

## Top Boards Appoint Overseas Women? Professor Sue Vinnicombe & Ruth Sealy

**Steve Macaulay**

Today we are going to look at the issue of women in senior positions. It coincides with a woman, Alison Cooper, becoming the CEO of a major company. Now joining me in the studio today to discuss this are Ruth Sealy and Sue Vinnicombe.

Now what we are talking about is a report that has been produced, and this is the eleventh year that it has been produced, that looks at this issue of women in senior positions in corporate life.

**Sue Vinnicombe**

Yes, that's right Steve. It's the eleventh Female FTSE Report. When we started off we originally just looked at the FTSE 100, but now we cover actually all the FTSE listed companies, but with a particular focus on the top 350.

**Steve Macaulay**

Now, I mentioned at the start that a woman has just been appointed to the top position in Imperial Tobacco; is this unusual?

**Sue Vinnicombe**

It is. I am afraid there is only still a very few female CEOs – four at the moment – and I would say actually looking back on last year, quite disappointing really, the position of women directors across the FTSE 100. It was just under 12% last year and it is just marginally over 12% this year. So I would say overall we have stalled.

I think it is quite interesting that with all the focus that there has been on the banking sector, I mean, that has actually got worse I think hasn't it Ruth?

**Ruth Sealy**

It has. That has been quite a disappointment. A few years ago all of the banks in the FTSE 100 had women on their boards; I think the situation today is just three of them have. And I think the percentage of women on the boards has gone down as well, from about just over 12 to just over 9%; so that is a big disappointment, particularly with the opportunity that perhaps the government could have taken with the recapitalisation of some of the banks last year.

**Steve Macaulay**

So what does it take to be successful as a woman in business?

**Sue Vinnicombe**

Well I think that is a really interesting question, Steve, because we could conclude from looking at the figures that there just aren't enough competent women in the pipeline. You know, simply the supply of women isn't there. But that is actually one of the big, I think, successes of the Report – one of the positive findings – is that the pipeline is huge and actually growing.

We looked at last year, and again this year, the number of women

just on the executive committees, which is one level down from the corporate boards of the FTSE 100, together with the women who sit on the corporate boards of the other FTSE listed companies. Last year that figure was 1,800; this year it is nearly 2,300. So we have added in another 400 women, so a tremendous and growing pipeline of talent, female talent. So you do begin to wonder what it takes.

Actually this year we observed a very interesting trend in the new women who have entered the FTSE 100 boardrooms.

**Ruth Sealy**

Yes, we had 23 new women appointed to female directorships this year; 14 of whom had not had a FTSE 100 directorship before. Of the 14 only one of them is British; 13 others come from a range of countries, not just North American, but South African, New Zealand and other European countries. So that begs the question of what does it take for a British woman to succeed in FTSE 100 companies.

**Steve Macaulay**

Is there something about the British character that seems to not gel with senior positions?

**Sue Vinnicombe**

Well, I think that what we would say after eleven years of researching the topic, Steve, is that it clearly is a very biased process, the whole process of appointment to these top boards. I mean, starting from step one, none of these directorships are advertised, so it's a closed system. And one has to say it is all too easy to just appoint somebody whom the chairman knows and I think, unfortunately, that is inevitably what happens.

**Steve Macaulay**

So can we learn anything from other countries? I know this year you have included two extra countries in your report.

**Sue Vinnicombe**

We have, Ruth you took a really good look at Spain and Norway as to whether you would say there are one or two lessons for us?

**Ruth Sealy**

I think one of the first things we have to acknowledge is that the cultural and political situations in those countries are very different to the UK and you obviously need to take that into account. But I think a couple of the interesting things to learn is that they have come from positions which are actually behind the UK, and because they have taken some very active steps towards improving the situation, their rate of progress is much better than ours now.

I think one of the things that really stuck out for me was that in Norway, in order to meet their quota law which said that 40% of women on listed companies, public listed companies, had to be women, that they had to find 1,000 new women to join their corporate boards. And when you consider that their country's

population is just 4.5 million that is quite an achievement-if you compare it to, say, the UK where we feel that if you could just add 200 women to the number of female directorships that would substantially change the landscape, and we have a population of 61 million here. I think that, plus the figures that we have shown, really show that this is not a lack of supply of pipeline; I think it is a lack of demand.

**Steve Macaulay**

So, either of you, if there is a key message that you want to leave government with, with the heads of corporate boards, what would it be?

**Sue Vinnicombe**

Well, I think one of the key points that comes out, Steve, is that the UK needs to look out. Norway and the other Nordic countries, as well, Spain – Sarkozy apparently is talking about quotas – these British talented women could well get invited onto the boards of these European companies if we don't watch out.

**Steve Macaulay**

So watch out because talent is going overseas if we are not careful?

**Sue Vinnicombe**

Absolutely. Definitely.

**Steve Macaulay**

Thank you.

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