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In the U.K., times are tough for female directors

BY JAVIER ESPINOZA

LONDON— Lucy Dimes embodies what it means to be determined. With a degree in business, an M.B.A. from the London Business School and a graduate of Harvard Business School's Global Women in Leadership Program, 44-year-old Ms. Dimes has always been keen to stretch her abilities and take on new challenges.

That's why she's here today at 20 Carlton House Terrace, the headquarters of mining company **Anglo American PLC**. All the approximately 45 other women are seeking exposure to the chairmen and other top executives who influence British board appointments.

The rare meeting has been organized by the Professional Boards Forum, who say they bring together leading chairmen with outstanding female board candidates, as part of a broader push to include more women in powerful positions in the U.K.

But unfortunately for Ms. Dimes, a managing director at **British Telecom**, and the other women present, the boardroom exercise was just that. According to data from Boardex, a boardroom networking tool, only 9% of the directors of companies in the



Lynne Haight, Peter Bonfield, and Louise Beaumont at 20 Carlton House Terrace

FTSE-350 are women.

Last month, the new U.K. Corporate Governance Code urged listed companies looking for board candidates to conduct and make appointments on merit "against objective criteria and with due regard for the benefits of diversity on the board, including gender." The new requirement is not a provision, and companies will not be forced to explain the absence of female directors.

But women aren't alone in wanting to redress the balance. Several chairmen of large corpora-

tions are also pushing for the number of men and women on company boards to be more equal.

Sir John Parker, chairman of **Anglo American**, has already attended the forum twice. "Busy chairmen are prepared to give up their time for this because it is [about] mentoring talent. And it's a great way for [the female executives] to advertise the skill sets they offer," he says.

However, Sir John doesn't agree with setting artificial quotas like the ones introduced in Norway in 2003. That Norwegian law

was first proposed in 2002 and it finally became active in 2008. By then, all the affected companies had already obtained 40% or more women on their boards.

"Don't put some artificial framework around that forces you to take someone on a gender basis that cannot fully satisfy the job specifications," he says. "We should be talking about competence."

Nonetheless, he acknowledges that it is important for board chairmen to have access to the "full pool" of potential hires. Headhunters tend to present him with all-male lists of candidates, which makes the pool of talent rather small, he says.

Sir Philip Hampton, chairman of the **Royal Bank of Scotland Group**, says there are practical reasons why such a database is valuable to him and his colleagues.

"There's a group of people that used to be regarded as a central force of non-executive directors who are much harder to get. We have to start widening our net anyway and that's entirely consistent with getting women on boards," he says.

Professional women in the U.K. are the first to distance themselves from any introduction of

quotas, though.

Katherine Innes Ker, a non-executive director of three public companies, including house builder **Taylor Wimpey PLC**, says she finds it frustrating when headhunters only hand her all-male lists of candidates.

"I often ask: where is the other half of the population? This is not about diversity or having quotas. This is about looking for the best people for the job, but we are only dealing with half the pool," she says. "No women anyway would like to be offered a job on the basis of just having to meet a quota."

Alison Carnwath, chairwoman at **Land Securities Group PLC**, says she was initially skeptical about the usefulness of bringing chairmen and women executives together, and wondered whether it would attract the right caliber of people.

But, she said, she has been astonished to see the chairmen of huge companies like **Vodafone PLC** and **Cadbury PLC** enthusiastically taking part.

But she still points to obstacles to a cultural shift in British businesses. "The change in the boardroom is still very slow. We are still living in a heavily male dominated world."

Jemma Alliet