



CHAIRMAN'S NETWORK

where leaders connect

Men have messed up. Let women sort it out

By Gillian Wilmot

So the rise in women in the boardroom is continuing at a glacial pace? ("Get women on board, bailed-out banks urged", Financial Times, November 20). Well, at grave risk to my future career, let me tell it how it is.

The more worthy the task the more women, and the more financially rewarding the task the more men. So the public sector and charities, where work is pro bono or modestly paid, have far more women directors than private equity houses, banks, city firms and hedge funds, which are dominated by the "white, male accountant".

"So what? Why should I care?" Because it is in the financial institutions where the big decisions and risks are taken and where all our pensions and savings are invested. The -testosterone-packed "winner takes all" approach does not sit easily with looking after the interests of all stakeholders (shareholders, employees and customers) and managing the downside risk. A lethal combination of testosterone, complexity and greed has brought UK plc to its knees.

The City knew by 2006 that their seven times debt-to-profit deals were unsustainable. They did the deals to win the game and get their bonuses – the individuals cash out, the rest of us lose out.

Would it have happened with more women on these boards? Not if those women had been in the powerful roles of executives, chief executives and chairmen at big financial institutions.

There has been virtually no progress in appointing women into these positions (4.8 per cent of FTSE 100 executives). There are still companies with millions of female customers that have no woman on the board.

So why are there not more women? You have to look at the appointment process to understand why the same "white male accountants" keep getting appointed.

First, there is the Catch 22 of wanting people with experience, which is opposed to increasing diversity. Briefs are getting ever tighter, so even if a talented woman is put forward she may not tick one of many boxes.

Second, many appointments still get made by simply appointing someone the chairman already knows and likes.

Third, even if the chairman opts for a search it is usually not advertised, unless it is public sector. A small circle of big-name headhunters has a monopoly and most choose to work with men in a position to give them their next fee. Some will even refuse to meet qualified candidates who are not in a position to do this, often women.

Finally, referencing is another minefield. It tends to operate on the "black ball" principle, so clubbable types benefit. The language used to describe the same characteristics for men and women is different, and words matter. While you may well recruit a man described as impressive, clear-thinking, ambitious, incisive and passionate, would you really recruit a woman described as formidable, opinionated, pushy, impatient and emotional?

There are also many myths and legends that are just plain sexist. "She's an opinionated woman and so are you and two strong women can't work together." This is complete nonsense, as numerous examples demonstrate. "We can't have a female CEO and a female chairman." Why not? The vast majority of businesses have a male CEO and a male chairman but no one seems to challenge this. How about a new rule that it must always be one man and one woman?

The solution? There are many companies needing help to reinvent their business models, turn round their performance and re-establish trust, and women are good at this. Women who have reached the same level as their male peers despite decades of discrimination are of higher calibre. Great leadership and communication skills are crucial to successful turnrounds and this is a strength of women leaders.

But ultimately the only way real change will be effected in the boardroom is quotas, as in Norway. These can be done in a staged way but there must be targets for executives, chairmen and non-executive directors.

All female shortlists can work well and it is highly successful companies that have led the way. Admiral, the FTSE 100 insurance company, ran an all-female shortlist in 2005 when I joined the board.

Men created the current financial mess; they need women to help them clear it up and restore everyone's faith in the system.

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