debate—the perspective of male directors, as most boards are overwhelmingly male. According to GovernanceMetrics International, men comprise over 90 percent of all directorships globally, and as a result heavily determine the composition of the boardroom. Despite this, very little has been published on how they perceive the presence—or absence—of women on boards.

To better understand the real or imagined obstacles to increasing the number of women on boards, IFC invited over 15 prominent male chairpersons, CEOs, and directors of listed and unlisted companies across a range of industries and countries to share their opinions on how women add value to the corporate decision-making process, and how to encourage recruitment of women to boards through networking, training, and improving transparency of the director nomination process. All the directors profiled were strong supporters of board diversity.

The result is *Women on Boards: A Conversation with Male Directors*, a thought-provoking publication that we hope encourages boards to reach out beyond their traditional networks to include female directors in the interest of long-term sustainable growth. It is part of IFC's broader effort to raise awareness, build capacity, and expand the discussion on board diversity to ensure that more companies in developing countries have the opportunity to attract senior women to serve on their boards.

At IFC, we have seen that the inclusion of women at the leadership tier leads to a stronger private sector. The increased visibility of women at the senior level plays a catalytic function with these women viewed as role models and cultural change agents that help empower women at all levels. We have found that ethical and professional boards which are also diverse are a strong indicator of a well-run company. In emerging markets, these companies help attract and retain investors, create much-needed sustainable jobs, provide steady sources of income for local citizens, and contribute tax revenues to help address critical national development needs.

We know that one size doesn't fit all and that policies and international best practices need to be adapted to local needs. In Pakistan and Jordan, for example, we worked with the Institute of Directors on a series of initiatives to promote women's participation on boards, including a seminar to educate senior executives about the benefits of board diversity. We are also looking inward and actively reaching out to qualified women to fill board positions in the companies in which we invest. By 2015, women should comprise at least 30 percent of IFC- nominee directors.

I wish to express my sincere thanks to our contributors—the men who participated in the conversations that form the basis of this publication, for sharing their candid views and personal boardroom experiences.

**Nena Stoiljkovic**

IFC

Vice President for Business Advisory Services

## Women on Boards:

### *A Conversation with Gilberto Mifano*

**Country of Origin:**

Brazil

**Board experience:**

Gilberto Mifano is chairman of the board of the Brazilian Institute for Corporate Governance (IBGC),

since March 2010. He has over 15 years of experience as a CEO and nonexecutive director. He is an independent member of the board of directors of CIELO S/A since June 2009 and an independent member of the audit and risk committee of TOTVS S/A since March 2011. From 1994 to 2008, he was the CEO of the BOVESPA—Sao Paulo Stock Exchange, which he chaired from 2008 to 2009.

**An additional fact:** Gilberto Mifano was a member of the board of directors of the World Federation of Exchanges (WFE), from 2001 to 2009.

**Something women should know**

**about him:** *"I'm an old-fashion guy but retrofitted to the modern times. I'm attracted to new ideas and different points of view and I like people that challenge others."*

## Brazil

**The number:**

**24%** of senior management positions are held by women in 2011, but only 5.1% of board seats.

**And Did You Know?**

Brazil's dynamic stock exchange, BM&F BOVESPA, has two women on its executive board—one of whom holds the position of risk management officer.

### What has been your experience sitting on boards with women directors?

I've sat on a number of boards with women holding executive or nonexecutive director positions. What I find interesting is that international boards are relatively gender neutral. On Brazilian boards the presence of a woman makes a major difference.

### How is it different? Do the dynamics change when there are women directors?

Even when there is just one woman in the room, the dynamics change a lot! Brazilian men tend to say whatever they want to say, and they don't restrict themselves on the type of language they use. When women are at the table, there is less joking around and more objective discussion. I've also found that women tend to be more sensible and more thoughtful. I think they care much more about how decisions made in the board room will impact people.

### How would you characterize the opportunities for professional women in Brazil today?

There has been quite an evolution. Thirty years ago, it was uncommon for a woman to have an important position in a Brazilian company. Today, more and more women are assuming important board and executive roles. I attribute this change to two main factors: The first is that the growing global conversation on the diversity issue highlights the value that women can bring to the company and its board. The second factor is that we have larger numbers of qualified women. In Brazil, this is a relatively new phenomenon. The social infrastructure of the country is changing. For the first time in our history, we have a woman president, and we are seeing a push for greater women representation among various socio-economic fields.



Can you imagine yourself being the only man in a board composed of women?

I've never thought about this situation. I guess I would need some time to adapt, but I confess that I look forward to experience such a situation.

Does diversity lead to good corporate governance practices or does good corporate governance lead to more diversity?

It depends on the company. In an ideal world, I would say that good corporate governance leads to more diversity. But in the real world, the way to start improving corporate governance practices is to bring more diversity onto the board. This extends beyond gender diversity. It also means socio-economic diversity and even bringing union representatives to the board.

What is the business case for focusing on gender diversity at the board level?

When a well-prepared and well-qualified woman has a position on a board, I have seen it translate to actual improvements in the operational results. The board functions better, and the quality of the debate and the decision making is better. In turn, this can help improve overall operational results. Still, I'm not sure if this has to do with being a woman or being an individual with great skills. Maybe it's both; the combination of diversity and talent.

In family-owned companies, do women directors exert a different kind of influence?

Here in Brazil, there are a lot of family-owned companies. Some of the women on these boards are there only because of their connections to the family, not because of the skill sets they bring to the table. Maybe this helps the family with their own internal politics to give the older ladies — we call them “old aunties” in Portuguese — something to do. They can have a nice meeting. They can

have a nice cup of tea. But it does not help move the diversity agenda forward.

How can policymakers encourage better female representation on boards? Are quotas an option?

I don't like quotas. Still, I can accept that in some instances quotas are needed in a transition phase. Besides quotas, I would recommend that regulators require more transparency from companies, so that firms would disclose more information on how they appoint board members. Incentives and positive recognition are more effective than forcing companies to fulfill quotas.

*“As board chairman, I treat everyone the same way. I want to draw in all views, regardless of gender.”*

**Gilberto Mifano**

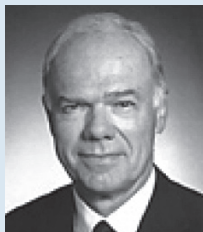
Can you offer some practical tips for women seeking directorships?

Women should prepare for board positions by seeking the appropriate education and experience. They need to challenge themselves to move into C-level management jobs. If we are giving unprepared, unqualified women seats on the board just because they are women, it can actually do a disservice to qualified women. It could create the impression that women do not add value to a board. ■

*The statements, findings, and conclusions expressed in this interview should not be attributed in any manner to IFC or any companies and organizations Gilberto Mifano may be affiliated with.*

## Women on Boards:

### *A Conversation with Peter Dey*

**Country of Origin:**

Canada

**Board experience:**

Peter Dey is chairman of Paradigm Capital, Inc. and an independent director of Goldcorp, Inc. and

of MI Developments. He has served on the boards of numerous companies over the last 25 years, including Sun-Times Media Group, Addax Petroleum Corp., CP Ships, and Stelco. He chaired the Ontario Securities Commission and Toronto's Stock Exchange committee on corporate governance, which issued the landmark report, "Where were the Directors?," that helped establish corporate governance standards for companies operating in Canada.

**An additional fact:** Peter Dey received the ICGN (International Corporate Governance Network) Lifetime Achiever in Corporate Governance award in 2010.

**Something women should know about him:** *"I like to have fun!"*

#### What has been your experience sitting on boards with women directors?

To me, it's a gender-neutral experience. The contribution of somebody of the opposite gender is no different than the contribution of any other director. It is as challenging for a male director as for a female director to express a view that might not be the view of the majority. Maybe I'm being a bit naïve, but from my perspective the women who have been on the same boards as I, have faced the same challenges and opportunities that men did.

#### Did you see any changes in board dynamics?

The conventional wisdom is that if there is a woman in the boardroom, directors will comport themselves differently. I don't see that. I see the comportment of directors as a reflection of the respect that they have for their position and for the corporation. Whether or not a female director is present, I have not discerned any difference. If I had to identify different dynamics, I would say that diversity brings more energy to the boardroom.

#### Are companies being more deliberate in appointing women to their boards?

Absolutely. In Canada, diversity is very much on the minds of boards. We see what is taking place in Norway, Spain, France, and in the United Kingdom with the report of Lord Davies, concerning women's representation on boards. The private sector is getting organized now, and I expect that soon we will see some guidelines that will set targets and disclosure standards.

## Canada

**The number:**

**50%** of the board seats of the 14 Crown Companies (state-owned) have to be reserved for women, based on a quota legislation passed in Quebec in 2006.

**And Did You Know?**

The Canadian Board Diversity Council was launched in 2009 to promote board diversity. Its goal is to increase board representation of women, visible minorities, aboriginal peoples, people with disabilities, and LGBT (lesbian, gay, bisexual, and transgender) people.

## How do companies go about deciding whom to appoint next on their boards?

This is where it gets more complicated. The list of potential candidates is male-dominated, because women are not as active in the existing networks. I think the whole system needs a wakeup call. Boards and headhunters are stuck in their ways and as a result ignore a huge talent pool that could enhance corporate governance, which in turn should translate into a better bottom line.

## Does diversity lead to good corporate governance practices or does good corporate governance lead to more diversity?

The challenge is that we don't have sufficient diversity right now, so to ask me whether diversity will lead to better governance is in a way, an academic question. We have to achieve the diversity first. Governance guidelines should lead to more diversity, and ultimately more diversity will lead to better functioning, better performing corporations.

## What recommendations would you suggest to encourage better female representation on boards?

The whole issue of diversity should be addressed by the private sector, because it is attuned to what the market can support. I think there is an unstated desire on the part of the private sector to avoid government intervention or quotas. The way to do that is to anticipate and have the private sector implement diversity targets rather than have targets dictated by a government body. That said, I would support the establishment of governance guidelines by the private sector, which is the way that many developed markets have updated the quality of their governance.

## Does the same apply to emerging markets?

Public policy reforms that emanate from the community and private sector are always more effective. Yet, if you decide to impose

quotas you need to make sure the talent pool exists. This talent pool varies from country to country depending on the culture, education system, and the like.

## Can you offer some practical tips to help women get appointed to a board?

Mentoring programs help. Networking is important. If you demonstrate success in business, then you will make your way up the ladder and people will call on you. This applies equally to men and women.

*“The average number of women on Canadian boards is about 14 percent, which reflects a complete failure to draw on the deep female talent pool that is out there.”*

**Peter Dey**

## Can you imagine yourself being the only man in a board composed of women?

I do a spin class twice a week and I am the only male participant and I feel quite comfortable. Seriously though, I think it is highly unlikely to come to that. This is about talent, and I think what we're trying to do is create boards that draw on the best talent pool available. The ideal board will have a blend of male and female and a high level of talent. ■

*The statements, findings, and conclusions expressed in this interview should not be attributed in any manner to IFC or any companies and organizations Peter Dey may be affiliated with.*

## Women on Boards:

### *A Conversation with Zhang Shude*

**Country of Origin:**

China

**Board experience:**

Zhang Shude is a nonexecutive director of China Development Bank since 2008. Prior to that appointment,

he served as the board secretary of Bank of Shanghai Company Ltd. Mr. Shude is a certified economist and holds a master degree in laws from China's famous Fudan University.

**An additional fact:** Zhang Shude is a native of Haining, Zhejiang province, which is famous for its leather products.

**Something women should know**

**about him:** *"I would like them to see me as a friend."*

#### What has been your experience sitting on boards with women directors?

I currently sit on a 14-member board, of which four directors are women. They joined the board at the same time as I did. They totally revolutionized the board, which used to be male dominated. Today, most big banks in China have female board members. But when I was board secretary of the Bank of Shanghai, they did not have any women on the board. I encouraged them to bring on a woman board member.

#### Was the decision to appoint these women a deliberate decision?

First and foremost it's their experience and professionalism that qualified them for the job. But I have to point out that over the past three decades China has undergone significant reform. It has opened up. Women are taking responsibilities in the society. They are working professionals and have become more self-reliant. We have seen even more change over the last three years. In China's financial sector, particularly in banking, we are very pleased to see more and more very confident young Chinese women becoming board members. They represent the new generation of young Chinese workers.

#### Does the dynamic change when women are on the board? Do they handle things differently than men do?

Women tend to come together to form a complementary and organic group. They have specific qualities that help the board to function better. They are careful, detail-driven, and prudent in their reviews. They also are patient and have better communication skills. All of this makes for improved interaction among board members.

## China

**The number:**

**35.3%** of China Construction Bank's board positions are held by women. This is the highest percentage among the 31 banks listed in the 2010 Fortune Global 200.

**And Did You Know?**

Sun Yafang, chairwomen of Huawei Technologies, is the first Chinese women to have made it into the Forbes ranking of the 100 most powerful women, in 2010.

What would it be like to be the only man on a board composed of women?

It is something quite unthinkable right now. But I could see this becoming a reality in the future, especially in some sectors.

What recommendations would you suggest to policymakers as a way to encourage better female representation on boards?

I believe that there is a certain value to a quota system but it should differ by industry. Industries related to environment and commodity goods should have more women, and thus could benefit from quotas. I also want to point out that in the food industry more women would lead to better food security, because they see their boardroom role as somehow related to their responsibility in the society.

What advice would you give to women who are joining a male-dominated board?

They should come to the training courses conducted by IFC more often! But this advice applies to men as well.

Women also should work on improving their ability to analyze the macro issues. They tend to be detail oriented and this could get in the way of seeing the broad, overall view of a situation. Women also should become more sensitive to economic trends. If they could combine their detail-oriented nature with a broader industry focus, the combination would be extremely powerful.

Can you offer some practical tips for women seeking directorships?

Women must take the initiative to reach higher in the corporate hierarchy. The fact that they are a minority in the boardroom is not due to lack of ability, but because the institutions aren't ready for it yet. In order to be heard, women must interact more with the powerful shareholder groups. There needs to be some societal change as well, to give women more space to grow and prosper. ■

*“Over the past three decades, China has been opening up and going through important reforms. Women are taking increasing responsibilities and the pool of qualified professional women is growing.”*

**Zhang Shude**

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## Women on Boards:

### *A Conversation with Ashraf Gamal*

**Country of Origin:**

Egypt

**Board experience:**

Ashraf Gamal is the former executive director of the Egyptian Institute of Directors. He has sat

on numerous boards and chaired the audit committees of listed companies and state-owned enterprises, including Egyptian Resorts Company, Egypt Re, Egytrans, and Rowad Tourism. He is also cofounder and a board member of two SMEs (small and medium enterprises) operating in the printing industry.

**An additional fact:** Ashraf Gamal is head of the Egyptian Corporate Responsibility Center.

**Something women should know**

**about him:** *"I respect women's opinions. I would have no problem in going along with the opinions of women on a board."*

What has been your experience sitting with women on boards? Do the board dynamics change?

In my experience, women at that level are very willing to participate in the give and take and bring a critical eye to the proceedings. They are quite strong and they are not shy in expressing their opinions in front of the men. One of the boards I sat on, a reinsurance company, had a couple of women. One of them was actually the CEO and the other the human resource director. The CEO was a tough lady who knew what she was doing. She did an excellent job, and the male chairman didn't interfere with her. The boards on which I sat that had women members did in general seem to be more interactive and more dynamic than all-male boards. But I don't know if this had to do with the presence of women, or because of the leadership style of the chairmen. I also sat on boards where the chairman was very dominating and there wasn't really any room for discussion.

Does diversity lead to good corporate governance practices or does good corporate governance lead to more diversity?

Diversity creates good governance. I don't mean just gender diversity here. I'm also talking about having board members with diverse backgrounds. When you have people from different countries, age groups, and backgrounds, it enriches the dialogue and creates a more positive environment in which to bring up different issues. This is beneficial to the company and leads to better corporate governance.

How has the situation changed for women directors in Egypt?

This discussion is happening right now, not specifically about women directors, but about

## Egypt

**The number:**

**74** women were trained by the Egyptian Institute of Directors in 2010.

**And Did You Know?**

Ma'at-ka-Ra Hatshepsut was Egypt's first female Pharaoh and the first female ruler in the world. She built her own mortuary temple in the Valley of Kings and is the only woman to be buried there.

women's rights in general. Women must have equal access to higher positions. They have to be represented in the people's assembly. It is interesting that in the last elections a quota was set so that only women could run for certain seats in the lower house. But a lot of women advocated against this quota, because they really opposed the idea of reserving seats for them. They want to be able to compete on equal footing with men. They want political parties to give them a chance because of their qualifications and not because of set-aside seats.

### What would it be like to be the only man on a board composed of women?

It's hard to imagine, because the maximum I experienced was two women out of a seven-member board. I don't think it would be a bad thing!

### What recommendations would you suggest to policymakers as a way to encourage better female representation on boards?

It's not just about policymaking. It's about society itself and about our culture. It's a sensitive issue. I would encourage the government to put more women on boards in the public sector. These boards can serve as role models, and ideally private sector companies would follow suit. Still, if you push too much, it might backfire.

### What about quotas?

Honestly, I don't see quotas happening, and at this moment I don't think this is a relevant topic for discussion. We are still talking about the basics in Egypt, like how to make ineffective or rubberstamp boards more effective. Maybe after we address these issues the topic of gender will come into play, and we can push for more women's representation. But this just isn't on the agenda at the moment.

### Can you offer some practical tips for women seeking directorships?

When we do our training sessions for board directors, the main guidance we give women is that the stronger you are in a technical sense, the more likely it is that you will be selected. There is no discrimination against women; however, you have to be qualified. The tricky part, though, is that it's a societal-values thing. Women have societal constraints, and I'm not sure that you can force change here. Maybe things will evolve and change over time.

*"It's a common perception that men can stay at the office until 10 p.m., but women can't. This is unfair, but I'm not sure what to do about it."*

**Ashraf Gamal**

### What advice would you give to women who join a board for the first time?

I would encourage them to read a lot and learn about the company. When they step onto the board, they should not be confrontational. In their first few meetings, they should listen more than talk, to gain a better understanding of the board's dynamics. They should not feel intimidated, though. If they need help, the chairman should step up. Still, if the woman is strong enough, then she won't need the chairman's protection to say what she thinks. ■

*The statements, findings, and conclusions expressed in this interview should not be attributed in any manner to IFC or any companies and organizations Ashraf Gamal may be affiliated with.*

## Women on Boards:

### *A Conversation with Christian Strenger*

**Country of Origin:**

Germany

**Board experience:**

Christian Strenger has over 15 years of experience as a nonexecutive board member of leading

German companies. He is a member of the supervisory board and chairman of the finance and audit Committee of Fraport AG. He also sits on the supervisory boards of Evonik Industries AG and TUI AG as well as DWS, a leading European fund manager.

**An additional fact:** Christian Strenger is a member of the German Government Commission on Corporate Governance.

**Something women should know**

**about him:** *"I am a demanding crusader for good corporate governance."*

What has been your experience sitting on boards with women directors?

Generally positive, and this should continue in expanded fashion, but without the rigor of fixed quota appointments.

How do board dynamics change when you have more than one female director?

Women provide good balance. The dynamics change because women are more willing to give the other side a chance than men. Men also tend to discuss less heatedly when women are in the board. Women are often more moderate in pursuing their ideas, which is good and bad at the same time. Sometimes you need plenty of energy to push ideas forward, and the "let's think it over" approach can sometimes preclude necessary strong action.

Can you imagine yourself being the only man in a board composed of women?

This could be difficult as the ladies would definitely try to charm me... Seriously, I don't think this is the right composition either. You have to have convincing people on the board rather than doing it by gender, color, or nationality alone.

## Germany

**The number:**

**12%** of the directorships of large German companies are held by women. However, many of those are employee representatives. The female shareholder representatives are presently only 4.5%.

**And Did You Know?**

Deutsche Telekom recently became the first DAX 30 company to introduce quotas for recruitment and participation in executive development programs. Its goal is to have 30% of upper and middle management positions filled by women by 2015.

Does diversity lead to good corporate governance practices or does good corporate governance lead to more diversity?

Both. I think good governance practices inevitably call for board diversity. Diversity can lead to better governance practices, but maybe not as much as the other way around. Good governance primarily requires the right board composition, but this is more than just an issue of diversity. Truly important factors are profound knowledge, personality, and the ability to say "no".



What recommendations would you suggest to policymakers as a way to encourage better female representation on boards?

In Germany, the politicians are fighting about whether to fix a legal quota. Although there are different views at the moment, my guess is that without sufficient “voluntary” change, there will be a diversity quota of 30-40 percent before too long. However, Germany should try hard to avoid setting a legal quota that can never be tailored to the specific needs and situation of a company.

How should companies go about deciding who to appoint on their board?

In Germany, these decisions were mostly made inside the board. Now, in big companies, the whole process is more refined. If the board has a nomination committee, that committee will identify the criteria to be used in the search for new directors and also use headhunters. Nowadays, it is not unusual to specify that the candidate should be a woman and/or a national from a specific country or region.

Can you offer some practical tips for women seeking directorships?

Quite often they need to be encouraged to take on nonexecutive director positions. In Germany, there are many women who have the right qualifications to sit on boards, but you have to convince them that it is a worthwhile experience.

Women who seek board positions should work on building their business knowledge base. They should join associations and take courses on how to become a good nonexecutive director. Go to annual meetings. And most importantly speak up on business issues. This will help them attract attention. One of the main problems right now is that many proper candidates are not visible enough. So, you have to make a name for yourself, speak out for what you believe in, and become a recognizable figure.

*“The proper way to increase women’s representation on boards is to expand the ranks of women executives.”*

**Christian Strenger**

What advice would you give women who have been appointed on a male-dominated board?

Buy some boxing gloves! Women have to convince the boys that they understand the business. They must be entirely professional and learn what the company is about. This will help them stand their ground, be an active participant in meetings and a contributor to the company’s long-term success. ■

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## Women on Boards:

### *A Conversation with Jaspal Bindra*

**Country of Origin:**

India

**Board experience:**

Jaspal Bindra is group executive director and a member of the board of Standard Chartered PLC. He is based in

Hong Kong as chief executive officer, Asia. He also leads Standard Chartered's award-winning work on diversity and inclusion. As chair of the group's Diversity and Inclusion Council, he is responsible for strategy and programs designed to support employees, customers, and communities. He is also a board member of Vital Voices Global Partnership and sits on the board of governors of XLRI School of Business & Human Resources.

**An additional fact:** Jaspal Bindra participated in the torch run for the 2008 Beijing Olympics.

**Something women should know**

**about him:** *"I am an Asian who wears the headdress; I know what it's like to be in the minority on boards. I believe that being a minority in a position of importance is a privilege, and not a burden."*

## India

**The number:**

**5.4%** of the 923 directors that sit on the boards of the top 100 companies listed on the Bombay Stock Exchange (BSE-100) are women.

**And Did You Know?**

In 2010, Savitri Devi Jindal was the only woman serving as a chairperson among India's leading companies on the Bombay Stock Exchange (BSE-100). She chairs family firm JSW Steel Ltd. and is chairperson emeritus of Jindal Steel and Power Ltd., now chaired and managed by one of her sons.

What changes have you seen in women's presence on boards over the course of your professional career?

Let me start off by saying that the 21st century really belongs to the rise of China, the rise of India, and the rise of women. The most dramatic change is that women have an influence on decision making that they never had before. When it comes to women directors, there is a change, too. For example, Standard Chartered's 16-member board has now two women directors. Clearly you can see from what they bring to the table that they add a lot to board discussions. It has a lot to do with the skills of the two individuals, but it has also to do with the fact that they are women. In a company where 50 percent of the workforce is female and women represent a large part of our client list, these two directors represent a thought process and act as very effective role models.

You are also on the Vital Voices board. What is it like to be in the minority on a woman-dominated board?

This is a unique experience. I can now better respect what women have to face. Being in the minority, I feel more conscious about what I am going to say and how. I am probably more thoughtful and less forceful.

Does diversity lead to good corporate governance practices or does good corporate governance lead to more diversity?

The answer is that it is neither one nor the other, because they are interdependent. It's almost certain that diverse boards are more productive. Even homogeneous boards that might have more capable people have shown less dramatic results than diverse boards have. We can easily understand the reason for some of this. People who bring a diverse

understanding to the complex situations faced by their companies will come up with more sustainable solutions than people who have a homogeneous way of thinking.

What recommendations would you suggest to encourage better female representation on boards?

Companies need to accept a few basic truths. First, if you want to attract and retain high-quality talent, then you have to look at all kinds of diversity, women included. Second, if you are looking for creativity and innovation in this highly competitive environment, you will need diversity. And third, if you are looking for greater acceptance and penetration in the markets you serve, your people will have to reflect who your customers are—and this again suggests diversity.

Would quotas help?

Quotas would definitely quicken the pace to achieve the outcomes we want. But, will it be sustainable? Will it be free from questioning? Is there a large enough talent pool to pick from in countries where women have been late in ascending to senior corporate positions due to cultural challenges? The reality with having a quota is that it can quickly degenerate into tokenism. There will never be enough transparency to prove whether a particular promotion was based on merit or due to the quota.

What we really need is more transparency and accountability on how individuals are appointed to boards. There should be more pressure to reach out beyond the traditional networks. Headhunters have to be pushed to bring credible women on the shortlist of candidates.

We also need to bring female talent up the ladder and increase the number of women executive directors. At Standard Chartered, for example, we have created a Women in Leadership program to support the professional development of talented female staff members.

*“Once people see the dollar and cents in the gender thrust, it will be much easier to promote women to top positions.”*

Jaspal Bindra

Can you offer some practical tips for women seeking directorships?

Women need to be more aware of their strengths, because they are typically more focused on their shortcomings, so they limit themselves. I think this is a biological difference from men, who think they can do their boss’ job from their very first day. We also need to take more seriously the notion of learning from role models. They should devote a certain amount of their time to mentoring other women and advising how they got their work-life balance right and how they managed to combat male domination. ■

*The statements, findings, and conclusions expressed in this interview should not be attributed in any manner to IFC or any companies and organizations Jaspal Bindra may be affiliated with.*

## Women on Boards:

### *A Conversation with Nasser Saidi*



#### **Country of Origin:**

Lebanon

#### **Board experience:**

Nasser H. Al Saidi is the executive director of the Hawkamah-Institute for Corporate Governance and chief

economist of Dubai International Financial Centre. He is a nonexecutive director of Byblos Bank SAL and an independent nonexecutive director of Future Pipe Industries and of the Majed Al Futtaim Trust. Saidi was Minister of Economy and Trade and Minister of Industry of Lebanon from 1998 to 2000 and first vice-governor of the Central Bank of Lebanon from 1993 to 2003.

**An additional fact:** Nasser Saidi was named in 2010 and 2011 among the 50 most influential Arabs in the world by *The Middle East* magazine.

#### **Something women should know**

**about him:** *"My Irish mother who set down roots in a new homeland, Lebanon, taught me tolerance, my sister perseverance, my wife to be both patient & ambitious"*

## Lebanon

#### **The number:**

**34%** of Lebanese firms had women among the principal owners in 2009, according to World Bank statistics.

#### **And Did You Know?**

In 2008, Pik Yee Foong, a Malaysian national, was appointed chief executive director of Standard Chartered Bank of Lebanon. She is the first woman CEO in the country's entire banking sector.

#### What has been your experience sitting on boards with women directors?

Their limited representation! If I look at my experience of boards over the last 20 years, there have only been two boards which had women, including one educational organization. This reflects the situation in the Middle East, where you are more likely to see women on the boards of nongovernmental and nonprofit organizations and family firms or small businesses than on the boards of listed companies.

#### What do women bring to the table as directors?

It is difficult to pass a broad generalization. My observation is that, first and foremost, women are more strategy oriented. They tend to look at where the company is heading, whether things are on the right track, and why the company might be diverging from its strategic goals. Second, I find that women are more focused on ethics and conduct. They are less tolerant of corruption and conflicts of interest. The third element is that they are more down to earth and to the point. From my experience, they have little patience with nonsense and are willing to take hard decisions.

#### What about women's attitude toward risk?

Women are more likely to be conservative and more attuned to good risk management. I don't think they are more risk adverse but they have more of a long-term and sustainable approach to issues and less short-termism.

#### Do women in top corporate positions have a positive role modeling impact?

Yes, definitely. Women in corporate and government top positions are very much viewed as role models. These women appear publicly and on television, and women look up to them. Women on boards can play (and

some are already playing) an important role as change agents for our societies.

### Is board gender diversity a matter of justice or of corporate performance?

To me, increasing women's representation on boards is mainly an issue of fairness and equality more than a question of improving the performance of companies even though corporate performance may improve as a result. The under-representation of women is a more general issue. They are under-represented in economic life and in the political sphere.

Things are starting to change the Arab Spring is a good beginning! Women are now playing a greater role in the region, although the dynamics at play are quite different from one country to another. For example, in Dubai, Qatar, and to some extent in Oman, policy makers are playing the leading role in promoting women into leadership positions. My guesstimate is that women represent some 15 percent of board directors of state-owned companies and government-related entities in these countries. The case of Lebanon is quite different. The number of women in leading business positions has increased as a result of the civil war and the high level of emigration among male businessmen and professionals.

Regardless of circumstances, I think that in the region the impetus is not coming from the business case but from considerations on how to recognize the rising power of women and enable their representation. The bottom line is that we are not using the vast amount of available but idle female human capital. If our women participated in the labor force at the same rate as the average in OECD economies we could increase our GDP by some 15 to 20 percent! Our region perfectly illustrates Andrea Jung's (CEO of Avon) statement that "the biggest emerging market is women. When a woman takes on an earning role, the societal impact is huge".

### Can you imagine yourself being the only man on a board composed of women?

I would positively love it! Yet, at the current rate of change, it will take decades before we reach board gender balance.

### Does diversity lead to good corporate governance practices or does good corporate governance lead to more diversity?

I think it is better governance and the more enlightened boards that will consider diversity and actually appoint women. Well governed companies recognize that diversity increases board effectiveness, leading to better performance.

*"It's much more difficult for women to make it onto a board. Those who do are usually outstanding!"*

**Nasser Saidi**

### How can female representation on boards be improved?

Government intervention through quotas and legislation can help. However, the problem with quotas is that they deal with the symptom, not the underlying cause. In the Middle East, we need to deal with socio-economic fundamentals and address cultural barriers. We need to invest in women's market oriented education and facilitate their integration into the labor force. Building women's board level capacity is critical. The Mudara Institute of Directors is leading the way with the launch of the Women Director Initiative. The idea is to build a cadre of women directors, who can be part of Mudara's Board Appointment Service. The initiative also addresses the need — especially for male dominated boards — to better understand the importance and value of diversity. ■

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## Women on Boards:

### *A Conversation with Patrick Zurstrassen*



**Country of Origin:**  
Belgium, Luxembourg

**Board experience:**  
Patrick Zurstrassen currently serves as an independent director on the boards and board committees of

several listed and non listed companies, mainly in the financial sector. His board experience spans over 30 years and includes La Baloise, Barclays, Goldman Sachs, Le Foyer, Jupiter, Lombard Odier, Natixis, Pioneer (UniCredit group), and European Credit Management (Wells Fargo group). He is the former CEO of Crédit Agricole Indosuez Luxembourg S.A. and the founding chairman of ILA, the Luxembourg Institute of Directors. He currently chairs the European Confederation of Directors' Associations (ECoDA).

**An additional fact:** For 25 years, Patrick Zurstrassen has lectured on finance at the Catholic University of Louvain in Belgium.

**Something women should know about him:** *"Nothing that male directors shouldn't also know."*

What has been your experience sitting on boards with women directors?

I've been sitting on boards of bank-regulated entities since 1981, and women have been present on a number of these boards. But, until recently, no one really paid much attention to the fact that they were women rather than men. Now, it's something that boards are more aware of, because there has been more conversation about the issue of gender diversity.

Are board dynamics affected by the presence of women directors?

I would say the simple presence of a lady around the table creates an unwritten obligation for men to behave like gentlemen. The debate gets more courteous. I think, at least from my experience in the financial sector, that women directors are both more conservative and more sensitive but less creative and entrepreneurial. In general, I have also observed that female directors work harder to prepare for board meetings and they participate effectively in discussions. This may have to do with the fact that they are women but also — and maybe even more so — with the fact that they are in the minority on boards. When you are in the minority you often feel that you have something to prove.

Luxembourg is a small country. How difficult is it to access a sufficient talent pool of qualified women?

If you do the math, less than 20 percent of the directors of companies in Luxembourg are residents of the country. We may have the highest proportion of international directors in general — both men and women — because we are so small. But we have business activity on an international scale, so we don't or shouldn't have any difficulties finding qualified male and female candidates, because

## Luxembourg

**The number:**

**13%** of Luxembourg's 400-member Institute of Directors are women.

**And Did You Know?**

The Ten Principles of Corporate Governance of the Luxembourg Stock Exchange, adopted in 2009, recommend that "Insofar as possible the board should have an appropriate representation of both genders."

we open up the search outside of our national borders. This is a form of diversity as well.

### Can you imagine yourself being the only man in a board composed of women?

Why not? It cannot be more difficult than sitting as the only independent director in a board purely composed of executive directors.

### Does Board diversity lead to better governance practices or do good governance practices lead to board diversity?

I don't think one leads the other. I think they go hand-in-hand — progress on diversity and on governance practices move together, in parallel lines. However, diversity should not be limited to gender. It should also cover independence, professional competence, regional origin, age, etc.

### What recommendations would you suggest to policymakers to encourage better female representation on boards?

There already have been policy changes in Luxembourg, in part due to the activism of Viviane Reding, Vice President of the European Commission. She is from Luxembourg, and she is extremely vocal on the issue of women on boards. Now, there is a requirement for additional disclosure on diversity practices in annual reports. Also, as this becomes more of a discussion topic, we are seeing that companies are starting to report on the percentages of women in their ranks, including new hires, mid-level management, and positions at the top.

### What about quotas?

I don't find much support for quotas in general, and especially not among women. My feeling is that women want to ensure that they are selected on the basis of their qualifications and competencies, rather than on the basis that their selection helps the company check off a box that they have met this requirement. Even without quotas I think that women in Europe currently benefit

from a special positive handicap. I can see boards taking advantage of any composition change to push for a high-caliber female recruit. In one or two generations from now, the women who make up the majority of business graduates will be in leading positions and there won't be a need to regulate gender balance on boards.

### Should the approach be different in developing countries?

No. It doesn't matter whether you are in a developed country or a developing country. The fact is that, in every country, you need to encourage more diversity, to bring in this difference of perspective as a way to bring fresh air into the board debate. There are old boys' networks in New York just like there are old boys' networks in Mozambique. And, in both places, this doesn't give the variety of viewpoints that are needed to make informed decisions.

*“There should be no less motivation for diversity in developing countries than in developed countries.”*

**Patrick Zurstrassen**

### Can you offer some practical tips for women seeking directorships?

They should join the nearest directors' institute and participate in its governance committee work. They should network with lawyers and auditors. And, only take good directorships so as to preserve their good reputation. ■

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## Women on Boards:

### *A Conversation with Paul Chan*

**Country of Origin:**

Malaysia

**Board experience:**

Paul Chan is a founding board member and deputy president of the Malaysian Alliance of Corporate

Directors and an executive council member of the Federation of Public Listed Companies. His professional, business, and corporate experience spans over 30 years. He serves as a senior independent nonexecutive director and chairman of audit, risk, and investment committees in a number of publicly traded companies.

**An additional fact:** Paul Chan is a member of the Malaysian Securities Commission-led Corporate Governance Working Group, developing a five-Year Corporate Governance Blueprint for the Malaysian Capital Market.

**Something women should know**

**about him:** *"I embrace change for the better, and I am a firm believer in lifelong learning for effective gender-neutral corporate boards."*

## Malaysia

**The number:**

**30%** of corporate leadership positions, at least, should be held by women by 2016, according to the recent quota policy adopted by the Malaysian government.

**And Did You Know?**

The Malaysian government also introduced a policy quota to increase the number of women in public and administrative decision-making positions. As a result, the percentage of women has steadily grown from 18.8% in 2004 to 32.3% in 2010.

### What has been your experience sitting on boards with women directors?

In my experience, women are more cautious, intuitive, and meticulous; they help to balance the board room discussion, and bring different perspectives to deliberations. Men are gung-ho to rush forward, with a bold, entrepreneurial style, and may not be as reflective in considering inherent risk elements in pursuing rewards. Women tend to approach issues from an angle that men sometimes don't anticipate, or just gloss over. On one board I know of, for example, the male directors were enthusiastic about hiring a particular experienced candidate to run the company, despite the candidate's unresolved legal issues and problems with shareholders. A female director pointed out that we needed to look into those issues because, among others things, of the reputational risks to the company. She helped the board consider the far-reaching ripple effects on the company if they were to hire that individual.

### Is there a correlation between better risk management and increased women's presence on boards?

If you are talking about implementing structured internal governance, processes, and controls, then I would say "yes," because women tend to be more meticulous and methodical about taking care of what needs to be done. In terms of managing the more strategic or external risks, the presence of knowledgeable women on the board contributes to striking the right balance between short-term rewards and long-term sustainability.

### What would it be like to be the only man on a board composed of women?

I think I would be a very lucky man! Seriously, though, if everyone is doing their



job, it shouldn't matter. However, we need to appreciate that the way men and women handle certain complex situations may differ.

### Does diversity lead to good corporate governance practices or does good corporate governance lead to more diversity?

I think it works both ways. Assuming the board is composed of knowledgeable and experienced directors, then gender, ethnic, and age diversity could lead to better corporate governance, and vice versa. The success of a corporation depends on its relevance to the diverse markets it serves, and the composition of the board should reflect the microcosms of those markets and ensure good corporate responsibility, continuity, and sustainability.

### Your government recently adopted a quota policy to increase the presence of women in corporate leadership positions. How will this be implemented?

Currently, of the over 7,000 directors serving on boards of almost 1,000 public listed companies in Malaysia, only 7.5 percent of them are women. So, we have a long way to go before we reach the target of 30 percent women in corporate leadership positions. We have very strong women in government leadership positions but in the corporate sector we need to increase the pool of qualified women to support the government's initiative. It is critically important that women in the corporate and public sectors are quickly brought up to speed with comprehensive knowledge and skills in board leadership and board governance to increase the pool of qualified candidates. Otherwise, we run the risk of appointing women to boards just to fulfill a gender quota. Make no mistake, the marketplace is unforgiving and will respond directly to any changes in the corporate bottom line.

The Malaysian Alliance of Corporate Directors is one of the entities that could help reach the target of 30 percent women in corporate leadership positions over the

next five years through its various directors training programs. One of our goals is to reach out to corporate professionals — corporate secretaries, corporate accountants, corporate lawyers, and C-Suite candidates. In Malaysia, there are over 4,000 corporate secretaries; about 75 percent of them are women. Also, 48 percent of the accountants are women. This is an enormous talent pool that we could tap into. What we need to do is help these professional women understand that they actually make strong potential candidates, and that for those aspiring to serve on corporate boards it is actually within their reach.

I also think we need to support corporate women in balancing their family lives while pursuing their corporate careers. Engaging the power of technology is potentially a strong equalizer. For example, board meetings could occasionally be held electronically by audio or video conferencing — and everyone could also receive the relevant papers in advance electronically.

*“If you are serious about serving on a corporate board, the best investment is to invest in yourself, regardless of gender.”*

**Paul Chan**

### Can you offer some practical tips for women seeking directorships?

While the government's initiative may set the impetus for more women's participation in corporate boards, the women need to equip themselves with the relevant knowledge and skills in boardroom deliberations. It is also very important for women to challenge themselves and take a more proactive involvement on corporate issues. ■

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## Women on Boards:

### *A Conversation with Zaffar Khan*

**Country of Origin:**

Pakistan

**Board experience:**

Zaffar Khan is the former president of Engro Chemical Company, an offshoot of ExxonMobil. For over

28 years, he has sat on the boards of various public and private sector companies, including some nongovernmental organizations (NGOs). He is the former chairman of Pakistan Telecommunications Co., Karachi Stock Exchange, and Pakistan International Airlines. He currently serves, on the boards of State Bank Pakistan, Unilever Pakistan, Shell Pakistan, International Industries, Acumen Fund Pakistan, and the Pakistan Centre for Philanthropy, and he is visiting faculty at Karachi's premier business school, Institute of Business Administration.

**An additional fact:** Zaffar Khan is a recipient of Pakistan's Civil Award, "Sitara e Imtiaz."

**Something women should know**

**about him:** *"My decision making is rooted in my values. I believe that decisions should be based on merit, integrity, and compassion."*

## Pakistan

**The number:**

**13%** of 303 publicly listed companies surveyed in Pakistan in 2010 had more than one women director.

**And Did You Know?**

Benazir Bhutto was the first woman elected to head a Muslim state, in 1988.

### What has been your experience sitting on boards with women directors?

Even though I have been a member of boards for many years, my experience of being on boards with women is rather limited. In a country like ours, there are not that many women serving on boards. However, I do have some experience. I was on the board of Pakistan's Central Bank when the chairman was a woman. At Unilever Pakistan, the chairperson was also a woman, and at the time the only female member of the board. I may be generalizing here, because I'm basing my statement on limited experience, but my observation is that the women who led these boards were tough, driven and sharply focused. They ran the boards very well.

### Was the decision to appoint one or more women on these boards deliberate?

In case of multinational companies there might have been a general direction to bring in women, but board diversity was not really discussed in my earlier engagements at all. In the last decade, things have changed. There is more awareness and more discussions. We are still lacking suitably experienced candidates, but a number of companies are now making a conscious effort to bring women onto their boards.

### How do board dynamics change when there are women directors?

Certainly the tone and style does change with a woman in the boardroom. Women might be a bit more cautious in their discussion, for instance. But in terms of substance, they hold their own.

### Can you imagine yourself being the only man in a board composed of women?

I think I can imagine it, but I would feel intimidated and less confident. This is a good

question, because it helps me think about how women may feel when joining a male-dominated board. There's a lot of consensus building needed in board discussion. You share your point of view, you debate it, and then somebody supports you, and this is how decisions get made. If you feel that you are somehow different from the others, you might not be as confident about gaining support for your position. Thus, if there is more than one woman on the board it will help them be more assertive.

### Does diversity lead to good corporate governance practices or does good corporate governance lead to more diversity?

Good governance practices lead to board diversity. If you have good governance principles in place you will want diversity, because good governance involves bringing on people with diverse backgrounds and perspectives. This diversity enables better and more effective debate, discussion, and outcomes.

### What recommendations would you suggest to policymakers as a way to encourage better female representation on boards?

I have not heard much at the policy level about gender diversity. Now is the right time to begin those discussions. As a business school teacher, I see many more women studying for their business and other professional degrees. These women are entering the workforce and, even though some of them will drop out for cultural or family reasons, a substantial number now realize the importance of a career. I also think that husbands are more supportive than they used to be years ago. Plus, it is an economic necessity. With this growing talent pool, more women will attain senior management positions, and — eventually — board directorships.

### Would quotas help?

I personally don't think quotas work in the long run. Quotas are mainly for backward people, and I would rather take the approach of building more awareness, which would be more sustainable and beneficial. We are doing this in Pakistan with IFC's help, through director training, seminars, conferences, articles, and research.

*“Women in Pakistan entering the corporate world often have better academic grades than men. Now that many are seriously pursuing a career, we are bound to see them rise to board positions. This will transform Pakistan corporates for the better.”*

**Zaffar Khan**

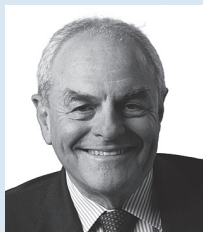
### What practical tips would you offer to help women get appointed to a board?

Several things: The first is that women in Pakistan's corporate world should be more vocal about their desire for board directorships. Second, Pakistan's Institute of Corporate Governance should help women market themselves for these board positions. Third, business school graduates should aim for jobs with management responsibility. Women also should network with major shareholders. And finally, they might consider a board position with a non profit or NGO as a stepping stone. ■

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## Women on Boards:

### *A Conversation with Mervyn King*

**Country of Origin:**

South Africa

**Board experience:**

Mervyn King is probably best known as the chairman of the King Committee on Corporate Governance

in South Africa. He has over 40 years of board experience and has chaired numerous listed and non listed companies, including Brait SA – Luxembourg, STRATE, Dunlop Tyres International, First National Bank's Corporate and Investment Banking Group, Frame Group Holdings, AA Life Ltd, Tradegro Ltd, and Knights Gold Mining Ltd, among others. He is also chairman of the Global Reporting Initiative.

**An additional fact:** Mervyn King is a former judge of the Supreme Court of South Africa and still acts as an arbitrator and mediator in commercial disputes.

**Something women should know**

**about him:** *"I try to bring out the best in people."*

#### South Africa

**The number:**

**16.4%** of the directorships of 335 surveyed South African companies in 2010 were held by women.

**And Did You Know?**

In 1996, the South African Parliament enacted a law that required state-owned companies to set aside one-third of their board directorships for women.

#### What has been your experience sitting on boards with women directors?

My experience has been quite extensive with women on boards. I have been on boards where women were chief executives, senior executives, and nonexecutive directors. For example, until December 2010, when I decided to resign from all my operating boards, I chaired a company that settles electronically all trades in South Africa of equities, bonds, derivatives, etc. It settles anything up to \$2 billion a day. The chief executive of that company has been a woman for the last 10 years. The board also includes two female nonexecutive directors and a senior executive in charge of the custodians. This is one of South Africa's most important companies for the country's economy and development.

#### Do women go about the business in a different manner?

Absolutely! How can I describe it? Men are more gentlemanly when women are present. Women gather information better, and they are not afraid to ask questions when they don't understand something. They aren't scared that their peers will think it's a naïve, stupid question. This actually makes board members think, especially management. I find it a very positive thing. It does bring diverse thinking aboard. I've also found that, when it comes to identifying sustainability issues, women on boards are more sensitive to this than men and it makes it easier to embed sustainability issues into corporate strategies.

#### Does it make a difference when you have more than one female director?

Yes, I think there is a difference when there are several women on a board compared with only one. They feel more confident and contribute more when there is more than one

woman. Of course, it depends on the woman. Some women are hugely experienced and have sat on many boards and would not in any way be intimidated to be the only woman on a board. At the other end of the pendulum, a woman who joins a male-dominated board for the first time might well feel intimidated. It would be important in that case for the chairman to encourage her to participate and contribute to the meetings.

Can you imagine yourself being the only man in a board composed of women?

I'd be delighted! I wouldn't feel intimidated in any way. I think they would feel intimidated by my presence, as the only male there!

What recommendations would you suggest to policymakers to encourage better female representation on boards?

In South Africa, we have gone quite out of our way to ensure that there are women on boards. We don't have quotas for corporate boards, but the King Committee on Corporate Governance for South Africa recommended that there should be diversity on boards. Our government has considered instituting quotas as a way to legislate more women on boards and in decision-making positions. I am opposed to this approach, because it seems as if this would result in just ticking off a box on some kind of checklist, rather than making an informed and purposeful board decision that a diversity of thinking is needed.

Apart from quotas, what can be done to improve board diversity and gender balance?

In South Africa, it's becoming a "name and shame" game on this issue. There are more and more articles in our financial journals about the lack of women on boards, for example. And following our most recent local government elections, there was an important opinion piece in the newspaper highlighting the fact that in the eight major metropolitan areas where elections took place, only one

woman ran for office. This kind of publicity can help draw attention to the issue and make people think about it.

*"Better governance practices lead to board diversity. You need that diversity of thinking to make better judgment calls."*

**Mervyn King**

Can you offer some practical tips for women seeking directorships?

They should take a director training course, offered in South Africa, for example, by the Institute of Directors. This would be helpful even for women who are chartered accountants or attorneys, because it gives them the theoretical background they need. I am working right now with companies to create apprenticeship programs, so that young women and men can work with and shadow an experienced director for a couple of years. At the conclusion of the apprenticeship, they would receive certification by the experienced director. This will help build a pool of young people eligible as board members. I would also encourage women to lecture, teach, and write articles, to get their name out there. ■

*The statements, findings, and conclusions expressed in this interview should not be attributed in any manner to IFC or any companies and organizations Mervyn King may be affiliated with.*

## Women on Boards:

### *A Conversation with Lars H. Thunell*

**Country of Origin:**

Sweden

**Board experience:**

Lars Thunell is executive vice president and CEO of IFC, a member of the World Bank Group. He has held numerous

board positions with international companies, including Statoil ASA, Astra AB, SCA, and Electa AB, and served as vice chairman of Axzo Nobel and chaired Nobel Biotech. As president and CEO of Securum, he played a key role in resolving Sweden's banking crisis of the 1990s. More recently he served as CEO of Skandinaviska Enskilda Banken (SEB) and Trygg-Hansa.

**An additional fact:** Lars Thunell led the Swedish Center for Business and Policy Studies (SNS) project for More Women in Leading Positions in the Private Sector 2001–2004.

**Something women should know**

**about him:** *"I would welcome women on any board."*

## Sweden

**The number:**

**22%** of directorships of Swedish listed companies were held by women in 2010, up from 6% in 2002.

**And Did You Know?**

The SNS project for More Women in Leading Positions in the Private sector 2001–2004 recommended that companies should strive to always have at least one female alternative among candidates for senior positions and to look to the composition of the group, not only the skills of the individual.

### What has been your experience sitting on boards with women directors?

I've worked with some very, very strong women in the boardroom. I've also seen some who were more reserved due to their inexperience. It takes some time to get a good understanding of what's going on and to be able to effectively contribute. One of the interesting changes I've seen over the years of my experience sitting in boardrooms with women is that women are helping other women a lot more than in the past. It used to be that the women who made it to the top got there by acting like men. Some of these early pioneers were not always very interested in promoting other women. But now there are more women at the top who are actively engaged in helping other women succeed.

### What do women bring to the table as directors?

There is a saying that if Lehman Brothers were actually Lehman Sisters, the company never would have gone under. While I'm aware that I'm making a sweeping generalization here, I do think that there is some truth to this. It has been my experience that women tend to be more careful, more cautious, more willing to scrutinize the data when they prepare for board meetings. Women directors are also important role models that can drive the diversity agenda at all levels.

### Do board dynamics change when you have more than one female director?

I think it is helpful if there is more than one woman, so that the sole woman doesn't feel like she is the lone warrior fighting against everyone else. In my experience, the increasing number of women in the boardroom has changed the dynamics for the better. But I'm not sure if this was the fact of

having more women on the board or because of the professionalization of boards in general, as this happened at the same time in Sweden. Still, men do tend to behave better when women are there.

What would it be like to be the only man on a board composed of women?

I've had this experience. Not in the boardroom, but I was recently in a seminar with 200 women and me; maybe there were one or two other men. It felt great! Honestly, this would be a very nice problem to have, but I don't think we are there yet.

Does diversity lead to good corporate governance practices or does good corporate governance lead to more diversity?

This is a bit of a "which comes first, the chicken or the egg" question. One strengthens the other. The more diversity on the board, the better, and the greater the demand will be for more professional practices. More professional practices also lead to more diversity. You probably do have to start with at least some minimum standard of diversity, because this is an inherent part of having good governance practices.

How can policymakers encourage better female representation on boards?

Having some type of corporate governance standard is a good start. I'm not sure that it has to be a regulation; it could be a voluntary code, sponsored by the government. Governments also can make sure that there are reasonable opportunities for both men and women.

You've seen how boards operate in a number of countries. Do you see cultural differences in the way the corporate world approaches this issue of diversity?

I do think there is a cultural issue here. In Sweden, as well as in the Netherlands and in Norway, they are on the forefront of the effort

to bring along more women. Of course in these countries, there are a lot of professional women, because they have had opportunities for a long time. In other countries, things are changing, but it's a more recent change so they have a longer way to go.

How should companies go about deciding whom to appoint to their boards?

They should not rely on the traditional old boys' networks, because this approach severely limits the diversity of opinion and the talent pool. The idea is to have a careful and transparent nominations process so that it's not the CEO or chairman bringing on his best friends. The gender diversity issue becomes a part of this.

*"In addition to the moral imperative, there's an overwhelming business case here. Women make up 50 percent of the global talent pool, and boards cannot afford to overlook female candidates."*

**Lars H. Thunell**

Can you offer some practical tips for women seeking directorships?

To start, of course, they should have the relevant qualifications and a strong CV. They should network, something that women don't do enough of. They should find a mentor. Women also need to become more comfortable in taking more risk. If you're going to make a difference, you have to take a little risk every now and then. This shows that you've actually accomplished something, and not just followed along with what everyone else in the organization is doing. ■

*The statements, findings, and conclusions expressed in this interview should not be attributed in any manner to IFC or any companies and organizations Lars Thunell may be affiliated with.*

## Women on Boards:

### *A Conversation with Yilmaz Argüden*

**Country of Origin:**

Turkey

**Board experience:**

Yilmaz Argüden has over 24 years of board experience in Turkey and abroad. He currently sits on the

board of 10 public and private companies, including Anadolu Efes A.S., Coca-Cola Icecek A.S., Inmet Mining Corp., Vestel Elektronik Sanayi ve Ticaret A.S., Vestel Beyaz Esya A.S., and Yazicilar Holding A.S. He also chairs Rothschild Investment Bank in Turkey and ARGE Consulting, a leading management consulting firm based in Istanbul and Turkey's first signatory to the United Nations Global Compact.

**An additional fact:** Yilmaz Argüden was selected as a Global Leader for Tomorrow by the World Economic Forum in 1999.

**Something women should know**

**about him:** *"I respect women's perceptiveness, especially on social and community issues."*

## Turkey

**The number:**

**22.2%** of board seats of Turkish family-held firms are held by female members of the owning families, according to a 2008 study conducted on behalf of the European Union Commission.

**And Did You Know?**

According to the 2010 WEF (World Economic Forum) Gender Gap report, Turkey had the second-highest percentage of women CEOs (12%) among the 34 OECD countries plus Brazil, China, and Russia.

### What has been your experience sitting on boards with women directors?

When the women are selected for their skills they definitely contribute a great deal. They bring a broader perspective which increases the diversity of opinions. Without generalizing too much, women tend to be more perceptive about people assessment, social trends, and social responsibility issues.

### Is there a difference in board dynamics when you have one or more women directors?

I don't see much difference in board dynamics, although I would say that when there are two or more women on the board, they seem more comfortable in raising issues and bringing different perspectives to the table. In cases where there is only one woman on the board, they do very well too, especially when they feel confident that they have the right experience.

### Are companies becoming more deliberate in appointing women to their boards?

In some cases, especially in family firms, women sit on boards because they are affiliated with or represent major shareholders. In other cases they have been handpicked for their skills. I think the issue for companies is having the diversity of relevant experience. For example, in the case of a consumer products company, women directors can provide valuable, practical input, because they may have a deeper understanding of what drives consumers since they make the purchasing decisions for their families. On the other hand, I sit on the board of a Canadian mining company. There are no women on the board, because there aren't that many women in the mining industry. So, despite our willingness to include that additional dimension of



diversity, we feel that relevant experience is more important.

Can you imagine yourself being the only man in a board composed of women?

Of course! Why not? There already are companies where the majority of board members are women, and I don't think it's an issue at all. And I don't think the reverse situation is an issue either.

Does diversity lead to good corporate governance practices or does good corporate governance lead to more diversity?

Generally, we tend to think of diversity in the context of gender or ethnicity. However, to build a strong team, boards also should consider diversity of skills and experience, age distribution, and tenure on the board as well. Diversity for its own sake is not an improvement in governance; what matters is the combination of complementary skills and experiences that members bring to the table to better address the challenges the company is likely to face.

What approaches would you suggest to increased female representation on boards?

I have several suggestions. Women should be a part of the search process and included as part of any list of candidates when you are getting ready to appoint new directors. In the end, you may decide not to appoint them, but if the search process only yields male candidates, you are eliminating the possibility before you even start. I also think that corporate governance codes should include disclosure of some kind of diversity and skills matrix. This is critical to building a good board.

How do you feel about quotas?

If the situation is that there are a significant number of women with the appropriate experience who cannot find board positions, then enacting a quota system or other

regulations might be useful. If this is not the case, then, in my opinion, quotas only serve to reduce the quality of the boards.

Are there any cultural obstacles to gender diversity on boards in Turkey?

Gender might be an impediment in certain companies because of cultural beliefs and traditions. Overall, though, if you look at the senior management of most Turkish companies, you will find a much better gender balance here than at the entry level. This is an indication that in Turkey there is no glass ceiling, and that there is no cultural barrier to being appointed to boards, but the barriers are at the entry level.

*“I don't believe that women should be appointed to boards simply because they are women but because they bring a relevant perspective.”*

**Yılmaz Argüden**

Can you offer some practical tips for women seeking directorships?

They should aim for assuming responsibility for a company or a business unit. People who have held balance sheet responsibilities are more attractive as a board candidate. Obviously, being part of the right networks is also useful, as it increases the brand equity of the individual. ■

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## Women on Boards:

### *A Conversation with John Plender*

**Country of Origin:**

United Kingdom

**Board experience:**

John Plender's board experience spans 30 years and five different boards—all of them with women directors.

He is a former member of the London Stock Exchange's quality of markets advisory committee and past chairman of Pensions and Investment Research Consultants (PIRC) and Quintain, PLC. In 2011 he was appointed as a trustee director of the Pearson Group Pension Fund.

**An additional fact:** John Plender is an award winning financial columnist.

**Something women should know**

**about him:** *"Nothing that men shouldn't know as well!"*

## United Kingdom

**The number:**

**12.2%** of the boards of FTSE (Financial Times and the London Stock Exchange) 100 companies were composed of women in 2010.

**And Did You Know?**

The 2011 government review recommends that FTSE 100 boards aim for a minimum 25% female representation by 2015.

You've sat on five boards with women directors. In your experience, what is the difference between men and women in this role?

Women do bring something particular and different to the board. In my experience, some of the women directors with whom I worked were highly competent, and some were less competent—the same as with their male colleagues. On the whole, the men tend to be more confrontational and in some ways less constructive in the ways they challenge others than women.

How do board dynamics change when you have more than one female director?

If you have a lot of women on a board, they network very effectively together. For example, I sat on one board that had four women members, two of whom were executive directors, and two of whom were not. The women executive directors forged good relationships with the nonexecutive directors who were women in a way that men didn't. Women on boards may also come to a common view relatively quickly on contentious issues.

Should there be special considerations when appointing a woman to a male-dominated board?

No. They should be the same for all board members. To suggest that there should be any other process would be demeaning or sexist.

Does diversity lead to good corporate governance practices or does good corporate governance lead to more diversity?

I do believe in diversity and I believe that it has helped improve board governance practices. Yet, this question poses polarities that are not real. The point is that the process

of putting together a good board involves a series of drivers, including having enough people on the board with the core skills to understand hugely complex and difficult businesses, as well as diversity, and other factors.

There was a tension that was revealed during the banking crisis between boards that looked good on paper in conventional governance terms and boards that actually have the requisite skills to do the job.

**What recommendations would you suggest to policymakers as a way to encourage better female representation on boards?**

Following the U.K. model, I think there could be a “comply or explain” mechanism as part of the corporate governance code, whereby companies have to comply with a standard to have women on the board, or otherwise explain the reasons for the absence of women on the board. Disclosure and explanation are good ways to apply pressure to take on the diversity agenda. As part of good governance, annual reports should discuss board composition and what the board seeks to achieve in terms of the skills represented.

**What about quotas?**

Indeed, if you look at Europe, the issue is whether there should be an enforced quota of women on boards or simply an aspirational target. In the United Kingdom, the current thinking among business leaders is that it’s better to have an aspirational target rather than a legal compulsion. But if the aspirational target is never to be met, you have to contemplate legislation to shock people into action

In developing countries, whether to set quotas should depend somewhat on the state of education in a country. In some developing countries, there is a large reservoir of advantaged and educated females, while in others, this is not the case.

**Can you imagine being the only man on a board composed of women?**

It seems to me to be a normal and reasonable thing to happen. There is bound to be a situation before too long where there is a majority of women, and possibly a majority up to the extent of there being a single man on a board. If you are looking for very specific skills at any given moment, it may happen that the nomination process brings up women with the best qualifications to do those jobs. It may end up that you will be a residual male on the board. I don’t think it’s implausible at all.

*“The presence of women on a board is a rather civilizing influence for the men!”*

**John Plender**

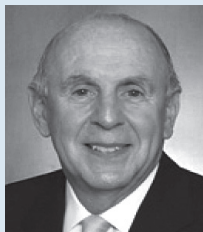
**Can you offer some practical tips for women seeking directorships?**

Unless you have been the chief executive of another listed company it’s quite hard to get that first nonexecutive directorship — regardless of gender. But that said, a lot of people manage to win appointments on boards by being assertive. If you push yourself hard with the headhunters you will appear on many more lists. ■

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## Women on Boards:

### *A Conversation with Peter Browning*

**Country of Origin:**

United States

**Board experience:**

Since 1989, Peter Browning has served on the boards of directors of 11 publicly traded companies,

two as CEO. In that time, he has also been nonexecutive chair, lead director, and chair of governance/nominating, audit, and compensation committees. In addition to being lead director of Nucor Corporation, he is a member of the board of directors of Acuity Brands, Inc., EnPro Industries, Inc., and Lowe's Companies, Inc.

**An additional fact:** Peter Browning is also the 2009 recipient of Boston University's "Gislason Award for Leadership in Executive Development."

**Something women should know**

**about him:** *"I have three daughters and three granddaughters whom I support in their pursuit of their personal and professional goals and ambitions in the same ways that I help my son and grandsons."*

## United States

**The number:**

**70.8%** of the 1763 U.S. companies rated by GMI (GovernanceMetrics International) had at least one woman director, but only 9.7% of these companies had at least three women directors, in 2011.

**And Did You Know?**

Cathy Hughes became the first African American woman to head a firm publicly traded on a stock exchange in the United States when Radio One listed on NASDAQ in 1999.

### What has been your experience sitting on boards with women directors?

The very first directorship I held, beginning in 1989, was on a board which included one woman. She was one of the first women in a senior position on Wall Street. Over 18 years, she brought great wisdom and insight to the board. Since then, I've had plenty of experience sitting on boards with women directors. In my opinion, whether the person is a positive or negative influence has less to do with gender and more to do with the character of the person. In one of my board experiences, there was a woman director who was extremely disruptive and a male director who was equally disruptive. Neither of them was renominated.

### Have there been any changes regarding the presence of women on boards over the last decade?

I have definitely seen a change since the first generation of women began serving on boards. It was a challenge for them. It wasn't easy, and they had to learn how to survive and prosper. There are many more women today with good résumés who are great candidates. And, as boards become more focused on diversity, there are more opportunities for these women.

### Do board dynamics change when you have more than one female director?

I don't see a difference in dynamics depending on gender, but maybe it's because most of my board experience has been with diverse boards — including women, African-Americans, and other minorities. Whether someone is effective or not, and how they influence board dynamics, has more to do with personality, background, and experience.

## What would it be like to be the only man on a board composed of women?

I can only hypothesize, but I think it's a realistic scenario to imagine. It would involve sitting with a group of highly successful people. I would contribute based on my experience, as they would. Some of the board members would have great insights; others would be disruptive — just like boards everywhere.

## Does diversity lead to good corporate governance practices or does good corporate governance lead to more diversity?

In the broadest sense, you need diversity of experience and background. And if you don't push for this in a premeditated way, then you might have a harder time achieving good governance. It's all about getting the right individuals in place who can discuss people, acquisitions, and strategy. There isn't going to be one individual with all the right answers, so you need that diversity. Yet, when I think of the word diversity, I'm thinking about the range of skills, experiences, talents, and backgrounds. This is not just about gender or ethnicity.

## How can policymakers encourage better female representation on boards?

In the United States, the Securities and Exchange Commission requires that publicly traded companies disclose their diversity policies among other disclosure rules, so we already have something in place. Shareholders and investors could more actively support board diversity.

## Should the approach be different in developing countries? What about quotas?

To be honest, I'm not a big fan of quotas regardless of whether we are talking about developed or developing countries. If a person is in the position because he or she is filling some kind of quota, you are putting a major

burden on them, and I'm not sure it does a service to any one — either the individual or the company.

*“It's this new younger generation of directors that are connected to more diverse networks that will help include a larger number of successful women on boards.”*

**Peter Browning**

## Can you offer some practical tips for women seeking directorships?

Networking is the first thing. When you look for someone to fill a board position, you look first among the members of your network to see if anyone has the required skills. Nobody puts aside a good résumé, but it makes a difference if you know — or someone you know knows — the person.

In addition, it is important to make search companies and headhunters aware of your résumé and your interest in board positions. About 60 percent of board positions are now found by headhunters. Companies can get very specific with their headhunters about the types of candidates they want in terms of skills and in terms of background. Diversity is on the agenda, and companies have to get out in the broader world and look at the whole pool of talent. ■

*The statements, findings, and conclusions expressed in this interview should not be attributed in any manner to IFC or any companies and organizations Peter Browning may be affiliated with.*

## Women on Boards:

### *A Conversation with Patrick D. Chisanga*

**Country of Origin:**

Zambia

**Board experience:**

Patrick Chisanga is chief executive and chairman of Muchanga Investments Ltd, which he founded in 1987.

He serves on the boards of several local and international companies and is the current chairman of Air Namibia (Zambia) Ltd. He is a fellow of the Institute of Directors of Zambia, where he served as president from 2002 to 2005. He is a former member of the board of governors of the Commonwealth Association of Corporate Governance.

**An additional fact:** Patrick Chisanga is the vice chairman of Rotarians for Fighting AIDS.

**Something women should know**

**about him:** *"I am a very firm but fair person, and I believe in equal participation. I want women to know that I am gender friendly and an easy person to get along with!"*

## Zambia

**The number:**

**17%** of the total number of individuals trained by the Institute of Directors of Zambia in 2010 were women.

**And Did You Know?**

In 2011, female entrepreneurs are due to receive state-sponsored lessons on business management, market access, and how to successfully juggle business and family responsibilities to ensure a "win-win situation."

### What has been your experience sitting on boards with women directors?

In this part of the world, the presence of women on boards would be representative of economic and social advancement. The fact that we have not recorded a high percentage of women on boards is a reflection that a lot more has to be done in this area. The only woman I can recall who sat with me on the same board was my wife — she was on the board when I was chairman.

### Are you seeing improved board gender diversity in your region?

Yes, we are moving in the right direction. The other day when I was playing golf, I noticed this new billboard that caught my attention because it said: "Are you looking for a dynamic female board member? Contact us!" It was quite a new development.

Today, more women are being appointed to boards and some are serving as CEO or executive directors. In the banking sector there are two or three that come to mind. In state-owned companies, I have to be honest and say that not everyone appointed to the boards is an asset to the company, because the appointments are often based on patronage.

### What do women bring to the table as directors?

Generally, women on boards tend to bring to the table a new dimension and a different perspective. They are very positive on corporate responsibility programs, for instance. I also think that women are more honest. They are accountable and feel responsible for the company. They tend to do a lot more research on the issues before coming to the meeting, and not simply rely on their experience. This is all very valuable.

## What would it be like to be the only man on a board composed of women?

I would survive, but it would be a very interesting development! With my experience and background, I would still be comfortable and I would still want to contribute with firm convictions, but I also would be maybe more receptive to what the women have to say.

## Does diversity lead to good corporate governance practices or does good corporate governance lead to more diversity?

Good governance practices lead to board diversity. I am a strong believer that every member on any board must consider themselves—and must be viewed as—a useful member of the board and not be there merely to balance numbers. They must be properly qualified.

## What should be done to increase female representation on boards?

First and foremost, I think the system of patronage must come to an end, regardless of whether we are talking about men or women. Nobody should be appointed to a board if they do not bring value to it. By training individuals, the Institute of Directors can help move away from the old boys' network, which leads to inbreeding and a lack of new ideas. The institute should encourage companies to identify qualified women for director training. We need to get as many women as possible on board director courses and thereby grow the pool of qualified women for directorships. This is basic but crucial.

## What about quotas?

I do not support the quota system. In fulfilling a gender quota you are likely to bring mediocrity into the boardroom. I would rather open up the talent pool and let it be known that you are looking for the best people, regardless of gender or including women. The pipeline of qualified women is

definitely growing. Going back 25 years, it would have been very difficult to identify even handful of qualified women. But now, women have a higher level of education, and there are extremely qualified professional women in several fields. I would like to see more and more companies in our region making serious efforts to implement the SADC (Southern African Development Community) Protocol on Gender, which requires that 30 percent of all influential positions in all organizations should be held by women. These appointments however, should be based on merit.

*“I don't think that the women board members we have in Zambia feel in any way intimidated by their male counterparts.”*

**Patrick Chisanga**

## Can you offer some practical tips for women seeking directorships?

Joining the Institute of Directors is a good approach. This will enhance their credibility. The institute can lobby companies to draw from the pool of women who have taken the directors' training. Women have to become more visible and come forward in social networks so that people are aware of them and exposed to their qualifications and experience, as well as the value they could bring to a board. Here in Zambia, the golfing fraternity and sorority remains an effective network.

Apart from qualifications and experience, women should also be prepared to answer questions regarding the time they are able to devote to board matters. Women have many roles. We expect them to be mothers and housewives in addition to being good professionals. ■

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## Women on Boards: A Reading Guide

The following reference guide provides information on the business case for board gender diversity and the status of women on boards in various countries and regions. It includes sample references from regulators and examples of investment funds that consider corporate board diversity policies in investment decisions.

IFC's Women in Business Program compiled this list of references to encourage knowledge sharing and to promote dialogue about women and board diversity. For more information on IFC's Women in Business Program visit [www.ifc.org/gender](http://www.ifc.org/gender).

## I. Women and Board Diversity Studies: The Business Case

Adams, R. B., and Ferreira, D. (2009). Women in the Boardroom and Their Impact on Governance and Performance. *Journal of Financial Economics* 94 (2009) 291–309. Available at: [http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=1107721](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1107721).

Examines the impact of women directors on corporate governance and performance from 1996 to 2003 for Standard & Poor's 500, S&P MidCap firms, and S&P SmallCap firms; focuses particularly on board inputs, such as board meeting attendance and monitoring committees, and firm outcomes, such as chief executive officer turnover, equity-based compensation, and shareholder value.

Argüden, Yılmaz (2010). Diversity at the Table: Bringing Complementary Skills and Experiences to the Board. IFC Global Corporate Governance Forum. Available at: [http://www.gcgf.org/ifcext/cgf.nsf/Content/Private\\_Sector\\_Opinion](http://www.gcgf.org/ifcext/cgf.nsf/Content/Private_Sector_Opinion).

Suggests that a well-functioning board of directors needs diversity of experience and perspectives. It makes the case that regulation frequently is not the answer to achieve board diversity.

Baumgarten, P., Desvaux, G., and Devillard-Hoeillinger (2007). Women Matter: Gender diversity, a corporate performance driver. *McKinsey & Company*. 2007. Available at: [http://www.mckinsey.com/locations/swiss/news\\_publications/pdf/women\\_matter\\_english.pdf](http://www.mckinsey.com/locations/swiss/news_publications/pdf/women_matter_english.pdf).

Discusses the correlation between women on boards and organizational excellence and financial performance. Also discusses, the current challenges women face, and helpful strategies to increase the appointment of women to senior positions and boards.

Bilimoria, D. (2006). The relationship between women corporate directors and women corporate officers. *Journal of Managerial Issues*. Available at: [http://findarticles.com/p/articles/mi\\_hb6703/is\\_1\\_18/ai\\_n29254953/](http://findarticles.com/p/articles/mi_hb6703/is_1_18/ai_n29254953/).

Discusses the positive relationship between the number of women corporate directors and the representation of women on senior management teams of U.S. Fortune 500 companies from 1999 to 2000.

Bilimoria, D., McInerney-Lacombe, N., and Salipante, P. F. (2009). Championing the discussion of tough issues: how women corporate directors contribute to board deliberations. Chapter 11 in *Women on Corporate Boards of Directors: International Research and Practice*. Available at: <http://books.google.com>.

An exploratory study looking at the unique and effective behaviors women bring to the boardroom as well as their ability to promote deliberations on sensitive and pressing issues such as senior management and director compensation, management proposal critiques, chief executive officer removals, and reallocation of product market portfolios.

Broome, L. L., and Conley, J. M. (2010). Dangerous Categories: Narratives of Corporate Director Diversity. Social Science Research Network. Available at: [http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=1679775](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1679775).

A qualitative study reporting on the results of 45 in-depth interviews with both male and female corporate insiders (directors, executives, regulators, consultants) regarding board diversity. Reports on the views of the respondents on how and why board diversity matters.

Broome, L. L., and Krawiec, K. D. (2008). Signaling Through Board Diversity: Is Anyone Listening? Social Science Research Network. Available at: [http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=1132884](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1132884).

A discussion paper that followed 35 semi-structured interviews with directors, representing 96 public directorships, addressing the rationale that was predominately mentioned for board diversity.

Brown, D. A. D., Brown, D. L., and Anastasopoulos, V. (2002) Women on Boards: Not Just the Right Thing . . . But the “Bright” Thing. The Conference Board of Canada. Available at: [http://www.europeanpwn.net/files/women\\_on\\_boards\\_canada.pdf](http://www.europeanpwn.net/files/women_on_boards_canada.pdf).

Suggests a link between female board members and good governance credentials. Finds that gender-balanced boards pay more attention to audit risk oversight and control, more often consider the needs of more categories of stakeholders, and insist on conflict-of-interest guidelines. Highlights gender diversity as a part and critical characteristic of board diversity. Looks at the impact of female directors on board unity and independence in relation to corporate governance and performance from 141 organizations (publicly traded or privately held) in 2001 (1995 data are used as baseline for time series comparisons). Also provides a future outlook of women on boards.

Carter, A. D., Simkins, B., and Simpson, G. W. (2002). Corporate Governance, Board Diversity, and Firm Performance. Social Science Research Network. Available at: [http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=304499](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=304499).

Empirical study examining whether board diversity (race, age, gender) of 697 publicly traded firms from the U.S. Fortune 1000 affects financial performance in 1999. Uses control variables for size, industry, and other corporate governance measures.

Carter, C. A., D’Souza, F., Simkins, B. J., and Simpson, G. (2007). The Diversity of Corporate Board Committees and Financial Performance. Social Science Research Network. Available at: [http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=1106698](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1106698).

Examines the diversity of board committees and their impact on board functions and shareholder value of U.S. Fortune 500 firms from 1998 to 2002. Through an audit, finds that board diversity has a positive effect on financial performance, and that gender diversity has a positive effect on financial performance.

Deloitte Global Center for Corporate Governance (2011). Women in the boardroom: A global perspective. Available at: [http://www.corpgov.deloitte.com/binary/com.epicentric.contentmanagement.servlet.ContentDeliveryServlet/USEng/Documents/Nominating-Corporate%20Governance%20Committee/Board%20Composition%20and%20Recruitment/Women%20in%20the%20Boardroom\\_Deloitte\\_012011.pdf](http://www.corpgov.deloitte.com/binary/com.epicentric.contentmanagement.servlet.ContentDeliveryServlet/USEng/Documents/Nominating-Corporate%20Governance%20Committee/Board%20Composition%20and%20Recruitment/Women%20in%20the%20Boardroom_Deloitte_012011.pdf).

Compiles views from three prominent women directors from around the world. Each director shares her thoughts on the best ways of promoting and increasing board diversity as well as on the effectiveness of quotas.

Desvaux, G., and Devillard, S. (2008). *Women Matter 2: Female leadership, a competitive edge for the future*. McKinsey & Company. Available at: [http://www.mckinsey.com/locations/paris/home/womenmatter/pdfs/women\\_matter\\_oct2008\\_english.pdf](http://www.mckinsey.com/locations/paris/home/womenmatter/pdfs/women_matter_oct2008_english.pdf).

Follows “Women Matter: Gender diversity, a corporate performance driver.” Reports on the relationship between the leadership traits and styles that women frequently apply to their directorships and the top future business challenges.

Desvaux, G., Devillard, S., and Sancier-Sultan, S. (2009). *Women Matter 3: Women leaders, a competitive edge in and after the crisis*. McKinsey & Company. Available at: [http://www.mckinsey.com/locations/swiss/news\\_publications/pdf/Women\\_Matter\\_3\\_English.pdf](http://www.mckinsey.com/locations/swiss/news_publications/pdf/Women_Matter_3_English.pdf).

Follows “Women Matter 2: Female leadership, a competitive edge for the future.” Reports on the connection between women’s leadership behaviors and post-recession recovery of businesses. Examines the attitudes of 800-plus global business leaders, from 2008 postcrisis, toward increasing the representation of women on boards.

Desvaux, G., Devillard, S., and Sancier–Sultan, S. (2010). *Women Matter 2010: Women at the Top of Corporations: Making it Happen*. McKinsey & Company. Available at: [http://www.mckinsey.com/locations/paris/home/womenmatter/pdfs/Women\\_matter\\_oct2010\\_english.pdf](http://www.mckinsey.com/locations/paris/home/womenmatter/pdfs/Women_matter_oct2010_english.pdf).

Follows “Women Matter 3: Women leaders, a competitive edge in and after the crisis.” Reports on the underrepresentation of women in European executive committees and potential strategies to help companies achieve gender diversity of top management. This report is based on a September 2010 survey of approximately 1,500 business leaders worldwide, from middle managers to chief executive officers. It finds that, although the business case for board diversity is increasingly recognized, the actual implementation of measures toward gender diversity is still very limited.

Dobrzynski, J. H. (2009). *How Women Are Getting On European Boards (And Why U.S. Companies Should Care)*. *Forbes*. Available at: <http://www.forbes.com/2009/12/14/norway-french-legislation-equality-forbes-woman-leadership-executive-boards.html>.

An article featuring an interview with Elin Hurvenes, who started the Professional Boards Forum to place female directors on the corporate boards of companies worldwide, including her thoughts on national quotas in the United States.

Durbin, Annemarie (2011). *Optimizing Board Effectiveness with Gender Diversity: Are Quotas the Answer?* IFC Global Corporate Governance Forum. Available at: [http://www.gcgf.org/ifcext/cgf.nsf/Content/PSO\\_21\\_Gender](http://www.gcgf.org/ifcext/cgf.nsf/Content/PSO_21_Gender).

Suggests that using quotas to increase female representation on the board can lead to tokenism, diminish the overall value of diversity on boards, affect board dynamics, and potentially lead to diluted commitments from existing female board directors. The author

recommends that, instead of quotas, companies should take a holistic approach: improving board nominating criteria and processes, developing female middle and senior management talent, and ensuring positive dynamics among diverse board members.

Konrad, A.M., and Kramer, V. W. (2006). How Many Women Do Boards Need? *Harvard Business Review*. Available at: <http://hbr.org/2006/12/how-many-women-do-boards-need/ar/1>.

Examines the relationship between the number of women on a board, based on an average board size of 10 members, and a board's effectiveness. Explains the importance of a board composition of at least three women.

InterOrganization Network (2010). Guys Who Get It: Business Leaders Who Understand the Value of Diversity at the Top: The 6<sup>th</sup> Annual Status Report of Women Directors and Executive Officers of Public Companies in Fourteen Regions of the United States. Available at: [http://www.ionwomen.org/wp.../ION\\_6thStatusReport\\_GuysQuotes\\_032210.pdf](http://www.ionwomen.org/wp.../ION_6thStatusReport_GuysQuotes_032210.pdf).

A report on 11 male senior executives who are champions of developing and implementing diversity initiatives and who have acknowledged the business case for women at the highest levels of corporate governance.

PricewaterhouseCoopers (2008). Diversity in action. In *Annual Report 2008: Eurofirms Women in PwC*. Available at: [http://www.pwc.com/en\\_GX/gx/women-at-pwc/assets/pwc\\_diversity\\_in\\_action\\_april\\_2008.pdf](http://www.pwc.com/en_GX/gx/women-at-pwc/assets/pwc_diversity_in_action_april_2008.pdf).

Looks at the progress made by the Eurofirms women in the PwC Network, launched in 2008, and the progress that's been made so far in workplace diversity.

The Boston Club (2008). Succession Planning and Diversity: A Winning Combination in Troubled Times. Available at: <http://www.thebostonclub.com>.

Tracks the number and percentage of women directors and executive officers of the 100 largest public companies in Massachusetts and argues that diverse board and executive suites are essential to a firm's innovation and competitiveness.

Catalyst (2004). The Bottom Line: Connecting Corporate Performance and Gender Diversity. Available at: <http://www.catalyst.org/file/44/the%20bottom%20line%20connecting%20corporate%20performance%20and%20gender%20diversity.pdf>.

Demonstrates the link between gender diversity — by industry — on the ROE (return on equity and TSR (total shareholder return) of 353 Fortune 500 companies, 1996–2000. Also details the methodology applied to the study.

The Forum of Executive Women, Philadelphia, Pennsylvania (2008). Not Business as Usual: Women on Boards 2008. Deloitte. Available at: [http://www.forumofexecutivewomen.com/SiteData/doc/2008Womens\\_Report/efd9f2822ad017d79a53719286a6bbf6/2008Womens\\_Report.pdf](http://www.forumofexecutivewomen.com/SiteData/doc/2008Womens_Report/efd9f2822ad017d79a53719286a6bbf6/2008Womens_Report.pdf).

Reports on the status of women on boards of Philadelphia's top 100 companies, by revenue, in 2007. Includes persuasive case studies of companies that are implementing gender

best practices. Features interviews with women across five generations regarding their experiences.

The National Council for Research on Women (2009). *Women in Fund Management: A Road Map for Achieving Critical Mass—and Why it Matters*. Available at: <http://www.ncrw.org/sites/ncrw.org/files/WIFM%20Report.pdf>.

Looks at recent studies in the field of investment and professional money management and suggests that women bring unique qualities and expertise to this work. Capitalizes on how the financial industry should create a “critical mass principle” for increasing the number of women in senior management and on boards.

Virtcom Consulting (2009). *Board Diversification Strategy: Realizing Competitive Advantage and Shareowner Value*. Available at: <http://www.calpers.ca.gov/eip-docs/about/press/news/invest-corp/diversification-strategy.pdf>.

A report commissioned by the CalPERS board summarizing how companies that are not committed to board diversity may be at a competitive disadvantage or have underperforming share value. Highlights include an expanded definition of board diversity, making the business case for board diversity as a business strategy, best practices for board diversification, leveraging diversity for impact, and implementing best practices.

## II. Status and Impact of Women on Boards, by Country or Region

### Global

Corporate Women Directors International (2010). *Accelerating Board Diversity Globally*. For a copy of the report, e-mail CWDI at: [summit@globewomen.com](mailto:summit@globewomen.com).

Consolidates recent studies on gender diversity on corporate boards to form a global picture of the status of women on boards in 51 countries from 26 separate sources. Also includes recent initiatives by governments, corporate governance commissions, researchers, and advocates from all over the world to increase the number of female directors. See a summary presentation at: <http://www.globewomen.org/summit/2010/Presentations/Irene%20Natividad%20Special%20Report%20Global%20Trends%203.pdf>.

Corporate Women Directors International (2010). *Women Board Directors in the Largest Banks in the Fortune Global 200*. For a copy, e-mail CWDI at: <mailto:summit@globewomen.com>.

Presents the key findings of CWDI’s 2010 report on women on boards of the 31 largest banks of the Fortune Global 200. Discusses the status of women directors in these banks as well as the countries that are currently leaders in promoting women to these boards.

GovernanceMetrics International (2011). *2011 Women on Boards Report*. Available at: <http://www.ionwomen.org/wp-content/uploads/2011/07/GMI-Diversity-2011.pdf>.

Details global trends, country highlights, supersector, and sector highlights on women on boards.

GovernanceMetrics International (2009). Women on Boards: A Statistical Review by Country, Region, Sector and Market Index. Available at: [http://www.gmiratings.com/\(bnnl3555sqbsh551v2jfs55\)/hp/Women\\_on\\_Boards\\_-\\_A\\_Statistical\\_Review\\_from\\_GMI\\_-\\_3\\_2\\_09.pdf](http://www.gmiratings.com/(bnnl3555sqbsh551v2jfs55)/hp/Women_on_Boards_-_A_Statistical_Review_from_GMI_-_3_2_09.pdf).

Compares the status of women on boards from 4,200 global companies by country, region, sector, and market index.

Kellaway, Lucy (2011). Female Quotas Would Target the Wrong Women. *Financial Times*. Available at: <http://www.ft.com/cms/s/0/c970093c-412b-11e0-bf62-00144feabdc0.html#axzz1HdEY19mA>. Podcast available at: <http://podcast.ft.com/index.php?sid=18&pid=1074>.

Suggests that the women-on-boards debate should not be about boardroom quotas versus voluntary codes of conduct, or about women nonexecutives. It argues that what matters is having women on the staff, and making sure that the good ones get to the top.

Women in business: Still lonely at the top (2011). *The Economist*. Available at: <http://www.economist.com/node/18988694>.

Article on how several governments, especially in Europe, have imposed or are planning to impose quotas for women in the boardroom. It also discusses possible obstacles keeping women from reaching top executive positions.

Women in the Boardroom: The wrong way to promote women (2011). *The Economist*. Available at: <http://www.economist.com/node/18988506>.

Article argues that mandatory quotas do more harm than good, and that having children is a major obstacle in women's careers. It suggests that firms should make work more family-friendly if they want to attract the best talent.

## **Africa**

International Women's Forum of South Africa (2011). IWFSA Women Leadership in Africa Pilot Study: Survey Results 2011.

The report shows results for a research project on women leadership development in Africa initiated by the International Women's Forum of South Africa, with the support of the United Nations Development Programme, in partnership with Absa, the Da Vinci Institute for Technology Management, and Frontier Advisory. The ultimate aim of the project is to uncover new voices on what leadership is to women in African countries. The countries chosen to initiate the pilot study are Ghana, Kenya, Namibia, Nigeria, and Uganda. Some of the areas studied are women employees, managers, and executives, and their roles within their organizations.

## **Australia**

Equal Opportunity for Women in the Workplace Agency (2008). Australian Census of Women in Leadership 2008. Available at: [http://www.ewa.gov.au/Australian\\_Women\\_In\\_Leadership\\_Census.asp](http://www.ewa.gov.au/Australian_Women_In_Leadership_Census.asp).

2008 EOWA census of women in top senior positions for the top 200 companies listed on the Australian Securities Exchange.

Goldman Sachs and JBWere (2009). *Australia's Hidden Resource: The Economic Case For Increasing Female Participation*. Research Report. Available at: [http://www.eowa.gov.au/PayEquity/Files/Australias\\_hidden\\_resource.pdf](http://www.eowa.gov.au/PayEquity/Files/Australias_hidden_resource.pdf).

Report illustrates how women in Australia represent an untapped source of highly educated labor. Suggests that closing the male-female employment gap requires new policies aimed at bringing women into more productive sectors of the economy. Also proposes policies that focus on the retention of women in these sectors, as opposed to policies that focus solely on bringing women into the workforce.

McIntyre, Anthea (2011). *Tomorrow's Boards: Creating Balanced and Effective Boards*. The Australian Institute of Company Directors. Copies of the book can be purchased through the website: [www.companydirectors.com.au/Tomorrowsboards](http://www.companydirectors.com.au/Tomorrowsboards).

Investigates the current composition of Australia's boards, their selection practices, and the advantages inherent in diversity. Offers practical guidance to boards, nomination committees, and professional search firms on the composition of boards and the process for selecting the most appropriate directors. Examines possible reasons for the low representation of female directors and senior executives, looks at the use of quotas and targets within Australia and overseas, and considers some of the pros and cons of imposing mandatory quotas in the Australian private sector as a way of securing positions for women directors on boards.

20-First (July 2010). *Womenomics 101 survey: Focus on Australia*. Melbourne. Available at: <http://www.20-first.com/1391-0-womenomics-101-survey-focus-on-australia-2010.html>.

Examines the composition of executive committees of the top nine largest Australian companies in the Fortune Global 500. Suggests that Australia has been making progress in introducing women in leading-role positions.

## **Bangladesh**

Dutta, P., and Bose, S. (2006). Gender Diversity in the Boardroom and Financial Performance of Commercial Banks: Evidence from Bangladesh. *The Cost and Management* 34: 6 (November–December) 70–74. Available at: <http://mpr.ub.uni-muenchen.de/7916/1/Sudipta-2.pdf>.

A study looking at the relationship between gender diversity and the financial performance of 15 banks listed on the Dhaka Stock Exchange for 2002–2005.

## **Brazil**

IBGC (2009). *Panorama da Governança Corporativa no Brasil*. Available at: <http://www.ibgc.org.br/Download.aspx?Ref=Pesquisas&CodPesquisas=4>.

This report (in Portuguese) gives the results of the second IBGC and Booz & Company 2009 research study on corporate governance in Brazilian companies, providing an overview and comparing the 2009 findings to the first findings in 2003.



## Canada

Canadian Board Diversity Council (2010). 2010 Annual Report Card. Available at: <http://www.boarddiversity.ca/en/home/122-cbdnewsletterdec.html>

Baseline study on the representation of women, visible minority groups, persons with disabilities, and aboriginal peoples on Financial Post 500 boards. Highlights include the percent of diverse individuals on FP 500 boards, the percent of FP 500 companies that have a written diversity policy on board membership, current best practices to improve board diversity, and the results of a July/August 2010 survey to determine board members' perspectives on board diversity.

Catalyst (2009). 2009 Catalyst Census: Financial Post 500 Women Board Directors. Available at: <http://www.catalyst.org/publication/411/2009-catalyst-census-financial-post-500-women-board-directors>.

Gives the percent of women on public, private, and crown boards from the Financial Post 500, as well as by industry.

## China (Hong Kong)

Mahtani, S., Vernon, K., and Sealy, R. (2009). Women on Boards: Hang Sang Index 2009. Community Business and the International Centre for Women Leaders, Cranfield University School of Management. Available at: <http://www.communitybusiness.org/images/cb/publications/2009/WOB.pdf>.

Based on the Female FTSE (Financial Times and the London Stock Exchange) Report, this report examines the percentage of women on boards of Hong Kong's top companies listed on the Hang Seng Index (HSI). Also includes a section outlining the perspectives of nine female directors of HSI companies regarding gender diversity on boards of directors.

## Denmark

Smith, N., Smith, V., and Verner, M. (2005). Do Women in Top Management Affect Firm Performance? A Panel Study of 2500 Danish Firms. Aarhus School of Business. Available at: <http://ftp.iza.org/dp1708.pdf>.

Suggests that board diversity is potentially positively correlated with a firm's performance, based on data from 2,500 of Denmark's largest companies during 1993–2001. Study found that the number of women in senior management positions of these firms had a positive correlation with the performance, even after controlling for causality and endogeneity.

## Egypt

El Saeed Agag, Amira, and El-Ansary, Osama (2011). Exploring the Impact of Board Gender Diversity on Profitability for Egyptian Corporations. Contact e-mail: [hrammira2000@yahoo.com](mailto:hrammira2000@yahoo.com).

This 2011 paper identifies factors that lead Egyptian companies to appoint women directors and examines the impact of increased female representation on corporate profitability. The results show that some factors—including advanced education, a variety of work experience, membership in professional organizations, having the right connections, either

political or business, and ability to devote quality time — positively affect the nomination of women directors.

## Europe

Burgess, Kate (2011). Quota Plan for Female Bank Chiefs Faced Axe. Available at: <http://www.ft.com/intl/cms/s/0/a46f9718-a005-11e0-a115-00144feabdc0.html#axzz1UeeQEFhg>.

Article discusses the proposed European Commission rules for corporate governance in banking, including mandatory quotas to ensure that women make up at least 30 percent of all directors on bank boards, and opinions of top officials on the subject.

European Professional Women's Network (2008). 3rd EuropeanPWN BoardWomen Monitor 2008. Available at: [http://www.europeanpwn.net/files/presentation\\_bwm\\_2008.pdf](http://www.europeanpwn.net/files/presentation_bwm_2008.pdf).

Compares the percentage of women on boards in the European Union in 2008 by country and industry, and highlights the status of the executive pipeline for women.

*EurActiv* (July 15, 2010). EU Mulls Gender Quotas on Company Boards. Available at: <http://www.euractiv.com/en/enterprise-jobs/eu-mulls-gender-quotas-on-companies-boards-news-496351>.

Article discusses the possibility of the European Union Commission legislating quotas to increase the number of women on boards in private companies.

Sullivan, Ruth (2011). Europe takes lead on boardroom diversity. *Financial Times*. Available at: <http://www.ft.com/cms/s/0/1fbb28c6-b87d-11e0-8206-00144feabdc0.html#axzz1TsthGsuz>.

Article discusses how Europe has taken the lead on boardroom diversity. Efforts of the following countries are mentioned: Norway, the United Kingdom, Spain, Germany, France, Brussels, and the Netherlands.

## Finland

Kotiranta, A., Kovalainen, A., and Rouvinen, P. (2007). Female Leadership and Firm Profitability. *EVA Analysis*. Finnish Business and Policy Forum EVA. Available at: [http://www.europeanpwn.net/files/eva\\_analysis\\_english.pdf](http://www.europeanpwn.net/files/eva_analysis_english.pdf).

Examines the impact of female chief executive officers and board directors — of listed Finnish companies that employed at least 10 people in 2003 — on profitability (ROA, ROE, operating margin), leadership, and market share. Analysis of 14,020 companies. Gives examples of best practices on how to get women to the top in the business world.

Suomen Asiakastieto, Finnish Credit Agency (July 2005). Available at: <http://www.asiakastieto.fi>.

This survey by the Finnish Credit Agency of the top 500 Finnish companies finds that profits, and so on, were considerably higher in companies led by women.

## France

European Professional Women's Network Press Release (2010). The Representation of Women on Boards in 2010. Available at: [http://www.lesechos.fr/medias/2010/1007//020845820181\\_print.pdf](http://www.lesechos.fr/medias/2010/1007//020845820181_print.pdf).

A report on the status of women on boards of France's top 300 companies in 2010, compared to previous years and compared to the average percent of women on boards of 17 European countries in 2006, 2008, and 2010.

20-First (October 2010). Womenomics 101 survey: Focus on France. Paris. Available at: <http://www.20-first.com/1420-0-womenomics-101-survey-focus-on-france-2010.html>.

Looks at the gender balance of the executive committees of the top 10 companies in France. The report suggests that the numbers presented in this survey demonstrate a large imbalance within gender representation in France.

## **Germany**

Commission of the German Corporate Governance Code (2010). Government commission finalizes recommendations for more women represented in supervisory boards. Available at: [http://www.corporate-governance-code.de/eng/download/PM\\_Plenarsitzung\\_20100527\\_en.pdf](http://www.corporate-governance-code.de/eng/download/PM_Plenarsitzung_20100527_en.pdf).

A press release outlining the Commission of the German Corporate Governance Code's recommendations regarding more women on boards. Main areas include more diversity in boards, fair consideration for women in leading roles, and support for education.

20-First (October 2010). Womenomics 101 survey: Focus on Germany. Berlin. Available at: <http://www.20-first.com/1427-0-2010-womenomics-101-focus-on-germany-released.html>.

Looks at the gender balance of the executive committees of the top 10 companies in Germany. This survey concludes that out of the top 10 German companies, only two have a minimal female presence.

## **Gulf Cooperation Council (GCC)**

The National Investor (2008). Power matters: A survey of GCC boards. TNI Market Insight. Available at: [http://www.hawkamah.org/news\\_and\\_publications/publications/cg\\_reports/files/Powermatters.pdf](http://www.hawkamah.org/news_and_publications/publications/cg_reports/files/Powermatters.pdf).

Looks at the 3,493 board members who occupy the 4,254 board seats of GCC-listed companies. This report, the first of its kind in this region, examines the board sizes, cross-board memberships, and the concentration of family power as well as the proportion of women directors in GCC countries and the impact of the participation of women in the economy in GCC countries.

## **India**

Banerji, A., Mahtani, S., Sealy, R., and Vinnicombe, S. (2010). Standard Chartered Bank: Women on Corporate Boards in India 2010. International Centre for Women Leaders, Cranfield University School of Management. Available at: [http://www.communitybusiness.org/images/cb/publications/2010/WOB\\_India.pdf](http://www.communitybusiness.org/images/cb/publications/2010/WOB_India.pdf).

Looks at the status of women on the boards of India's Bombay Stock Exchange 100 Companies as well as the results of 18 interviews with female directors of BSE-100 Companies in 2010.

20-First (December 2009). Womenomics 101 survey: Focus on India. Paris. Available at: <http://www.20-first.com/1228-0-focus-on-india.html>.

Takes the top 10 ET 500 Companies and lists the ratio of men to women on their executive committees.

## Indonesia

Fitri, H. R. (2009). Women on Boards and Financial Performance. Masters Thesis, Universiti Utara Malaysia. Available at: <http://ep3.uum.edu.my/2075/>.

Examines whether the proportion of women on boards of commissioners, boards of directors, and audit committees from 205 companies listed on the Jakarta Stock Exchange (JSE) has an effect on ROA (return on assets).

## Israel

Israel Women's Network, Leading Social Change (2003). *Women Leadership — Women Directorates*. Available at: <http://www.iwn.org.il/innerEn.asp?newsid=160>.

Examines the changes in women's board representation of Israel's public companies during 1993–1997 and 1997–2000 following Amendment No. 6 to the Companies Law adopted in 1993, which mandated “due representation” of both sexes in government company directorates. (Article is taken from: Women in Israel: Compendium of Data and Information 2002 based on Dr. Izraeli and R. Hillel, Women's Representation in Directorates of Government Companies — Changing Trends 1993–1997–2000, Bar Ilan University, 2000, in Hebrew).

## Italy

20-First (June 2010). Womenomics 101 survey: Focus on Italy. Rome. Available at: <http://www.20-first.com/1378-0-womenomics-101-survey-focus-on-italy.html>.

Takes the top 10 largest Italian companies in the Fortune Global 500 and lists the ratio of men to women on their executive committees. This survey was brought to Italy in partnership with the Faculty of Economics, Department of Banking, Insurance and Capital Markets of the Sapienza Università di Roma.

## Japan

Corporate Women Directors International (2009). Women Board Directors of Japan's Top 100 Companies. For a copy of the report, e-mail CWDI at: [summit@globewomen.com](mailto:summit@globewomen.com).

A report on the status of women directors of Japan's 100 largest companies. Includes explanations for women's limited access to these boards and elaborates on groups that may push for more women on these boards.

## Jordan

Singh, V., and Vinnicombe, S. (2006). Balance in the Boardroom: Report on Women Directors in Top 50 Companies in Jordan. Cranfield University School of Management. For a copy of the report, e-mail The Centre of Arab Women for Training Research (CAWTAR) at: [info@cawtar.org](mailto:info@cawtar.org).

A report on the status of women on boards of Jordan's top 50 listed companies that discusses which companies are leaders in placing women at the top. Examines the key characteristics of Jordan's corporate boards and provides recommendations on how to increase the number of women on these boards.

### **Latin America**

Garcia, Marcelo (August 14, 2010). *Tierra de Hombres*. Available at: <http://admin.americaeconomia.com/revista/tierra-de-hombres>.

Article (in Spanish) analyzes the situation of women on boards across a number of Latin American countries (including Brazil, Chile, Mexico, and Venezuela). Looks at the 100 largest companies in Latin America and finds that 43 of 654 board seats are occupied by women, and that regardless of being public or private, only two companies have more than two women on boards.

### **Macedonia**

Institute of Directors (2010). *Women on Boards*. Available via e-mail at: [contact@iod.org.mk](mailto:contact@iod.org.mk).

This study conducted by the Institute of Directors finds that of the 55 managing and supervisory boards analyzed, 23.7 percent have women on boards, and 13 of the 55 boards have no women at all.

### **Malaysia**

Marimuthu, M., Rahman, T.A., and Kolandaisamy, I. (2009). Ethnic and Gender Diversity in Boards of Directors and Their Relevance to Financial Performance of Malaysian Companies. *Journal of Sustainable Development*. Available at: <http://www.ccsenet.org/journal/index.php/jsd/article/viewFile/4248/3698>.

An empirical study examining the impacts of demographic diversity on financial performance (ROA and ROE) of Malaysia's top 100 listed companies from the nonfinancial sector during 2000–2006.

Muhiudeen, Shireen (2010). *Governance Matters. Board of Men*. The Star Online. Available at: <http://biz.thestar.com.my/news/story.asp?file=/2010/11/20/business/7458646&sec=business>.

This study explores female representation on boards in the ASEAN countries. The results show a skewing toward male representation, even though the study found that PLCs with more women directors had better returns on equity or stock prices.

Sivanandam, Hemananthani (2011). *Najib: 30 percent of decision makers must be women*. The Sun Daily. Available at: <http://www.thesundaily.my/news/61537>.

The article announces and discusses Malaysia's new 2011 policy requiring private and corporate sectors to have at least 30 percent representation of women at decision-making levels.

## The Netherlands

Luckerath-Rovers, M. (2010). Women on Boards and Firm Performance. Erasmus University Rotterdam. Available at: [http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=1586832](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1586832).

A study investigating the financial performance (return on equity, return on sales, and return on invested capital) of 99 Dutch companies listed on the Amsterdam Euronext during 2005–2007. Also looks at the various methodologies currently used to measure the financial impact of female directors.

Ranzijn, M., and Verboom, S. (2004). Connecting Corporate Performance and Gender Diversity. Vrije Universiteit of Amsterdam. Available at: [http://www.europeanpwn.net/files/connection\\_corporate\\_performance\\_and\\_gender\\_diversity.pdf](http://www.europeanpwn.net/files/connection_corporate_performance_and_gender_diversity.pdf).

Study exploring whether there was a demonstrable connection between gender diversity and organizational financial performance (ROE and TSR) of 80 Dutch companies, 1996–2003.

## New Zealand

Business New Zealand (2008). Women on Boards—Why women on company boards are good for business. Available at: <http://www.mwa.govt.nz/women-on-boards/be-inspired/women-on-boards-why-women-on-company-boards-are-better-for-business.pdf>.

A report on the status of New Zealand’s women on private sector company boards as well as the business case for women on boards, based on previous studies (Catalyst, McKinsey, Conference Board of Canada, Institute for the Study of Labor Denmark). Highlights potential strategies to promote women to boards, and includes “challenging myths.”

## Nordic Countries

European Women Lawyers’ Association (August 31, 2010). Consultation on Green Paper on Corporate Governance in Financial Institutions and Remuneration Policies. EWLA Statement. Available at: [http://www.fidar.de/fileadmin/user\\_upload/MAIN-dateien/presse/EWLA\\_statement\\_green\\_paper\\_corporate\\_governance\\_EF\\_31.08.10.pdf](http://www.fidar.de/fileadmin/user_upload/MAIN-dateien/presse/EWLA_statement_green_paper_corporate_governance_EF_31.08.10.pdf).

References a 2009/10 study led by Vaasa University in Helsinki (financed by the NASDAQ OMX Nordic Foundation) and cites new evidence that women’s representation on company boards and audit committees, as well as women chief financial officers and auditors, have a positive impact on financial reporting, auditing, and organization of internal control. Research results are based on 800 listed companies from Denmark, Finland, and Sweden as well as the S&P 500 companies. Results indicate that women chief financial officers enhance the quality of financial reporting, because they are more conservative in their reporting than men and do not attempt to enhance the reported financial outcome of the company to appear better through deferrals.

## Norway

Stiftung, Friedrich Ebert (June, 2010). Women on Boards: The Norwegian Experience. Available at: <http://library.fes.de/pdf-files/id/ipa/07309.pdf>.

Report looks at Norway’s quotas for female board members, first introduced in 2004, and the effects of that legislation after six years; and concludes that many of the original arguments against the measure have not been borne out.

*Financial Times* (June 14, 2009). Skirting the Boards.

Explores the phenomena of the “golden skirts,” a group of Norwegian women who have become fulltime nonexecutive directors as a result of Norway’s law forcing listed companies to have women as 40 percent of their directors.

## **Pakistan**

ACCA Pakistan (2010). Gender Diversity on Boards in Pakistan. A Discussion Paper. Available at: [http://www.accaglobal.com/pubs/pakistan/general/technical/IFC/gender\\_diversity.pdf](http://www.accaglobal.com/pubs/pakistan/general/technical/IFC/gender_diversity.pdf).

Looks at the status of gender diversity on the boards of 303 listed companies in Pakistan (2010). Sample includes 100 KSE Index companies and 203 actively trading listed companies on the KSE. Provides a baseline for future discussions and research.

## **Russia**

Cherkaev, D., Filatov, A., and Tutkevich, V. (2004). Board of Directors at State-owned Enterprises (SOE) in Russia. OECD. Available at: <http://www.oecd.org/dataoecd/9/44/35175304.pdf>.

A report that looks at the rules and precedents governing the boards of Russian joint-stock companies with state ownership. Looks at issues such as key functions of the board, government reporting policies, composition and numerical strength, board roles, remuneration, and performance and evaluation practices.

## **South Africa**

The Businesswomen’s Association’s of South Africa (2010). BWA South African Women in Leadership Census 2010. Available at: <http://www.bwasa.co.za/Portals/4/docs/BWACensus2010Report.pdf>.

Looks at the status of women directors, including the percentage of women on boards, the race of women directors and executive managers, the difference between smaller and larger listed entities, and the number of women in government positions from all JSE-listed companies, including state-owned enterprises.

## **Sweden**

Paraply Projektet (2003). Equal Projects in Sweden. Available at: <http://www.paraplyprojektet.se/news.php?id=659&categoryID=12>.

Summaries of 44 projects started in Sweden during 2001 and 2002 related to the labor market, business creation, work practices, and gender gaps. “Gender gaps” category includes a summary of the “SNS Project for More Women in Management Posts in Business and Industry.”

## **Turkey**

Aksu, M., Ararat, M., and Cetin, A.T. (2010). Impact of Board Diversity on Boards’ Monitoring Intensity and Firm Performance: Evidence from the Istanbul Stock Exchange. Social Science Research Network. Available at: [http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=1572283](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1572283).

Report investigates the impact of board diversity on the financial performance (market-to-book ratio, Tobin’s Q, ROE) in 2006 of the 100 index firms traded in the Istanbul

Stock Exchange, as well as the underlying processes by which board diversity affects firm performance, such as board meetings, board committees, auditing and financial reporting quality, among others.

## **United Kingdom**

BIS: Department for Business Innovation & Skills (2011). Women on Boards. Independent Review. Available at: <http://www.bis.gov.uk/news/topstories/2011/Feb/women-on-boards>.

Former Trade Minister Lord Mervyn Davies commissioned a U.K. government review on board diversity. The recommendation was for 100 FTSE boards to aim for a minimum 25 percent female representation by 2015. The report says that companies should set targets for 2013 and 2015 to ensure that more talented women get into the top U.K. jobs.

## **United States**

Alliance for Board Diversity (2011). Missing Pieces: Women and Minorities on Fortune 500 Boards: 2010 Alliance for Board Diversity Census, July 21, 2011. Available at: <http://www.theabd.org/Reports.html>.

Shows that U.S. companies fail to increase the number of women directors. Findings are based on all of the companies in the 2010 Fortune 100 and from 491 companies in the Fortune 500 that had complete race, ethnicity, and gender information. The report shows that women and minorities are severely underrepresented on Fortune 100 and Fortune 500 corporate boards.

Catalyst (2009). 2009 Catalyst Census: Fortune 500 Women Board Directors. Available at: <http://www.catalyst.org/publication/357/2009-catalyst-census-fortune-500-women-board-directors>.

2009 census of female directorships from Fortune 500 U.S. companies examines the percent of women on boards, women's share of board leadership positions, female representation by race, and the percent of companies with women directors.

## **Vietnam**

Mekong Capital (2009). Mekong Capital's Internal Study on the Outperformance of Listed Companies with Female CEOs in Vietnam. Available at: <http://www.mekongcapital.com/CEO%20study%20-%20EN%20Feb09.pdf>.

Press release highlighting the results of an internal study conducted by Mekong Capital on the performance (TSR) of publicly listed companies in Vietnam, based on the gender of the chief executive officers, during 2007–2009. Also analyzes the status of women on boards in Vietnam.



### III. Sample References by Regulators on Diversity and Gender Requirements

Aguilar, L. A. (September 16, 2010). Diversity in the Boardroom is Important and, Unfortunately, Still Rare. Speech by U.S. Securities Exchange Commissioner. SAIS Center for Transatlantic Relations: Closing the Gender Gap: Global Perspectives on Women in the Boardroom. Available at: <http://www.sec.gov/news/speech/2010/spch091610laa.htm>.

Speech on the importance of diversity in corporate boardrooms, government agencies, and the financial services industry. Discusses how the SEC adopted a rule, in December 2010, requiring companies to disclose whether diversity is a factor during board nominations, how diversity is considered in the process, and how a company measures the effectiveness of its policy.

ASX Women On Boards. (August 24, 2010). ASX Boardroom Diversity Index. Available at: <http://www.womenonboards.org.au/pubs/bdi/>.

An Australian board diversity index that includes the names, total number, and industry of all female directors of all ASX-listed firms.

Chartered Secretaries Australia (2010). Complying with Principle 3: Strategies for Gender Diversity. Available at: [http://www.csaust.com/AM/Template.cfm?Section=Complying\\_with\\_Principle\\_3\\_Strategies\\_for\\_gender\\_diversity](http://www.csaust.com/AM/Template.cfm?Section=Complying_with_Principle_3_Strategies_for_gender_diversity).

Discusses strategies to help Australia's ASX-listed companies comply with the exchange's Corporate Governance Principles and Recommendations, which began January 1, 2011, requiring all companies to disclose their achievements regarding measurable gender objectives and the proportion of women on their boards, in senior management, and throughout the organization.

Corporate Women Directors International (2010). The Conthe Code on Good Corporate Governance, Accelerating Board Diversity Globally. For a copy, e-mail: <mailto:summit@globewomen.com>.

A paragraph highlighting The Conthe Code on Corporate Governance in Spain that was introduced in 2007 following the government's newly passed quota law requiring that 40 percent of board seats in Spain be allocated to women.

Special Working Group, Spanish Securities Markets Commission (2006). Unified Code on Good Corporate Governance (Draft). Available at: [http://www.ecgi.org/codes/documents/unified\\_code\\_jan06\\_en.pdf](http://www.ecgi.org/codes/documents/unified_code_jan06_en.pdf).

A draft document on the proposed changes, made by the Spanish Securities Markets Commission's Special Working Group, to the Olivencia and Aldama Report on sound corporate governance prior to the introduction of the Conthe code in 2007. The revisions addressed the need for greater representation of women on boards in Spain.

The Corporate Library (2010). Beyond the Boilerplate: The Performance Impacts of Board Diversity. Available at: <http://www.thecorporatelibrary.com/reports.php?reportid=327&keyword>.

Report looks at what 388 U.S. companies from the S&P 500 said on their proxies regarding board diversity following the new disclosure requirements introduced on February 28, 2010.

Tokyo Stock Exchange, Inc. Advisory Group on Listing System Improvement (2010). Expected Role of Independent Directors/Auditors. Available at: [http://www.tse.or.jp/english/rules/ls-improvements/expected\\_role.pdf](http://www.tse.or.jp/english/rules/ls-improvements/expected_role.pdf).

Report looks at the Tokyo Stock Exchange's revision to its Securities Listing Regulations and Rules in December, 2009. Tokyo's listed companies are now required to appoint at least one independent director to their board, which may serve as a potential avenue for more women to serve on these boards.

#### IV. Sample Investment Funds that Invest in Companies that Promote Gender Diversity

Global Women's Equality Fund. PAX World Investments. Available at: <http://www.paxworld.com/funds/pax-world-mutual-funds/womens-equity-fund/>.

Summarizes the fund's philosophy on investing in companies around the globe that promote gender equality in the workplace and community, based on the initiatives set forth in the Women's Empowerment Principles.

Naissance Capital. Women's Investment Fund: Fact Sheet. Available at: [http://www.naissancecapital.com/NC/fileadmin/user\\_upload/factsheet/Fact%20Sheet\\_WLF.pdf](http://www.naissancecapital.com/NC/fileadmin/user_upload/factsheet/Fact%20Sheet_WLF.pdf).

Highlights Naissance Capital's commitment to invest in companies that demonstrate best practices relating to gender diversity. According to the fact sheet, Naissance's commitment is based on studies showing that companies with more female directors and senior managers outperform those with fewer or without.

The Calvert Group, Ltd. (2008). Examining the Cracks in the Ceiling: A Survey of Corporate Diversity Practices in the Calvert Social Index. Available at: <http://www.calvert.com/NRC/Literature/Documents/CorporateDiversity2008.pdf>.

Report examines the results of Calvert's 2008 survey on corporate diversity practices of its 636 Social Index companies. Discusses how even the most forward-thinking companies have much to accomplish in developing effective diversity strategies.

The Calvert Group, Ltd. (2010). Examining the Cracks in the Ceiling: A Survey of Corporate Diversity Practices of the S&P 100. Available at: <http://www.calvert.com/NRC/literature/documents/BR10063.pdf>.

A second "Examining the Cracks in the Ceiling" study looks at how corporations themselves are understanding and embracing what diversity brings to boards. An in-depth look at the board diversity policies, programs, and performance metrics of S&P 100 Index companies during June to August 2010.



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