

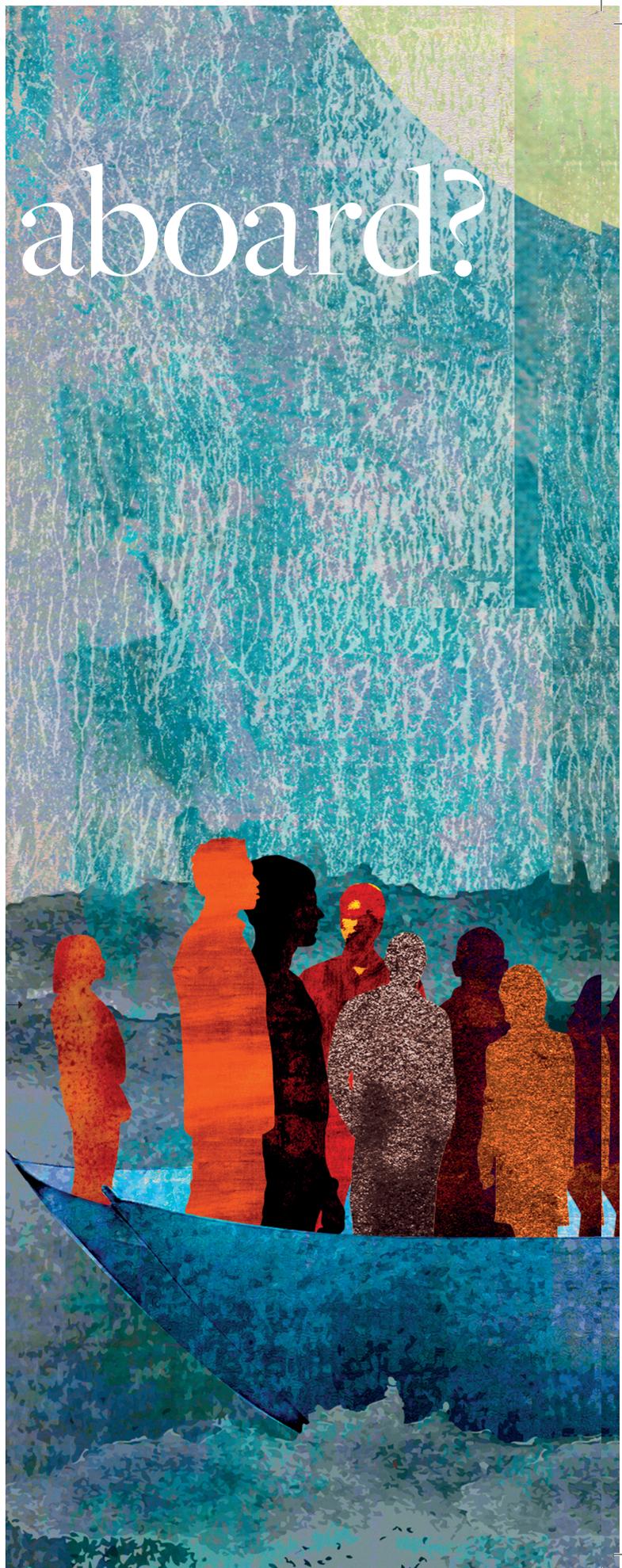
# All aboard?

SUSAN C. KEATING, CEO,  
Women Corporate  
Directors Foundation,  
on what it *really* takes  
to get more women  
onto corporate boards

Every leadership team today knows that constant transformation is essential to survival. Companies are prepared to replace entire technology systems, restructure their global workforces, and throw out sacred business models as part of this transformational activity. Yet despite a willingness to make monumental – and even painful – changes in these areas, one part of the organisation has remained relatively *unchanged* compared to the world outside: the boardroom.

Globally, boards have remained significantly male-dominated, with only incremental progress being made towards a more gender-balanced boardroom. In S&P 500 company boards in the US, 24 per cent of the directors are women, while the number is just under 29 per cent in the FTSE 100. Germany has a similar story: on the supervisory boards of the 424 largest public companies there, women represent less than one third of the seats (29.7 per cent). Among companies in the Tokyo Stock Exchange's First Section, women hold just over 10 per cent of the board seats. Singapore's top 100 primary-listed companies have 13.1 per cent female representation on their boards. Across Latin and South America, the percentage of board seats held by women is 7.2 per cent. The numbers are increasing, but progress needs to move much more quickly. →

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Best-practice boards *are* making progress. Understanding their fiduciary duty, many boards and their nominating committees have been slating women directors. Numerous pieces of research in the US and other countries – from MSCI, McKinsey, Harvard Kennedy School, and more – have shown the link between having more women on board and stronger financial performance, better oversight over underperforming CEOs, and greater employee productivity growth.

Although the business case for having more women on boards has been well documented over the past decade, progress toward more gender parity is not happening fast enough. WCD recognises that more specific actions are needed to get more women onto boards, and support them once they are there. In a number of countries, of course – including many in EMEA, but also India, Malaysia and others – the government has taken the matter into its own hands, establishing quotas for the number of women that companies must have on their board. WCD members’ opinions on quotas run the gamut – from actively supporting and writing the legislation, to ardently standing for deregulation – and so WCD as an organisation does not take a firm stance on quotas per se. However, WCD supports efforts of all members focused toward increasing gender parity in the boardroom. There are in fact many tools that can be used to drive gender parity in the boardroom, and it will take executing effectively on a number of these to get to where we want to be.

Having 2,400 members – the vast majority of whom serve on large publicly-traded or private company boards, spread across six continents – means that we are aware of the common challenges that women directors everywhere face today. These are the areas essential to breaking through those challenges:

### Education

A foundational aspect of WCD’s mission is education – targeted not only at women board members but also board decision-makers, many of whom still believe that there is a “lack of a pipeline” of women board candidates. Thus through our conference programming – including the Asia-Pacific Institute in Tokyo in February 2019 – as well as through research papers and advisories that we publish, featuring thought leadership from women directors on topics such as cyber-risk and emerging technologies, we showcase as experts numerous women who are at the top of their industries – and who would be invaluable additions to any board. With so few female public company CEOs

available as board candidates, given limitations on the number of outside boards on which a CEO may serve, many companies are, in fact, recruiting female candidates from below the CEO level. So we seek to educate boards about this strong pipeline of women by getting their names “out there” with speaking, writing and media opportunities.

### Advocacy

We are all aware of the built-in advocacy created by long-standing male networks, private clubs, all-male universities and the like. This societal reality that bleeds into the business world is a challenge to overcome. In serving as a broader voice for not only our members but for all women directors, WCD is committed to working with partners in our advocacy efforts, especially as other voices – such as BlackRock and State Street in the investor community – call for more women on boards. In 2018, WCD launched the WCD Nominating & Governance Roundtable, which brought together nominating and governance chairs, male and female, from top companies to focus on how to encourage peers to recruit diverse candidates.

### Community

High-level networking has almost become indispensable to those with the highest responsibilities. As leaders ascend to the boardroom, they find that the issues they deal with and the responsibilities they bear are not understood by most. WCD provides directors an invaluable space to be able to discuss issues with peers – to share each other’s experience and knowledge and wisdom, as well as share board opportunities. With chapter meetings, institutes, networking get-togethers and social media, we connect directors with others who ‘get it’.

We see many more boards wanting to bring on more female directors, and they are actively seeking out qualified candidates. It’s important to continue to build the next generation of board members as the demand grows. Two years ago, WCD launched BoardNext to support experienced, highly qualified, board-ready women as they are poised to step onto their first public corporate board. With these programmes, along with the increasingly strong and vibrant connections that women directors are sharing worldwide, the boardroom talent available is more powerful than ever. ■



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