



NIGEL WRIGHT 
RECRUITMENT

women on corporate boards:
lessons from the consumer sector

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CONTENT:

Executive Summary	4
Introduction	3
1. Are some sectors better than others?	6
2. What unique skills and qualities do women bring to the board?	9
3. Why are there not more women on corporate boards?	12
4. What can businesses do to become more diverse at board level?	15
Conclusion	17
Appendices	18



executive summary



This report is based on research conducted by Nigel Wright Recruitment in June/July 2011. We surveyed over 100¹ senior executives from a range of consumer sector businesses across Europe, to find out their opinions about the issue of gender diversity on corporate boards. In the report, statistical data is complemented by the views of survey respondents as well as those of four female board members, from major consumer companies, interviewed as part of the project. Other statistics referenced in this report are taken from a selection of major board diversity research studies. A further reading list is including at the end of the report.

Some of the key findings from our survey include:

- 76% believed a gender diverse executive board should be an essential component of a consumer sector business.
- 74% associated gender diversity with better all round decision making at executive level.
- 92% did not support quotas as a viable solution to the gender diversity problem.
- In the main, respondents supported a mixture of flexible working, internal and external training and voluntary targets, as the best way to achieve gender diversity at the executive level of their businesses.

The findings are based on the personal opinions of the respondents and should serve as an independent insight into the consumer sector marketplace that can be used as a backdrop to your own assessment and future strategy planning.



We surveyed over 100 senior executives from a range of consumer sector businesses across Europe, to find out their opinions about the issue of gender diversity on corporate boards.

¹ Characteristics of survey respondents can be found at Appendix 1

introduction



Across Europe, there is a movement to improve the diversity of corporate boards to include more female members. Women currently account for 45% of the workforce in Europe², however, only 12% of corporate executive positions, in the largest companies, are filled by women³. In some respects this is surprising as women have a great deal of tacit power and influence. They are more successful at university than men; they influence around 80% of all purchase decisions at home⁴ and are directly responsible for £13 trillion of global consumer spending.⁵

European companies are not ignorant of these numbers. Over the last few years, in Spain, Iceland and Norway and more recently in France, governments and companies have introduced quotas for the recommended proportion of women that should make up a board. In other countries, voluntary corporate governance targets have been set. There has been incremental change - the number of woman executives on the boards of leading European firms increased by 2.5% between 2008 and 2010.⁶

Despite these measures women are still underrepresented at the top level of corporate governance. In the UK, for example, which is in the top ten in Europe for its percentage of female executives on boards⁷, it will take around 70 years to achieve gender balanced boardrooms, at the current rate of change.⁸ The latest report in McKinsey's 'Women Matter' series, notes that only 28% of large companies in its worldwide study listed board diversity as a top ten priority.⁹ This is despite a growing body of research that highlights a range of benefits associated with having women on the board.

Awareness of the issue of diversity, however, is increasing in some sectors. Recent research by McKinsey & Co. (2010) and a leading executive search firm, for example, highlights that consumer products and consumer facing businesses have a better track record in appointing diverse boards, than companies in other sectors. There are, of course, businesses in these sectors that also perform poorly, but there is a general trend that indicates that the consumer sector, on the whole, is moving in the right direction.

In this report we investigate the issue of board diversity in the consumer sector. We surveyed over 100 senior executives from international consumer businesses and conducted in-depth interviews with four female executives with extensive board experience. The questions and discussions focused on the following topics: Is awareness of the benefits of board diversity more apparent in consumer industries? What unique skills and experiences do women bring to boards? Is it convention and dual career pressures that hold women back or is it personal choice? What can businesses do to become more diverse at board level?

² http://www.deloitte.com/assets/Dcom-Greece/dttl_ps_genderdividend_130111.pdf

³ http://www.womens-forum.com/media/pdf/EZ1_European_Board_Diversity_Analysis.pdf

⁴ Ibid

⁵ http://www.dinamedland.com/apps/blog/show/next?from_id=6449209

⁶ http://www.womens-forum.com/media/pdf/EZ1_European_Board_Diversity_Analysis.pdf

⁷ http://www.europeanpwn.net/files/europeanpwn_boardmonitor_2010.pdf

⁸ <http://www.bis.gov.uk/assets/biscore/business-law/docs/w/11-745-women-on-boards.pdf>

⁹ <http://www.mckinsey.com/locations/paris/home/womenmatter.asp>



1. are some sectors better than others?



There is no doubt that women make up a significant part of the talent pool for companies. In Europe, women account for around 60% of university graduates¹⁰ and in the early stages of their careers, are very successful up to middle and senior management level. The statistics show, however, that there are still significantly less women than men achieving board positions. Recent studies highlight, though, that some sectors perform better than others when it comes to board diversity.

The latest (2010) edition of McKinsey & Co's 'Women Matter' series highlights that European consumer goods and retail companies have more women, on average, both on boards of companies and in executive committees. A European board diversity analysis by an executive search firm highlights that out of the top ten industries for high female representation at Director level, nine are consumer facing and/or involved in the manufacturing of consumer goods. And Lord Davies' 2011 review of UK board diversity also shows that companies with the highest number of women on boards are from consumer-facing industries, in particular: retail, utilities, media and banking.

In our survey, however, opinion was divided about whether or not there was a general trend in the consumer sector. Overall, 51% of respondents believed that awareness of the benefits of gender diverse boards is more apparent in consumer sector businesses.

"Recruitment in the consumer sector is more balanced between men and women...leading to more women entering the consumer products industry, rather than non-consumer sectors such as engineering and heavier industry. So, as people progress in their careers, the pool is much bigger for women to emerge from the consumer companies into board level positions."

The opinions of women compared to men, however, were distinctly different. While the majority (60%) of men agreed with the view above, most (62%) women on the other hand were adamant that the consumer sector was no better than other sectors, for its understanding (or lack of) of the benefits of gender diversity. Respondents claimed that, whereas there are some 'enlightened' retailers and manufacturers who had achieved gender diversity, overall it was perhaps misleading to suggest that it was a general trend in the sector. As one interviewee noted " ...not all consumer businesses are good at this".

Certainly, the latest (2010) Cranfield Management School Female FTSE 100 Index agrees with this statement. Its analysis of sector as being an indicator of diversity concludes that it does not account for the polarizing trends regarding gender diversity of boards. Rather it reports a spread of sectors with consumer and non consumer companies (from aerospace and defence, pharmaceutical and biotech, food and beverage, general retailers; insurance, media and entertainment and, oil & gas) all demonstrating a move (albeit slight) towards gender equality on boards. The report notes, however, that some companies within the same sectors (e.g. food production) have been consistently poor with regards to board diversity.

Interviewees argued, however, that in many cases people will be more inclined to work for companies where there is product or service affinity. One interviewee, from a major global cosmetics brand, suggested that no strategic agenda or diversity policy had been required for the business to achieve diversity on the board. "It's just the way it has turned out." Category affinity certainly helps greatly in the creation of gender diverse boards: "It is easier for businesses to accept women in the management team when there is a natural affinity and understanding of a product or category." However, because not all consumer businesses have a good track record for diversity it was always important to consider each business on a case by case basis.

"When you're looking to choose your next role you should always investigate the culture of the business first to make sure it is open and fair. It would be a mistake to work in consumer simply because you think there is a slightly better chance of career advancement, without investigating the actual business and its culture first."

MOST LIKELY TO HAVE GENDER DIVERSE BOARDS	%	LEAST LIKELY TO HAVE GENDER DIVERSE BOARDS	%
Leisure & Tourism	57%	Mining	100%
Media	41%	Forestry	100%
Health	36%	Construction	99%
FMCG	35%	Transport & Logistics	99%
Public Sector	34%	Manufacturing & Engineering	99%
Retail	31%	Oil & Gas	98%
Pharmaceuticals	23%	Automobiles	98%
Food & Drink	23%	Energy	98%
Professional Services	20%	Utilities	95%
IT & Digital	18%	Electronics	95%

The perception of survey respondents, however, was that consumer facing industries or those involved in the production of consumer products, are generally represented by more companies with gender diverse boards (this was the same for both men and women). On the contrary, those industries that aren't in the consumer sector tend to have male dominated boards, according to our respondents. This does correspond with the 'reality' highlighted in recent research conducted into this area.

Only 7% of respondents didn't recognise any industry as being associated with gender diversity at the executive level. Interestingly, 6% of those were men.

Lord Davies' (2011) report suggests that consumer sector businesses with diverse boards, rather than simply having more women to choose from, actually understand the value of having a balance of 'their

customers' on the board. As McKinsey and Co's (2010) research shows, more and more purchase decisions in the home are being made by women: "...even in industries where buyers are traditionally male, women represent a growing proportion of the consumer base".¹¹ If women are the decision makers at home they can certainly be highly effective decision makers at board level - and some consumer businesses are beginning to realise this.

"Many consumer businesses have female target audiences – even if the products themselves are used by men, women tend to be the purchasers. Consumer businesses have clearly recognised the benefits of having the internal insight of their purchasers on the boards."

In the next section we take a closer look at perceptions of the impact women can have at board level.



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¹⁰ Ibid

¹¹ Female 'Blogging Communities' are increasingly being targeted by big brands seeking to engage their customers in conversations about products and buying habits <http://www.foodbev.com/opinion/how-pepsico-is-tapping-into-the-online-f>



2. what unique skills and qualities do women bring to the board?



The findings from research conducted into the impact of woman on boards highlights that companies utilising the skills and influence of woman at the top experience improved performance, are more responsive to the market, have better corporate governance and tend to access a wider talent pool when hiring.¹² Companies are increasingly advised to take advantage of these benefits to remain competitive in uncertain economic times.

**Selection of research studies that show the positive impact of woman at board level*

RESEARCH	FINDINGS
Fondas, N. and Sassalos, S. (2000) A different voice in the boardroom: How the presence of women directors affects board influence over management, <i>Global Focus</i> , 12: 13–22.	Female directors enhance board independence *Better 'well rounded' decision-making occurs as a result of directors having a range of experiences and backgrounds.
Izraeli, D. (2000) Women directors in Israel. In: Burke, R. and Mattis, M. (eds.) <i>Women on Corporate Boards of Directors: International Challenges and Opportunities</i> , 75–96. Kluwer Academic Publishers, Dordrecht, The Netherlands	Women take their non-executive director roles more seriously and preparing more for meetings.
Konrad, A. M., Kramer, V. and Erkut, S. (2008) Critical mass: The impact of three or more women on corporate boards, <i>Organizational Dynamics</i> , 37(2): 145–64.	Women ask awkward questions more often, decisions are less likely to be agreed easily and so are likely to be better. This is particularly the case when there are at least three female board members.
Zelechowski, D. and Bilimoria, D. (2004) Characteristics of women and men corporate inside directors in the US, <i>Corporate Governance: An International Review</i> , 12(3): 337–42.	Women bring different perspectives and voices to the table, to the debate and to the decisions.
Women Matter: gender diversity, a corporate performance driver, McKinsey & Company, 2007	Thirty per cent or more women at board level or in senior management produce the best financial results.
Companies with a better track record of promoting women deliver superior investment performance', Bhogaita M, <i>New Model Advisor</i> , 2011	Share price performance is significantly higher for companies with women making up over 20% of board members than those with lower female representation.
Diversity and Gender Balance in Britain plc: a study by TCAM in conjunction with The Observer and as part of the Good Companies Guide, London, UK: TCAM. 2009	A gender-balanced board is more likely to pay attention to managing and controlling risk.
Women in the boardroom help companies succeed – Times article March 19, 2009 – Professor Nick Wilson LUBS.	At least one female director on the board reduces a company's chances of going bust by 20%; having two or three female directors lowered the chances of bankruptcy even further.
The Bottom Line: Corporate Performance and Women's Representation on Boards, Lois Joy, Nancy M Carter, Harvey M Wagener, Sriram Narayanan, <i>Catalyst</i> , 2007	Companies with more women on their boards were found to outperform their rivals with a 42% higher return in sales, 66% higher return on invested capital and 53% higher return on equity.
Michel Ferrary, "Global Financial Crisis: Are Women the Antidote?" CERAM Research (October 2008).	The more women there were in a company's management, the less the share price fell in 2008.

¹² <http://www.bis.gov.uk/assets/biscore/business-law/docs/w/11-745-women-on-boards.pdf>



FORTUNE GLOBAL 500 (2011)		MEN	WOMEN	TOTAL	% OF WOMEN ON BOARD
1	Wal-Mart Stores	15	4	19	21%
2	Royal Dutch Shell	12	2	14	14%
3	Exxon Mobil	11	1	12	8%
4	BP	14	1	15	7%
5	Sinopec Group	14	0	14	0%
TOTAL		66	8	74	11%

DELOITTE TOP 250 GLOBAL CONSUMER PRODUCT COMPANIES (2011)		MEN	WOMEN	TOTAL	% OF WOMEN ON BOARD
1	Samsung Electronics	7	0	7	0%
2	Nestle	11	4	15	27%
3	Panasonic Corporation	20	0	20	0%
4	P&G	6	5	11	45%
5	Sony	14	0	14	0%
TOTAL		58	9	67	13%

On the whole, respondents agreed with research that has shown how a gender diverse board can lead to better decision making (74%); greater awareness of and attention to managing risk (58%); better understating of employees' needs (78%) and better understanding of business culture (64%). Where respondents disagreed was with whether, ultimately, having a gender diverse board leads to better financial performance: 53% of woman did, compared to 32% of men.

Again, there is much debate about this particular issue. Research conducted by Catalyst (2007) (a global non-profit membership organization expanding opportunities for women and business) found that Fortune 500 Companies with more women on the board outperformed rivals with a 42% higher return in sales, 66% higher return on invested capital and 53% higher return on equity. Similarly, according to Deloitte (2011), European companies with more women in senior management and on the board have, on average, more than 10% higher return on equity than companies with the lowest percentage of women in leadership roles. Furthermore, research

conducted at CERAM Business School (2008) in France found a direct 'positive' link between the number of female executives on a board and company share price. Certainly, 60% of the female executive directors who responded to our survey agreed that gender diversity at board level did have a direct positive impact on financial performance.

There are obvious exceptions however.¹³ Only 11% of board positions at the world's five best performing companies (based on Fortune Global 500 data) are taken by women. And three out of the top five global consumer products companies (based on Deloitte¹⁴ data) have no female board members. Incidentally, in our survey, those working for US companies were less inclined (33%) to believe having a gender diverse board would lead to better financial performance, compared to those at UK (38%) or European (42%) headquartered firms. Basically, many companies continue to perform exceptionally well, with little or no female presence at the top.

In a recent article in the FT, a high profile female NED at a large UK insurer argued that there was no correlation between the business

appointing two female directors and the subsequent 300% increase in its share price. Its success, according to her, was due to the strategy (set before the female directors joined), the quality of its senior managers and market movements that went in its favour.¹⁵ Indeed those who don't fully support the idea that gender equality at board level is important tend to value the 'skills, knowledge and experience' of individuals over the 'holistic' qualities a diverse group of people can offer. "Gender diversity in itself is irrelevant. Skills, knowledge and experience are required at Board Level. A board needs to perform, not mirror society." (Male Senior Manager, Food and Drink Company)

The prevailing view of survey respondents from the consumer sector, however, was that gender equality on boards, on the whole, would be a good thing for business. Overall 76% of respondents agreed with this view including 66% of male respondents. The key difference respondents felt women made was to incite more 'radical decision making' in the board room giving businesses a broader perspective of how they can move forward. Ultimately, as one interviewee noted:

"If you have a predominantly male or predominantly female leadership team you are not maximising all of the mental potential for diverse thinking. If males (in our business, UK, white 40 - 50 year olds) are the make up of the board, their experiences and motivations may well be similar. In order to ensure a broader perspective, challenge the status quo and to be in touch with the changing consumer and commercial landscape, a wider age, gender and cultural diversity should be sought."

Overall, opinion is still divided over whether gender diversity will directly improve financial performance. But improving the way decisions are made as well as having a better understanding of customers, in any sector, can only be a positive thing. In the next section we look at the perceptions of why there are not more women on corporate boards.



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¹³ <http://money.cnn.com/magazines/fortune/global500/2011/>

¹⁴ https://www.deloitte.com/assets/DcomGlobal/Local%20Assets/Documents/Consumer%20Business/dtt_GlobalPowers_CP2011.pdf

¹⁵ <http://citywire.co.uk/money/lucy-kellaway-why-more-women-directors-wont-boost-company-performance/a477651>



3. why are there not more women on corporate boards?



The number of women occupying positions on corporate boards is low. Research has pointed to a number of factors (included in the table below) which are believed to restrict women achieving positions on the board. We asked our survey panel what they believed were the main barriers to increasing gender diversity on the board at their businesses.

Overall, survey respondents believed a lack of female role models (45%) together with an inability to balance work and domestic responsibilities, (40%) were the main barriers either preventing, or putting women off, trying to achieve board positions. Interestingly 38% of men compared to only 22% of women, believed there were, in fact, no barriers. And twice as many men compared to women thought it was a lack of ambition which resulted in less women getting to the top. An even number of men and women (20% in both cases) recognised personal choice to opt out of the workforce as being one of the key factors influencing the overall talent pool of women executives.

Certainly, as other research has shown, domestic pressure and personal choice are major factors which lead to women leaving their jobs rather than pursuing executive careers. What is apparent from our research however is that the 'choice' in many cases isn't necessarily a voluntary decision, but more about necessity. As one interviewee noted, "If you want to be a woman in a senior position, you have to make a commitment to the lifestyle or accept that you will struggle to advance in your career."¹⁶ Perhaps controversially, a view shared by some women is that to achieve the top positions, you must have 'a man in the house'¹⁷ to take responsibility for childcare, or not have a family at all. Our interviewees indicated, however, this is uncommon for most women.

Part of the challenge for many women at a senior level is that a higher proportion will also have a partner who works in a demanding role. Whereas men in senior roles will, in the main, have partners who don't work.

Interviewees went on to highlight how very few women continue working in senior roles after having a child, or often they will attempt to go back to work and find they can't cope. Others deliberately found more accommodating roles and companies. "When I had my first child, I moved from a multinational company because I did not want to pursue a career in international management – moving every five years from country to country with my family. The jobs I took on subsequently had to be London based, with limited international travel and a short commute home. It has been impossible to control the hours I work, but being able to get back home in the evening to put the children to bed was important for me." (Chair, Health & Beauty Business)

Unless you are physically mobile and able to take on long hours, interviewees argued, it is often difficult to get to certain levels within certain businesses. In international businesses, for example, you often have to demonstrate broad experience across multiple countries to get to the top. "In one of the firms I worked in, the four or five women who did achieve top positions didn't have children and were also the lead

BARRIERS, IF ANY, TO INCREASING GENDER DIVERSITY	% OF RESPONDENTS
Lack of female role models	45%
Balancing work and domestic responsibilities	40%
No barriers	32%
24/7 availability and mobility performance model	23%
Personal choice to opt-out of workforce	20%
Lack of internal support for childcare etc.	16%
Lack of ambition	15%
The board is diverse	8%

¹⁶ The lifestyle referred to being a commitment to a 24/7 working culture.

¹⁷ <http://www.iol.co.za/lifestyle/love-sex/marriage/top-women-need-a-man-in-the-house-1.1094058>



In one of the firms I worked in, the four or five women who did achieve top positions didn't have children and were also the lead career in their family. It is very difficult for women to do both. Although there are some superwomen, and I admire them, I don't know how they do it.

career in their family. It is very difficult for women to do both. Although there are some superwomen, and I admire them, I don't know how they do it."

The view that convention plays a part is, however, still held by many people. Rather than being forced to concede their high flying corporate careers to family life, some feel that many women choose not to pursue an executive career as they would prefer to raise a family, or they are happy to remain at a lower level within an organisation. Interestingly, our survey results highlighted that this view is perhaps more commonly shared by women currently on the board, rather than women in senior management (below board level) positions: 40% of female executive directors compared to only 13% of female senior managers believed there were no barriers preventing women from achieving board positions. Basically, they held the view that if you want to get to the top, then there should be no reason why you can't. As one female interviewee (a former GM of a large hair care business) noted:

Only some women will want to get there. If women want to work long hours, travel and be at the executive level then they have to be prepared to commit to the lifestyle. They have to be realistic. As GM I had members of my exec team that wanted to move to part time for childcare – this is totally unacceptable.

Furthermore, 20% of female executive directors didn't think gender diversity was important, as long as the best people were selected for

the board; whereas 96% of female senior managers were adamant that gender diversity at board level was essential.¹⁸

This difference in opinion makes it difficult to draw a conclusion on the matter. The dichotomy between the highly ambitious yet frustrated senior managers compared to the pragmatic view of the content executive directors, perhaps highlights an internal problem that companies face. If the company is performing well and the female minority on the board are not pushing for change, then where is change going to come from? In our survey the lack of female role models was the biggest factor (45% overall and 56% of women), people felt, dissuading women from pursuing an executive career.¹⁹ The reality is that if the board is not an attainable goal for women, then there is little point in them trying to establish an executive career in the first place. By simply having women on the board, it seems our consumer sector respondents believed that this would be a major catalyst in encouraging more women to aim for the top.²⁰

Fundamentally, it is a big hurdle to overcome for businesses to change a team dynamic that has been the same for many years. Research indicates, however, that gender diversity is perhaps an 'unavoidable trend'²¹ for boards in the imminent future. There are many women who both want to achieve board positions and who also feel that if working conditions were flexible and accommodating to domestic and childcare responsibilities, then more would succeed. In the next section, we look at what senior executives in the consumer sector feel are the best ways forward for companies to achieve gender diverse boards.

¹⁸ Incidentally, only one female executive director who responded to the survey was currently part of a diverse board and none were working for companies where gender diversity was a top ten strategic agenda.

¹⁹ In McKinsey's (2010) Women Matter research only 28% of women (from different countries and sectors) thought the lack of role models was a problem. Some respondents to our survey highlighted that 'consumer facing businesses tend to be more aware of image and gender awareness is an image issue'. We can speculate therefore that the role model factor is perhaps significantly more important to those working in the consumer industries (compared to the general spread of sectors surveyed by McKinsey) because of the high visibility many consumer brands and their boards have.

²⁰ Some female respondents were keen to point out though, that in some cases, where the board is predominantly male or all male, the members of the board tend to recruit candidates based on who resembles their own attitudes and aptitudes the most; as one person noted: "The problem is that it tends to be jobs for the boys, because 'the boys' are appointing. When a woman is appointed, they are often more macho than the men, because they have had to be, to get noticed."

²¹ <http://www.lexology.com/library/detail.aspx?g=0e6216b3-3f36-43fe-8f3d-9876ba9f1199>



4. what can businesses do to become more diverse at board level?



It was reported recently in the UK that since the publication of the Davies Report, nearly twice as many women have been appointed to the boards of FTSE 100 companies than in the previous year before the reports publication.²² The landscape is certainly changing and it would appear that change will be an imminent reality for many businesses in the coming years. Almost 80% of consumer sector respondents in our survey, however, indicated that gender diversity was not a key strategic agenda at their company.²³

Despite this, survey respondents in the main believed that change will not be driven by external policies such as quotas or voluntary targets but rather it needs to be led by companies themselves. The most important factor, in this regard, was for businesses to move away from 'draconian' rules regarding working hours and instead create flexible working schemes for employees, including initiatives such as home working. Better childcare support was another key improvement respondents thought would ultimately encourage and/or make it easier for more women to get board positions at their companies. And training for employees on the benefits of gender diversity would then help to embed gender diversity into organisational culture.

In many cases, however, as one interviewee argued, consumer sector companies have adequate flexible working policies in place already, yet executive board members find it difficult, or even impossible, to take advantage of them:

"At the executive level a major barrier to diversity would be the commitment to traditional non-flexible working. At my business [a global cosmetics brand] there is a flexi-day system where you can accrue one day per month for working over 35 hours every week. The majority of employees will use this and take an extra 12 days holiday per year. For senior execs, however, it's impossible to take advantage of this – it would be looked upon in a negative way for an executive to do that. Also, staff can take a day in lieu if they travel on a weekend. Again, it's an unwritten rule that execs won't take advantage of this. "

Extending privileges such as this to board members, therefore, would be a major advantage and also attraction to women seeking an executive level career. As survey respondents argued, for many women, flexible working is 'more powerful than money' and will be the biggest catalyst for businesses seeking to improve the diversity of their top teams.

WHAT CAN BUSINESSES DO TO BECOME MORE DIVERSE AT BOARD LEVEL?	% OF RESPONDENTS
Flexible working	53%
Internal and external training for employees	53%
Childcare support	48%
Incentivised diversity initiatives for managers	39%
Other	20%
Voluntary targets	17%
Positive discrimination	16%
Quotas	8%

²² <http://www.independent.co.uk/news/business/news/boards-double-number-of-women-members-2290386.html>

²³ This corresponds with research conducted by McKinsey & Co. (2010) which also found that the vast majority of listed European companies were not currently focusing on achieving gender diversity at board level.



For many companies, however, the biggest challenge would be to initially break the established 'masculine' culture of the board. Often the success of ideas that involve change, "depend wholly on whether or not the males on the board will support them." This is why raising awareness through a mixture of training, setting voluntary targets and even, as some suggested, naming and shaming businesses that consistently fail to promote women into senior roles, are important steps that need to be taken.

"If boards were more acutely aware of the business benefits from a more diverse board then there would be more drive to ensure this through improved recruitment criteria."

Fundamentally, the view from the consumer sector was that any diversity related initiative must be driven from the top. Without genuine buy-in from the board most companies 'won't get anywhere'. To encourage more women to apply for the top jobs, people argued, there needs to be a positive attitude from the board. "Boards have to remove all of the barriers that currently restrict women achieving top positions and then see who comes forward." (Female senior manager, Soft Drinks Manufacturer)

Perhaps surprisingly²⁴, our results show that American consumer companies are focusing on gender diversity more than European firms with 39% of respondents from US headquartered businesses indicating that gender diversity was a major strategic initiative at their company, compared to only 16% of those at EU firms. Large businesses (25%) were also twice as likely to be focused on gender diversity as small (13%) or medium (10%) sized businesses. "In smaller businesses you're more likely to encounter unbalanced masculine cultures. Large businesses tend to have more well-rounded people at the top". (Female GM, Cosmetics Business)

Looming in the background for European firms is the 'threat' (as many perceive it) of quotas. Currently, Norway, Spain and France are the only EU countries that have a legal quota system for companies, regarding what proportion of women should be on a board. In the next few years, if more member states or companies do not voluntarily move to a more diverse board structure, The European Union will begin enforcing quotas. Our research has highlighted that in the consumer sector, employees (both men and woman) are adamant that this is not the way forward. Only 8% of respondents to our survey believed quotas were necessary to incite change (13% of woman compared to 5% of men).²⁵

Positive discrimination was a more popular solution (16%: 12% of men and 22% of women) with an even number of women and men promoting the view that "...sometimes we need to consider out and out discrimination as there comes a time when for the sake of balance you need to say 'we need to hire a woman'." Only 3% were in favour of both quotas and positive discrimination; including one male respondent who indicated that it could be the only way to make businesses truly accountable.

A few respondents, including women, were in favour of no action and instead adopted a more cynical view. For example, one individual argued that because the majority of board directors today are 50+ years old and were therefore educated in the 1970's, 'when less opportunities for women existed', it is natural that over time, more women will achieve board status; simply because "the world has changed." Others argued that although this might be the case, setting voluntary targets for companies is still necessary to pre-empt the change and ensure that gender diversity remains a 'high profile' priority for businesses.

What training should aim to achieve...

- Help employees recognise and value leadership qualities that are non masculine.
- Educate on why gender diversity needs to be a 'no debate' business priority. Education for males and females, at the most senior end of the organisation, to understand each other.
- To promote flexibility around a balanced performance portfolio to allow for both traditional male traits alongside more female behaviours to be recognised, valued and rewarded in equal measure.
- To establish a well-balanced performance management system and promote on ability, achievement and commitment.
- Encourage and support women to be more confident in their abilities.
- Increase the exposure of female employees to the board to help them understand board level thinking and have an active role in the businesses direction.
- Train women on how they can achieve top roles.
- Encourage businesses to measure the effectiveness of having women at the top.

²⁴ Interviewees noted that it is often at US firms that the '24/7 availability and mobility performance model' is most prevalent.

²⁵ This is significantly lower than recent research conducted by a female executive board network that indicated just over a third of women (across different sectors and countries) were in favour of quotas.



5. conclusion



Our research has shown that, despite the obvious benefits of utilising women on the boards of consumer businesses, those currently employed in the sector feel that there is still a long way to go for consumer companies to achieve gender diversity at the top. Only 8% of our survey respondents (from across Europe) indicated that they currently worked for a business with a gender diverse board; while 79% highlighted that gender diversity was not a strategic agenda item at their firms.

The majority concurred, however, that especially in consumer facing industries, there needs to be a change and having more women at the top would ultimately be a good thing for business. The prevailing view was that businesses needed to take action themselves to facilitate the 'emerging reality' that more women want to achieve executive status. By creating a culture that is both understating of the impact of a gender diverse board and also one which removes all barriers that currently restrict women from pursuing top roles, diversity can be achieved.

Consumer boards and their brands are used to being in the spotlight – they have high profile reputations and are intimately linked with the everyday lives of people around the world. Respondents to our survey

noted that it could be the role of companies in the consumer industries to take a lead in promoting the benefits of gender diversity to other sectors, by acting as role models.

Fundamentally, those in the consumer sector were adamant that selection to the board should be based on merit and merit alone. The prospect of moving to a quotas based system should, as many believed, be a major catalyst in provoking those companies that do not value gender diversity, to think about the internal changes they could make, to ensure that a fair system for a board selection exists. The reality is that consumer companies that don't make the change could be putting themselves at a competitive disadvantage.

Further Reading:

BIS (Department of Business Innovation & Skills) (2011) 'Women on Boards' [Online] Available at: <http://www.bis.gov.uk/assets/biscore/business-law/docs/w/11-745-women-on-boards.pdf>

Catalyst (2007) 'The Bottom Line: Corporate Performance and Women's Representation on Boards' [Online] Available at: <http://www.catalyst.org/publication/269/the-bottom-line-corporate-performance-and-womens-representation-on-boards-japanese-version>

Cranfield School of Management (2010) 'The Female FTSE board report 2010' [Online] Available at: <http://www.som.cranfield.ac.uk/som/dinamic-content/news/documents/FemaleFTSEReport2010.pdf>

Deloitte (2011) 'The gender dividend: Making the business case for investing in women' [Online] Available at: http://www.deloitte.com/assets/Dcom-Greece/dttl_ps_genderdividend_130111.pdf

McKinsey & Company (2010) 'Women at the top of corporations: making it happen' [Online] Available at: http://www.mckinsey.com/locations/swiss/news_publications/pdf/women_matter_2010_4.pdf



Appendix 1: Characteristics of survey respondents²⁶



GENDER	%
Male	64
Female	36

BUSINESS SIZE	%
Small (>99)	20
Medium (100-499)	22
Large (500+)	58

POSITION	%
Senior management (below board level)	64
Executive Director	26
Non Executive Director	10

BUSINESS HQ	%
Europe	45
UK	34
USA	21

Appendix 2: Interviewees



Nigel Wright Recruitment would like to thank the following people for sharing their opinions on this subject:

Alice Avis MBE – Chair, The Sanctuary Spa Holdings.

Saskia Schatterman – CMO Lead, Microsoft Corporation Benelux.

*Two of our interviewees asked to be anonymous

²⁶ Figures shown represent percentage of respondents

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