

## Room at the top

**Move over, male fat cats. Your monopoly is over. Businesses need female talent at board level if they are going to prosper – the fat kittens are coming**

Eleanor Mills Published: 17 July 2011



Attitudes towards women are changing in the corporate world (Lise Gagne)

Winning Streak, Conquistador, Top of the Heap: the very names of these mighty floating gin palaces — all white leather, shiny chrome fittings and monster engines — scream alpha-gorilla machismo. The yachts are parked on the Riviera this summer for the Cannes Lions festival, the annual gathering of the world's top advertising honchos.

The delegates are overwhelmingly young, or wannabe young, men. Outside the famous pavilion, the ad men smoke, fiddle with their phones and ogle the lines of beautiful girls heading for the beach. Along the sandy strip of beach, the world's largest media players have built temporary bases. Microsoft's offers rows of silver champagne buckets; Facebook trumps that with its own social-networking pontoon, suspended above the azure sea, where guests lounge on sunbeds, served by skimpily-dressed waitresses. On the bars and terraces along the Croisette — where a bottle of water costs €10 — bosses in bermudas meet and greet with back-slapping hugs and crunching handshakes. Inside the Pavilion, Robert Redford, who has flown in for the occasion, tells the audience that the secret of creativity is “sex”. If sex doesn't do it, he “gets down with nature”, riding horses up mountains or walking canyons. Testosterone levels in the hall are off the scale. Don Draper would love it.

Spend a bit of time here and you see clearly why only 3% of creative directors in advertising are women. For all its forward-thinking informality, advertising is even less female-friendly than the corporate world, with its legions of big swinging dicks.

There are a few women at the top, but getting into that group is like going through the eye of a needle. But even dinosaurs of the advertising world have finally worked out that change is necessary; 85% of consumer purchases are driven by women. So in a prime morning slot in the middle of the bloke-fest is a presentation quite unprecedented in the history of the event. It's called Beyond Mad Men, and it is asking what can be done about the scarcity of women at the sharp end of the advertising business.

That shortage is not confined to the fast-and-loose world of adland. There is a growing recognition elsewhere in business that it is unacceptable for pale males to dominate the upper echelons of the corporate world, now that females and non-whites make up 83% of the world's graduates, its future talent base.

Tellingly, these changes are being driven by economics, not by a spurious diversity agenda. An increasingly convincing body of research, from management consultants such as McKinsey, academics and think-tanks, is showing that diverse management teams create more profitable companies.

The most recent study of its kind, by the US analyst Catalyst, found that "companies with a significant participation of women in the top management achieve 34% higher returns".

"There is a real sea change going on at the top," explains Alison Carnwath, the chairman of Land Securities (which owns and manages 29m square metres of commercial property) and one of the very few women at the summit of British business. "A large number of FTSE chairmen are enthusiastic about all of this. If they lead the way, it will trickle down. The chairman of Centrica, Sir Roger Carr, and others have set up a 30 Percent Club. The ultimate stated aim is to get boards to be one-third female."

The power of "three" has become a crucial part of this debate. At a panel I chaired in Cannes, a female executive from Coca-Cola explained the data that shows three is the magic number: the point where women stop being seen as a token voice and start being taken seriously. At Coca-Cola they try to have three women on any team, committee or board. And it is at board level that women are most absent and their voices most needed. In particular, the entire landscape of British business might undergo a transformation if more women were to be offered — and take up — non-executive directorships. These are the part-time, but key, roles that have such crucial influence on boardroom decisions.

Alison Carnwath believes that plenty of women were put off serving on boards simply because they seemed so old-fashioned, an extension of the old boys' network where key decisions were made in a fug of cigar smoke.

"In the past, women didn't want to sit on boards at all," she says. "They weren't very female-friendly. But now there's a growing number of women out there with the competence to be on boards and who want to do the job."

Gemma Godfrey, 27, is typical of the new generation of ambitious women who are determined to go all the way. Having read quantum physics at university, she joined Goldman

Sachs at 19, then became a hedge-fund manager at the tender age of 22. She is now head of research at an international finance company, and a commentator for the business channel CNBC. “I’ve never been intimidated by entering a world dominated by men,” she says feistily. “I know there is a lot of pressure on companies to find more women to sit on their boards. My ultimate ambition is to be CEO of a FTSE 100 company and to be on another board. The trouble is, there are so few female role models for us in the corporate world. There are some women at the top, but to get into that gilded group is like going through the eye of a needle. It’s always the same names sitting on multiple company boards.”



Men at work: an exclusively male board meeting in the 1950s (Mary Evans) We all know about the (male) fat cats who dominate the City and business, but Godfrey is referring to an even more exclusive coterie: the fat kittens with precious board-level experience, who are suddenly finding themselves in big demand — simply because there are so few of them. They include Helen Alexander, president of the CBI, Marjorie Scardino, CEO of Pearson, Angela Ahrendts, CEO of Burberry, and Anita Frau, the chairman of Vitrex and a member of the board of Lloyd’s of London.

One city chairman told me he’s spent “rather more time than I’d like” over the past few weeks trying to get a fat kitten — a senior executive at a FTSE 100 company — to join his board. Why the reluctance? One very senior female head-hunter, who preferred to remain anonymous, explained that for a woman already juggling a senior executive job and family commitments, taking on a non-executive directorship (Ned) on another board can be too much of a time commitment. Most men have no such concerns. This often means they get crucial board experience early in their careers, marking them out for the big roles.

When it comes to promoting women to the very top of British business, the fat cats are dragging their paws. In February this year, a government-appointed commission, chaired by Lord (Mervyn) Davies, the former banker, recommended: “FTSE 100 boards should aim for a minimum of 25% female representation by 2015, and we expect many will achieve a higher

figure.” He added: “Chairmen should announce their aspirational goals by September 2011” — that’s just after our holidays. At present, women make up a woeful 13.9% of FTSE 100 boards and only 8.7% of the FTSE 250; 14 top companies have no female representation in their boardrooms at all.

At present, women make up a woeful 13.9% of FTSE 100 boards and only 8.7% of the FTSE 250. Davies has made it clear that, if the big boys don’t let the girls play in the boardroom, he will advise the government to bring in statutory quotas. This is no idle threat: in Norway boards now have to be 40% female, and recently France, the Netherlands, Italy and Belgium have also passed quota laws (see table, left). The EU is also watching closely and last week passed a resolution moving towards a female quota of 40% on all boards by 2020. But in Britain, even if statutory quotas were introduced, there might not be enough fat kittens to go round. Davies puts it thus: “At the current rate of change, it will take over 70 years to achieve gender-balance boardrooms in the UK’s largest 100 companies. This pace of change is not good enough.”

So where are the women who might take up these roles? I visit the Mayfair offices of the swanky head-hunter Egon Zehnder International, the largest privately owned executive search firm, which charges £20,000 to £50,000 a time to place an executive. It looks swell on the outside. An imposing Palladian entrance off Piccadilly leads to a security-guarded vestibule and lifts set in black marble. I am here to meet the head of the London office, Andrew Roscoe, to discuss Lord Davies’s report, which identified head-hunters as one of the main obstacles to women’s entry to the boardroom.

A Ned can get paid up to £100,000 a year for several directorships — in some cases, much more — in exchange for attendance at company board meetings, making decisions and generally putting their reputation on the line. In the old days, becoming a Ned was all about being part of the old boys’ network. It was all terrifically cosy.

A Ned would serve for nine or 10 years. When a chairman needed a new one he would engage a head-hunter, who would arrive with a list of possible chaps. Inevitably, chaps chose similar chaps. To crack this knotty little nut, Davies rounded up the top head-hunters in autumn 2010 and, according to one insider, “read them the riot act”. Davies’s emissary Denise Wilson got them together to draw up a “voluntary code of conduct addressing gender diversity and best practice”, to be released this week. Wilson says the aim of the code is “to give head-hunters an excuse to have a difficult conversation with a chairman, who is perhaps not minded to have a woman, about the depth of skills and value a different kind of Ned may bring”.

Davies has recommended that the key head-hunters widen their net and consider women “outside the corporate mainstream” from the professions: law, banking, accountancy, academia and even the third sector (charities and public services).

I was intending to raise all these issues with Egon Zehnder, but the meeting does not go well. The small meeting room I am shepherded into is a far cry from the grand lobby. Big Chief Roscoe is “too busy” to take the meeting at the last moment and instead sends his female “head of diversity”, Laurence Monnery.

Before the coffee has even arrived, it is clear that Monnery is vague on the details of the Davies report, and she needs to be repeatedly prompted by the firm’s PR, Tessa Curtis, on all her company’s woman-friendly initiatives. Fiddling with her Hermès scarf, Monnery flannels:

“Of course there are great women out there, but they are hidden because they are not on boards already, they are not well known. That’s the issue.” But isn’t truffling out undiscovered talent the job of a head-hunter? “Well, we are investing time in getting to know them,” she continues a bit lamely. Do they have a separate female database? “No.”



Alison Carnwath, a rare woman in the exalted top circle (Tom Stockill)

The next day I talk again to Alison Carnwath. This purring, slightly older fat kitten is direct and funny. “Getting all these women in by 2015 is going to be quite a challenge,” she chuckles. “But now there’s a growing number of competent women out there. Of course they aren’t as well qualified as the male alphas, but with training and help, they can be jolly good.”

Carnwath is keen to have more women on her board for strategic business reasons. She is not just relying on the head-hunters but is taking a proactive approach to widen the gilded circle.

“What everyone needs to understand is, it won’t just happen; there has to be real action at the top. As chairman, I spend two to three years getting to know potential Ned candidates for my board quite well. For starters, I call them into the office for an hour-long chat, hear their career stories and form a view as to whether or not they are a board animal.”

Bullshitters are bad news. The most important things are chemistry and a strong personality. What sort of creature is that, I wonder? What qualities do you need? “You have to be a good listener and learner, contribute on the basis of knowledge,” says Carnwath. “Bullshitters are bad news. But you must not be afraid to shoot from the hip and you have to know the brief. The most important things are chemistry and personality.”

That doesn’t necessarily mean that everyone has to get on with each other.

“No, no. A clash of characters can make for good governance. An overly cosy board where the chairman and CEO are in cahoots and everyone else is nodding along is not good. There’s a terrible danger in group think.”

What does Carnwath think of the Davies idea of widening the net in executive searches to include women from other sectors? She emits a harrumphing snort. “Well, we’re not here to run executive kindergartens,” she says. “I’d be a bit suspicious of getting in someone who’d just been running a charity or doing administration, as they wouldn’t have a business background. But someone like a top employment lawyer who’d been advising chairmen and CEOs at board level and knows how that works — they’d be just the ticket.”

Fortunately, the future of all those keen, aspiring fat kittens doesn’t rest only in the hands of the head-hunters. The atrium of the swanky glass building on Houndsditch in the City of London is all walls at funny angles, white sofas and exotic foliage; a vision of a modern designer future. Suitably slick, in old-school pinstripes, is Mark Mills, a serial entrepreneur whose latest business, Violet, aims to matchmake boards who need more women Neds with women who want to be fat kittens. Over fizzy water and biscuits, Mills makes his pitch.

Firstly, his age — 40, though his grey, curly hair, girth and suit make him look at least 50. “I do that on purpose,” he grins. “If you’re a chairman, and I am, then you want to look like one.” Blackpool is his home town and Mills’s claim to fame — and fortune — is that it was he who introduced those private cashpoint machines that charge you £1.70 to withdraw your own money from your own bank account.

It sounds as if Violet could be similarly lucrative. Mills’s promise is to turn ambitious women into non-executive directors. He charges a retainer of £500 a month or 10% of earnings, whichever is the greater, for the duration of the term. “The first board appointment is the hardest to get,” he explains. “I’m a chairman of several companies and I’m always being asked to recommend female Neds, so I thought I’d make a business out of it.” He grins.

Mills can seem pushy, but he is certainly an effective salesman and his pitch is impressive. He says a typical first Ned might net a woman £24,000 for 16 days’ work a year, for the first year. That would involve turning up to board meetings, company visits and getting to know the CEO. A second Ned should get paid around £36,000 — “and it’s upwards from there. If you are a woman and you can already say you are a non-exec, then you’re on the Rolodex, you’re in”.

Surely it’s not that simple. What are his minimum requirements? He laughs. “O-levels. That’s all I’ve got. But, seriously, you need leadership qualities, entrepreneurial spirit, some gumption, charisma and some business or organisational experience. On a board you are sorting out the trickiest problems of all; you can’t be a shrinking violet. You have to be strategic. But for women, this is the moment. The door is already half open, they want you, they realise the key to business success is more women. It’s exciting, lucrative, and the time to maximise on this opportunity is now!”

Of course, Mills won’t be placing women on to FTSE 100 boards, but on to the boards of smaller companies or growing ones. He has already signed up at least 20 women and says in the next six months he will have signed another 40 and found board posts for four more.



Heather Jackson is on a mission to champion talented women (Charlie Gray)

The main reason why companies are having trouble finding women for their boards is that there just aren't enough women executives making it through the ranks. New initiatives are being set up to change this — one of them is the brainchild of Heather Jackson, a small, blue-eyed dynamo of a straight-talking Yorkshirewoman.

As a single mother, she ran her own strategic marketing consultancy from home. A maverick thinker, she found she could pick up on issues companies might not have noticed internally. Two years ago a report came out which stated there were 16% fewer women on the boards of companies in Yorkshire than in any other region. This was Jackson's starting point. "Yorkshire was in recession," she explains. "Then I read the McKinsey/Catalyst research that showed women can make businesses more profitable, and I thought: that's it! Businesses need women to grow themselves out of the recession. I began to think of all the brilliant businesswomen I knew and I wondered, why aren't any of them on boards? The answer was, they'd never really thought about it or why they might want to be. Then I was sitting next to a chairman at a dinner and he said, 'I need a woman on my board — any thoughts?'"

I thought: that's it! Businesses need women to grow themselves out of the economic recession Jackson resolved that the next time she had that conversation she was going to have a fistful of women she could recommend on the spot. On top of that, she wanted her entire network of women in business to be able to do the same. "I targeted 50 of the most high-powered women in the region and invited them to join a new network. Forty-nine of them said yes. Now we've got 108 in our local club and we all advocate each other to companies. Since then 20% have landed a job on a board.

One of her original 49, Heidi Mottram, recently became CEO of Northumbria Water. Her original network became inundated with women from other regions wanting to be part of it. Jackson was so excited, she went to one of the big head-hunters.

“I’ve got 68 fabulous women who would be brilliant on boards,” she told them. Their reaction? “We’ve got a pot of skilled men on our books. Until the chairmen and CEOs insist on women — and they’re not — we aren’t interested.” Furious, Jackson decided to set up the Women’s Business Forum. She remortgaged her house to finance its first conference. “I was just determined to prove that there was a pot of interested talented women who could be sitting on boards,” she explains. Her enthusiasm was contagious: the forum was a sellout and was addressed by Kate Bostock, executive director of Marks & Spencer, and Lynne Featherstone, the coalition minister for equality. In January this year, the Royal Bank of Scotland came on board as global sponsors. “I went down to see one of the top executives, Chris Sullivan, and he said, ‘We need this programme, now; how can we help you?’ I couldn’t believe it. After the meeting I wanted to pinch myself and go back in and ask, did that really happen?”

Since then Morrisons, the supermarket chain, IBM, Virgin, BP and Ernst & Young have also signed up. This week, Morrisons is organising a conference of all their suppliers, urging them to make all the talented women in their organisations part of the Jackson Inspirational Journey too. Through seminars, briefing papers and chances to meet similar high-level women all over Britain at seminars and networking events, Jackson believes her programme can transform the female pipeline in the next decade.

Above all, the programme is designed to keep women in the game. “I’d love to be 30 and a corporate woman now,” says Jackson wistfully. “The sky’s the limit. This new generation of women really believe they aren’t tokens, but assets. They really know their value and their skills, so they can argue differently when their partner says, ‘Why don’t you pack it in?’ when the kids are little. They have more equality. What I am trying to provide is role models who can show younger women how to stay on track. They need a structure, to know what skills they need to make it to the top. Then they can spend their thirties ticking those off and they will have what it takes.”

So why do so many women drop out? The truth is, a top career in business is always going to make for a tough life, whatever your sex. “If young, ambitious women are to be kept on track, their careers need to be cleverly managed,” explains Sylvia Hewlett, president of the Center for Work-Life Policy in New York whose work has influenced companies such as Intel, Siemens, Ernst & Young, Goldman Sachs and Unilever.

Unilever is a textbook case, with three women on its executive board — a business necessity for a company with an 80% female purchaser base.

“Fifty-five per cent of our graduate intake is female,” explains Helen Wyatt, senior vice-president and HR strategy leader. “But by director level we’ve had a drop-off like other companies. For many women the price of advancement is too high, there are too many compromises. These women want to be great employees but they also want to be great mums, sisters and friends. But by the time the crunch comes in their early to mid-thirties, we’ve invested in them hugely, we don’t want them to leave. From a business standpoint, we want them to reach their full potential.”

The company has what it calls an “agile working programme” with a massive focus on technology. “We use video-conferencing in all our offices, which means far less travelling,” says Wyatt. “We also appraise people on their actual performance targets, rather than hours in



the office, which again favours female leaders who work really hard but flexibly: it helps them to show their outputs have been delivered.”

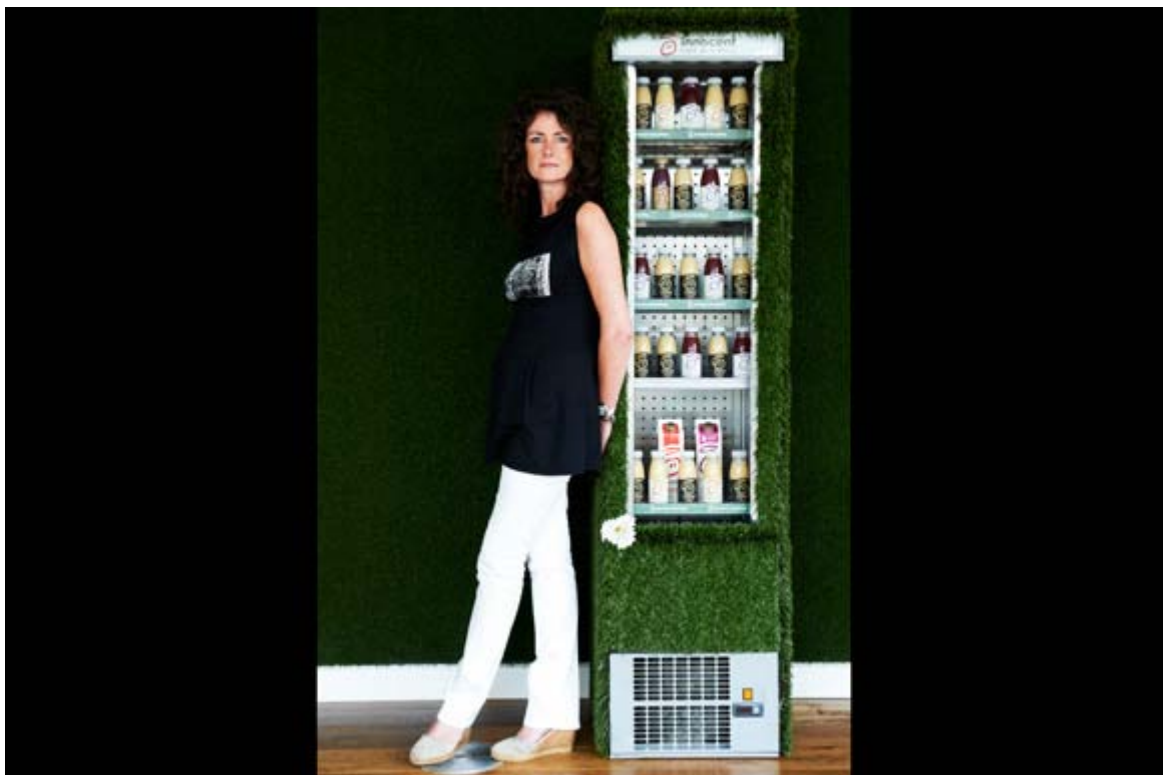
The other breakthrough in bringing women through to the very top of the company is an intensive mentor scheme and a development plan so the women know how highly they are valued. Knowing your potential, argues Hewlett, allows women to make decisions about their lives that will help them succeed. Helena Morrissey, a leading light of the 30 Percent Club, City grande dame and mother of nine, recently talked about how having a house husband was the secret to her success.

“It was a conscious decision we both took and it’s an important part of the equation... the idea that a woman can have a family and friends and hold down a difficult high-octane job when both partners work full time, that is a very tall order.”

For a new, ambitious cohort of women, it is much easier to choose that kind of mate, or to work out that kind of balance within a marriage, if her employer tells her she has what it takes to go all the way.

And that is the key issue — empowerment, not quotas. There’s no question that women can do the job; we are highly capable and can bring a huge wealth of experience and ability to the boardroom table. All that is required is the opportunity.

As Alison Carnwath put it, “Quotas are bad, very bad. The last thing we want is for women to be put in for the sake of it. Their opinion has to be respected by people who are experts in their fields. We — women — want to be there because we deserve to be, not for ‘diversity’. Otherwise it’s just tokenism and it does none of us any favours.”



Sam Simister of Innocent lives in Esher, Surrey, with her husband, Jamie (Charlie Gray)

**Sam Simister, 45, Head of Fruit at Innocent**

Being ambitious is part of my DNA. I believe men and women working well together are more powerful. I used to live in Manhattan, and worked hard to structure my own food safety-standards business; I lived four blocks from the World Trade Center. Because the country became inward-looking after 9/11, it was hard to drive the company forward. I decided to come home and build myself up from the bottom again, which was tough. I gave myself a couple of days to mope then put together an action plan. Today, at Innocent, I'm responsible for everything in the bottle. I already have a very strategic role. You have to see how you can add value, though. It's fine having aspirations to be on the board, but you have to be very clear about what you can bring. Sam lives in Esher, Surrey, with her husband, Jamie

**Aidene Walsh, 44, Head of Global Transaction Services UK & Ireland, Royal Bank of Scotland**

I will always want to work: giving up would never be an option. It's important to me to be in an environment where I'm leading. I want to continue to challenge myself and develop in my career. Being on the board is a part of that. I grew up in an environment where I was always pushed to achieve to the best of my ability. I'm stubborn and driven and I love seeing things go from nothing to reality. There are all these studies about the glass ceiling, but for a lot of people it's how much do they really want it, and what are the perceived trade-offs? You work very hard but you've also got to market yourself, tell people what you're doing. Networking is hugely important.

I don't believe someone can be fully present at home and fully present in the office. For me, it's about having the right balance and the right infrastructure in place. I'm blessed to have the most wonderful nanny in the world; my kids get the best of her, and I spend quality time with them as well. Also, get a really good gardener and a really good cleaner. And outsource your ironing.

Aidene lives in London with her husband and their two girls, aged 2 and 8.

**Jane Speakman, 44, Managing Director of Horticulture at Morrisons**

I grew up on a farm in Lincolnshire with two younger brothers, a competitive environment where women had a voice but were slightly secondary to men. I wanted to move away, be independent and achieve things myself. I work Monday to Friday, 24/7. You've got to be totally committed. You have to have the support of your family — my husband is a real source of strength. Women look at the opportunities but also the disadvantages. I've seen a number of talented females move on [after having children] and it's sad we lose them. I've managed to get a high level of respect within the produce industry. I want to be a role model for the women within Morrisons, and at some point I'd like to be on the board. As a female, you have to achieve a higher level than your male colleagues to be able to make your point. You also need to have a sense of humour and not take things personally.

Jane lives in Huddersfield with her husband, Philip, and their two daughters, aged 7 and 9

**Women on boards: Europe's targets**

Norway: 40% women on boards achieved by 2008

Spain: at least 40% of each gender by 2015

France: 40% women by 2016

Netherlands: 30% of each gender by 2016

Italy: Minimum of 33.3% of “least represented” gender by 2015

Belgium: Minimum of 33.3% women on boards

*Source: Centre of Inclusive Leadership 2011*