



WOMEN PASS A MILESTONE: 101 DIRECTORSHIPS ON THE FTSE 100 BOARDS

THE FEMALE FTSE REPORT 2003
By Dr Val Singh & Professor Susan Vinnicombe

With a Foreword by Patricia Hewitt
Secretary of State for Trade and Industry and Cabinet Minister for Women

Centre for Developing Women Business Leaders
Cranfield School of Management



FOREWORD

British society is changing. By 2010, just a third of the workforce will be male and under 45. However, people leading our major corporations do not reflect their customers or the population profiles.

So I welcome this report from the Cranfield School of Management, which provides us with some hard facts about UK corporate life today. Now in its fifth year, it gives us an annual progress report about the numbers of women leading our major companies. I am pleased to say, there has been progress, although still not enough. This latest index shows that the number of female directors is up by 20% on last year and for the first time, two companies - AstraZeneca and Marks and Spencer - have four women directors, a third of their boards.

Seven companies now have three women on their boards and ten companies have female representation, which ranges from 20 to 29%. And the number of companies overall with female directors went up from 61 to 68. This represents a steady - and very welcome - increase over the last five years.

Earlier this year, the Chancellor and I commissioned Derek Higgs to report on how the role of non-executive directors could be made more effective. I then asked Laura Tyson from the London Business School to look at what might encourage boards to hire directors from more diverse backgrounds.

Both Higgs and Tyson have created a sensible blue-print for our boardrooms, but it's up to each individual company to now think about how these proposals can be practically applied. From November, I'll be meeting with a number of chairmen and chief executives from the FTSE 100 to find out what they are doing to increase diversity on their boards and subsequently reap the benefits of greater competitiveness and productivity.

I'm confident that once the economic argument is fully appreciated, greater diversity in the boardroom won't be far behind. After all, FTSE 100 companies didn't get that distinction by following the crowd, but by leading it.

Patricia Hewitt

Secretary of State for Trade and Industry and Cabinet Minister for Women

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Executive Summary

THE TOP COMPANIES WHERE WOMEN SUCCEED

For the first time, two companies, AstraZeneca and Marks & Spencer, have four female directors, and women comprise a third of their boards. Seven companies (J Sainsbury, Shell, BAA, Prudential, Aviva, Legal & General, HSBC) have three women, and 13 companies have two women on their boards. This represents a steady increase since 1999 when we began this Index. Prudential (6th) and Aviva (8th) moved up from joint 54th place in 2002, adding two female directors during the year. We are starting to see women as a normal part of board membership in these progressive companies.

FTSE 100 COMPANIES WITH WOMEN DIRECTORS

The number of companies with female directors went up from 61 to 68. First timers include Rolls-Royce, Scottish & Southern Energy, Amvescap, British American Tobacco and Standard Chartered. Twenty-two companies now have at least two women on their boards. Also slightly up are female executive directorships, now 17, an increase of two.

GOOD CORPORATE GOVERNANCE

The Higgs Review recommended increased diversity of selection pools to enhance corporate governance and bring new ways of thinking, creativity and decision-making to reflect today's society in a rapidly globalising world. This report shows a strong link between good corporate governance and gender diversity in the boardroom.

HIGH CORPORATE PERFORMANCE

18 (90%) of the top 20 companies by market capitalisation have women directors this year, compared to only 8 (40%) of the bottom 20 companies by market capitalisation.

Table 1: Summary of Main Statistics

FTSE 100 (October)	2003	2002	2001	2000	1999
Female-held seats	101 (8.6%)	84 (7.2%)	75 (6.4%)	69 (5.8%)	79 (6.3%)
Female executive directorships	17 (3.7%)	15 (3.0%)	10 (2.0%)	11 (2.0%)	13 (1.99%)
Female NEDs	84 (11.8%)	69 (10.0%)	65 (9.6%)	57 (9.1%)	66 (10.8%)
Women holding FTSE 100 directorships	88	75	68	60	67
Women CEOs	1	1	1	1	1
Women chairmen	1	1	0	0	0
Companies with women executive directors	13	12	8	10	12
Companies with women directors	68	61	57	58	64
Companies with 1 woman director	46	44	42	46	49
Companies with 2 women directors	13	11	12	12	14
Companies with 3 women directors	7	6	3	0	1
Companies with 4 women directors	2	0	0	0	0
Companies with no women directors	32	39	43	42	36

101 DIRECTORSHIPS HELD BY WOMEN

The number of female directorships has passed the 100 milestone, up by 20% on last year. But progress is being made mostly in companies who already had women directors.

A third of women directors have titles (Baroness, Dame, Prof, Dr) compared to only a fifth of male directors. Are women still having to prove themselves with a title, whilst men are appointed on promise? A number of women have now been awarded the CBE in their business roles.

77 women have one seat on a FTSE board, nine women have two seats, and Baroness Hogg and Alison Carnwath have three each. The average age of women directors is 53, with 4 years tenure. Of the 17 executive women, seven are finance directors.

The Female FTSE Index 2003

Rank 2003	% F. Bd	Total Board	No of women	Company (Bold = has fem executive directors)	Female Directors (* = Executive Directors)	Chairman (Bold denotes company with fem execs)	Rank 2002
1	31%	13	4	Marks & Spencer	Alison Reed*, Laurel Powers-Freeling*, Barbara Cassani, Dame Stella Rimmington	Luc Vanderveelde	1
1	31%	13	4	AstraZeneca	Dr Jane Henney, Michele Hooper, Prof Erna Moller, Dame Bridget Ogilvie	Percy Barnevik	3
3	27%	11	3	J Sainsbury	Sara Weller*, June de Moller, Dame Bridget Mackaskill	Sir George Bull	2
3	27%	11	3	Shell	Judy Boynton*, Dr Eileen Buttle, Nina Henderson	Sir Philip Watts	7
5	25%	12	3	BAA	Margaret Ewing*, Janis Kong*, Val Gooding	Marcus Agius	3
6	23%	13	3	Prudential	Ann Burdus, Kathleen O'Donovan, Dame Bridget Mackaskill	David Clementi	54
7	22%	9	2	Reckitt Benckiser	Dr Ana Maria Llopis, Judith Spreiser	Adrian Bellamy	27
8	21%	14	3	Aviva	Dr Elizabeth Vallance, Anna Catalano, Carole Piwnica	Pehr Gyllenhammar	54
8	21%	14	3	Legal & General	Kate Avery*, Frances Heaton, Beverley Hodson	Robert Margetts	5
10	20%	10	2	3i Group	Baroness Hogg, Christine Morin-Postel	Baroness Hogg	44
10	20%	10	2	Centrica	Helen Alexander, Patricia Mann	Sir Michael Perry	22
10	20%	10	2	Kingfisher	Helen Weir*, Margaret Salmon	Sir Francis Mackay	10
13	17%	12	2	BOC	Fabiola Arredondo, Julie Baddeley	Robert Margetts	7
13	17%	6	1	EMAP	Karen Jones	Adam Broadbent	*
13	17%	12	2	Friends Provident	Alison Carnwath, Lady Judge	David Newbigging	35
16	15%	13	2	Barclays	Hilary Cropper, Prof Sandra Dawson	Sir Peter Middleton	44
16	15%	13	2	Pearson	Dame Marjorie Scardino*, Rona Fairhead*	Lord Stevenson	7
16	15%	13	2	GlaxoSmithKline	Dr Michele Barzach, Dr Lucy Shapiro	Sir Christopher Hogg	10
16	15%	13	2	Scottish Power	Mair Barnes, Judi Johansen*	Charles Miller Smith	27
20	14%	14	2	Abbey National	Yasmin Jetha*, Priscilla Vacassin*	Lord Burns	44
20	14%	21	3	HSBC	Baroness Dunn, Sharon Hintze, Carole Taylor	Sir John Bond	15
20	14%	7	1	Wm Morrison	Marie Melnyk*	Sir Kenneth Morrison	15
20	14%	14	2	WPP	Beth Axelrod*, Esther Dyson	Philip Lader	19
24	13%	8	1	Dixons	Rita Clifton	Sir John Collins	27
24	13%	16	2	Lloyds-TSB	Dr Deanne Julius, Angela Knight	Martin Van Den Bergh	22
24	13%	8	1	Mitchells & Butlers	Sara Weller	Roger Carr	*
24	13%	8	1	Royal & Sun Alliance	Susan Hooper	John Napier	10
24	13%	8	1	Smith & Nephew	Dr Pamela Kirby	Dudley Eustace	22
29	11%	9	1	Hanson	Baroness Noakes	Christopher Collins	35
29	11%	9	1	Boots	Helene Ploix	Sir Nigel Rudd	13
29	11%	9	1	Next	Ann Burdus	David Jones	27
29	11%	9	1	Hilton	Lady Louise Patten	Sir Ian Robinson	27
29	11%	9	1	United Utilities	Jane Newell	Sir Richard Evans	27
34	10%	10	1	Foreign & Colonial	Haruko Fukada	Mark Loveday	*
34	10%	10	1	MAN	Alison Carnwath	Harvey McGrath	19
34	10%	10	1	Cadbury Schweppes	Baroness Wilcox	John Sunderland	35
34	10%	10	1	Compass	Val Gooding	Sir Francis Mackay	15
34	10%	10	1	Diageo	Maria Lilja	Lord Blyth	27
34	10%	10	1	Northern Rock	Nichola Pease	Sir John Riddell	22
34	10%	10	1	Cable & Wireless	Dr Janet Morgan	Richard Laphorne	35
41	9%	11	1	GUS	Lady Louise Patten	Sir Victor Blank	35
41	9%	11	1	Safeway	Sharon Hintze	David Webster	35
41	9%	11	1	Whitbread	Prue Leith	Sir John Banham	*
44	8%	12	1	Alliance & Leicester	Frances Cairncross	John Windeler	35

The Female FTSE Index 2003

44	8%	12	1	Gallaher	Alison Carnwath	Peter Wilson	44
44	8%	12	1	Amvescap	Diane Baker	Charles Brady	93
44	8%	12	1	Bradford & Bingley	Rosemary Thorne*	Rodney Kent	6
44	8%	12	1	Severn Trent	Marisa Cassoni	David Arculus	13
49	8%	13	1	GKN	Baroness Sarah Hogg	Sir David Lees	44
49	8%	13	1	BAE Systems	Prof Sue Birley	Sir Richard Evans	44
49	8%	13	1	BG	Dame Stella Rimmington	Sir Richard Giordano	44
49	8%	13	1	British American Tobacco	Dr Ana Maria Llopis	Martin Broughton	85
49	8%	13	1	BT	Baroness Margaret Jay	Sir Christopher Bland	44
49	8%	13	1	MMO2	Neelie Kroes	David Varney	19
49	8%	13	1	SABMiller	Nancy de Lisi	Jacob Kahn	44
49	8%	13	1	Scottish & Southern Energy	Susan Rice	Dr Edwin Farmer	78
57	7%	14	1	Alliance Unichem	Ornella Barra*	Jeffery Harris	35
57	7%	14	1	Carnival	Baroness Sarah Hogg	Micky Arison	15
57	7%	14	1	Tesco	Veronique Morali	John Gardiner	54
60	7%	15	1	BSkyB	Gail Reback	Rupert Murdoch	85
60	7%	15	1	National Grid Transco	Maria Richter	Sir John Parker	44
60	7%	15	1	Vodafone	Penny Hughes	Lord MacLaurin	54
63	6%	16	1	Rolls-Royce	Amy Bondurant	Euan Baird	85
63	6%	16	1	Standard Chartered	Ruth Markham	Sir Patrick Gillam	100
65	6%	17	1	BP	Dr Deanne Julius	Peter Sutherland	58
65	6%	17	1	Unilever	Baroness Lynda Chalker	Niall Fitzgerald	60
67	6%	18	1	HBOS	Coline McConville	Lord Stevenson	58
67	6%	18	1	Royal Bank of Scotland	Eileen Mackay	Sir George Mathewson	60
69	0%	8		Ass. British Foods		Martin Adamson	67
69	0%	8		Provident Financial		Jean De Blocq Van Kuffele	*
69	0%	8		Rentokil Initial		Sir Clive Thompson	62
69	0%	8		Shire Pharmaceuticals		Dr James Cavanaugh	67
69	0%	8		Yell		Robert A Scott	*
74	0%	9		Bunzl		Anthony Habgood	64
74	0%	9		ICI		Lord Trotman	73
74	0%	9		Tomkins		David Newlands	67
74	0%	9		Granada		Charles Allen	64
78	0%	10		Allied Domecq		Gerard Robinson	67
78	0%	10		Intercontinental Hotels		Sir Ian Prosser	*
78	0%	10		Land Securities		Peter Birch	64
78	0%	10		Old Mutual		Michael Levett	78
78	0%	10		Rexam		Jeremy Lancaster	67
78	0%	10		Sage		Michael Jackson	78
84	0%	11		BHP Billiton		Donald Argus	89
84	0%	11		British Land		John Ritblat	73
84	0%	11		Imperial Tobacco		Derek Bonham	78
84	0%	11		Reuters		Sir Christopher Hogg	78
84	0%	11		Wolseley		John Whybrow	78
89	0%	12		Amersham		Donald Brydon	93
89	0%	12		Exel		Nigel Rich	89
89	0%	12		Reed Elsevier		Morris Tabaksblat	78
89	0%	12		Smiths Group		Keith Orrell-Jones	89
89	0%	12		Xstrata		Willy Strothotte	85
89	0%	12		Johnson Matthey		Henry Miles	89
95	0%	13		Schroders		Michael Miles	93
95	0%	14		Liberty International		Donald Gordon	*
95	0%	14		Anglo-American		Sir Mark Moody-Stuart	98
95	0%	14		Rio Tinto		Paul Skinner	93
99	0%	15		Daily Mail & General Trust		Viscount Rothermere	98
99	0%	15		Scottish & Newcastle		Sir Brian Stewart	93
1172				101	68 Companies, 101 women	17 Executive Directorships	84 female NEDs
					8.6% of all directorships	3.7% of all executive directorships	11.8% of all NEDs

* in 2002 rank column denotes not in Oct 2002 FTSE 100 Index.

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1. INTRODUCTION

In this Report, we present the results of the 2003 Female FTSE Index, and provide insights into some of the factors behind the statistics. The issue of Diversity on top corporate boards is more urgent following the Higgs Review (2003) of the roles and responsibilities of non-executive directors (NEDs). Derek Higgs argued for a more open and transparent process of appointment of directors, as well as selection from a wider pool of talent than is currently the case. He recommended that nomination committees and search consultants should look outside the traditional requirements for NEDs to have plc corporate board experience, recognising that it is the duty of the board to appoint the best candidates for the job. The Tyson Report (2003) was commissioned after the Higgs Review to look specifically at the recruitment of more diverse non-executive directors.

The Cranfield Centre for Developing Women Business Leaders has monitored the appointment of women on the UK's top corporate boards for five years, starting in 1999 to contribute an annual benchmark of progress to top boardroom appointments. We have close contacts with Catalyst in the United States, who benchmark the progress of women on Fortune 500 and (more recently) Fortune 1000 companies. We also work with Conference Board in Canada and with similar organisations in European countries, such as Ledelse, Likestilling, Mangfold in Scandinavia. Considerable progress is being made in Norway and Sweden, following political pressure for companies to reflect the gender diversity of civic life in their top teams and supervisory boards.

In this Report, as well as providing commentary on the various statistics relating to companies with women directors, female-held directorships and women directors, we examine the presence of women directors in relation to a number of indicators of good corporate governance and high corporate performance. Findings are discussed in light of the Higgs Review (2003), the Tyson Report (2003) and the new Combined Code (FSA, 2003). Finally, we profile some of the new FTSE 100 women directors, and some women in the "marzipan layer" just below corporate board director level.

2. THE METHODOLOGY

We used a database (FAME) which provided details of directors and company data. We visited each company's web site to check the board information, the press releases for any recent new director appointments, the most recent annual report, and any statements on corporate governance. Some annual reports were labelled as 2003, others as 2002. Almost all companies provide access to full annual reports online with corporate governance statements, the exception being Wm Morrison Supermarkets. We examined detailed biographies of directors and extracted data. However, not all companies provide biographical information on their directors. We found only partial indicators for Foreign & Colonial, and three companies (Carnival, Mitchells & Butlers, and Yell) formed during 2002-3.

The Combined Code (2003) recommends transparency of process in the reporting of board responsibilities in annual reports. Whilst we could have consulted these particular companies

for more information that was not easily ascertainable on-line, our view was that transparency of process should include on-line access to corporate governance statements and hence we report only on web-accessible data.

As companies are sometimes slow to make changes to their websites when new directors are appointed, we then telephoned company secretaries or their PR/media contacts to confirm accuracy of director numbers. A total of eleven additional directors were found in the final checks.

We entered the data into Excel spreadsheets, and used SPSS for a detailed statistical analysis. We undertook correlation and chi-square analyses between variables, with significance levels set at 0.05, as well as t-tests to compare groups to identify whether differences were significant.

3. CORPORATE GOVERNANCE

Is there a link between good corporate governance and diversity on large company boards? Before we present our findings, we draw on one particular report from Canada that informs our approach to measuring corporate governance in relation to gender diversity of directors.

The Canadian Study

In 2002, the Conference Board of Canada produced a report entitled "Women on Boards: Not just the right thing but the 'bright' thing". The report highlights the benefits of "inner diversity", that relates to diversity of viewpoints, talents, and ideas. Access to inner diversity is gained through "outer diversity", recruiting more women, ethnic minority members, and those from different backgrounds to the existing cadre of mainly white middle class males. Therefore, outer diversity of corporate boards is an indicator (although imperfect) of their inner diversity.

Conference Board Canada found striking differences in governance patterns between companies with multiple women directors and those with none. The main governance differences were that companies with multiple women directors showed significantly higher performance on measures related to strong and independent boards of directors, where particular consideration was given to non-financial measures of performance. In addition, the presence of multiple women was associated with more board attention given to ethics, codes of conduct, and conflict of interest guidelines. The good corporate governance indicators used in the Canadian study comprised five accountability practices and five non-financial measures. They included position statements regarding limits to board authority, a formal orientation programme for the board as a whole, formal education for the board as a whole, performance evaluation of the board members, presence of women directors, and explicit assumption of responsibilities recommended by the government. We drew on their report in designing questions on good corporate governance in the FTSE 100 companies.

The Higgs Review and the Combined Code

The issue of increasing diversity on corporate boards is particularly timely. The Higgs Review (2003) of the role and effectiveness of non-executive directors, the related Tyson Report (2003) on the recruitment and development of non-executive directors, and the Smith Review (2003) of audit committees have led to new guidance for the management of companies.

The Financial Services Authority ("FSA") requires listed companies to disclose, in relation to the Combined Code ("the Code"), how they have applied its principles and whether they have complied with its provisions throughout the accounting year. Many companies also refer to

compliance with the Sarbanes-Oxley Act 2002 in the United States, stating their intent to comply with its requirements in so far as they are applicable to them.

The Indicators for Good Corporate Governance

A number of indicators relating to the selection, composition and development of the board were identified. These have been analysed and reported separately, as well as in combination to draw up a preliminary measure of good corporate governance. They were:

- Whether the board had a majority of NEDs (scored 1 = yes, 0 = no)
- Whether the chairman and CEO roles were separated (scored 1 = yes)
- Whether a senior independent NED had been appointed (scored 1 = yes)
- Whether there was a note regarding Corporate Governance in the on-line Annual Report or on the Corporate Website (scored 1 = yes)
- Whether there was a statement that the company had complied with the Combined Code of Practice (scored 1 = yes, and including companies stating that whilst in 2002 they were not fully compliant, they had since addressed the issue and were now fully compliant).
- Whether training and induction were said to be provided for directors (scored 1 = yes)
- The number of meetings of the whole board reported for the last year. This indicator is scored 1 at and above the mean of 8 meetings per year, and 0 below the mean, with those stating "regular" meetings scored as below 8. The scoring of this indicator may need adjustment for future years, as the Combined Code says: "The board should meet sufficiently regularly to discharge its duties effectively." Such guidance will be interpreted differently by companies in relation to their particular business needs, and no minimum number of meetings is suggested. But transparency requirements suggest that the actual number of meetings held by the whole board in the last year should be reported in the Annual Report. The lowest number of meetings was four and the highest was 24 per year. If six meetings per year is considered adequate, then this indicator scoring should be adjusted, but for this initial survey, we have taken the mean of eight as the decision point for scoring.
- The percentage of NEDs with tenure exceeding two terms (ie more than six years) was used to create an indicator scored 1 = where the percentage for the NEDs of each board was lower than the average 29%, and 0 = where the percentage was higher than the average 29%.
- Maximum score = 8.

We recognise that there are likely to be further indicators such as statements regarding the use of search consultants, which might be relevant to this index. We will review and refine the indicators for the 2004 Female FTSE Report.

Table 2: The Eight Indicators of Good Corporate Governance (from the perspective of board selection, composition and development)

Indicator	N companies reported	Yes (1)	No (0)	Comment
More NEDs than EDs	100	75	25	Equal numbers scored as 0
Separated roles for Chairman/CEO	100	91	9	
Presence of Senior Independent Director	96	80	16	Several companies give explanations why not
Note on Corporate Governance on website or Annual Report	99	98	1	One not available on-line
Complied with Combined Code?	97	49	48	Where compliance is reported after reporting non-compliance in Annual Report, scored as Yes
Training/Induction for Directors	100	63	37	Where not stated in report or on-line, scored as 0
Number of full Board Meetings per year, at & above/below average of 8	100	48	52	Scored as Below 8 all those stating "regular" and those not reporting at all
% of NEDs with less than 7 years tenure	99	51	48	Score 1 for low % and 0 for high %

Results of the Good Corporate Governance Indicators

Table 2 presents the results of the individual indicators for the Female FTSE survey 2003. The scores on the eight indicators were then used to construct a measure of "good corporate governance". All items were equally weighted and the maximum score possible is 8.

Table 3 show how the companies scoring highest on this set of corporate governance indicators are significantly more likely to have at least one female director on board.

Table 3: Company scores on eight corporate governance indicators and presence of female directors on the main board

The link between corporate governance and the presence of women on boards (maximum score on corporate governance is 8)			
Scores	No. of Companies	Boards all male	Boards with female directors
Score of 8	13	0	13
Score of 7	22	2	20
Score of 6	22	6	16
Score of 5	22	12	10
Score of 4	11	7	4
Score of 3	8	4	4
Score of 2	1	1	0
Score of 1	1	0	1

Some companies, such as Alliance Unichem, even state the principles of good boardroom practice in their Corporate Governance statement so that readers can assess their report against the criteria. These included details of:

- The legal responsibilities of directors
- The role and appointment of non-executive directors
- The procedures by which directors are given and can obtain information, training and independent advice
- The procedures for provision of notices, agendas, papers and minutes for meetings of the Board and its committees
- How meetings of the board and board committees are conducted.

There was also a positive relationship between good corporate governance and a larger number of non-executive directors on the board. This factor is important as it is related to the independence of the board.

Link Between High Performance and Gender Diversity on Boards

As in previous years, we considered the relationship between companies with high market capitalisation and the presence of women directors. (See Table 4.) We have seen this relationship between company performance and women on the board for five years since we started the Female FTSE Index, and similar relationships are found in the United States, Canada and Australia.

Table 4: The relationship between high market capitalisation and presence of women on the board.

Companies with female directors	2003	2002	2001	2000
Top 20 companies by Market Cap	18	16	17	17
	90%	80%	85%	85%
Bottom 20 companies by Market Cap	8	8	10	11
	40%	40%	50%	55%

Committee Memberships

We see the presence of female directors on all three main board committees (nomination, remuneration and audit).

Table 5: Membership of the Three Main Board Committees

	1. % male	2. % female	3. No of males	4. No of females	5. % of all males	6. % of all females	Significant differences between % males and % females in columns 5 & 6
Nomination Committee	92%	8%	419	41	40%	42%	No
Remuneration Committee	87%	13%	343	51	33%	52%	Yes
Audit Committee	90%	10%	349	39	34%	40%	No
Chair Nomination			94	2	9%	2%	Yes
Chair Remuneration			76	8	7%	8%	No
Chair Audit			85	3	8%	3%	Yes

(Where reported in on-line annual reports or on websites)

Women on average were on 1.2 committees each. Proportionally, women were more likely than men to be members of Remuneration Committees, but there was no significant difference for the Nomination and Audit Committees. Males were more likely to chair Audit and Nomination Committees than females. Whilst eight women chaired Remuneration Committees, only three chaired Audit Committees. Women chaired only 2% of Nomination Committees - Baroness Hogg, chairman of 3i and Baroness Dunn, deputy chairman of HSBC, reflecting the practice of Nomination Committees being chaired by the chairman.

In particular, we looked at the whole Nomination Committee. We examined the chair of the Nomination Committee, the number of members of the Nomination Committee, the average age and tenure of members of the Nomination Committee, and the presence of women on the Nomination Committee. The presence of females on the Nomination Committee was strongly correlated with larger committees, as well as moderately related to lower average board age and tenure. This suggests that as the older board members and Nomination Committee members retire, the situation may improve for women to gain access to the Committee roles.

We noticed that a number of companies had set up Corporate Governance Committees to review their boardroom policies and practices. Most of the companies without nomination committees were about to establish these.

The Balance Between Executive and Non-Executive Directorships

Boards are changing in terms of the balance between executive and non-executive directorships, with fewer executive seats. In 2002, the 663 NEDs formed 57% of the total (1161) board seats, whilst in 2003, the 709 NEDs have taken 60% of all 1172 seats, whilst executive directors have gone down from 498, representing 43% of seats in 2002 to 463 and 40% in 2003.

4. TOP COMPANIES IN THE FEMALE FTSE 2003

Two companies, Marks and Spencer (maintaining their first place) and AstraZeneca (up from 3rd last year) share first place in the Index for 2003, both with 31% female boards and four female directors.

Marks and Spencer has two executive directors, Alison Reed and Laurel Powers-Freeling, as well as two non-executive directors Dame Stella Rimmington and Barbara Cassani. Marks and Spencer also has a number of female directors in their top executive team, providing a resource pool of talent for the future. AstraZeneca's four non-executive female directors are Dr Jane Henney, Michele Hooper, Professor Erna Moller and Dame Bridget Ogilvie.

In joint third place is J Sainsbury, with one female executive director, Sara Weller, and two NEDs, June de Moller and Dame Bridget Mackaskill. Tied for third place, Shell also has one female executive director, Judy Boynton, and two NEDs, Dr Eileen Buttle and Nina Henderson. Two companies leapt up the list from joint 54th position last year. They are Prudential in at 6th place, now with three women directors, and Aviva at 8th place also with three women directors.

Rank 2003 Female FTSE	Company	% Female Board	Sector	No. Directors on Board	Mean Age of Board	Mean Tenure of Board	Age of Chairman	Tenure of Chairman as board member	Age of CEO	Tenure of CEO
1	Marks & Spencer	31%	Retail	13	52	3	52	3	43	3
1	Astra Zeneca	31%	Pharmaceuticals	13	57	5	62	5	59	8
3	J Sainsbury	27%	Retail	11	54	5	66	6	61	4
3	Shell	27%	Oil & Gas	11	60	5	58	6	58	6
5	BAA	25%	Transport	12	52	4	56	9	50	3
6	Prudential	23%	Life Assurance	13	52	4	54	2	49	9
7	Reckitt Benckiser	22%	Personal Care	9	55	4	61	4	47	4
8	Aviva	21%	Life Assurance	14	56	5	67	5	52	4
8	Legal & General	21%	Life Assurance	14	54	5	56	7	58	15
10	3I	20%	Investment	10	55	5	57	7	49	12
10	Centrica	20%	Utilities	10	57	5	70	7	58	7
10	Kingfisher	20%	Retail	10	51	3	58	3	47	1
	Average for these companies	24%		11.7	54.6	4.4 yrs	59.8	5.3 yrs	52.6 yrs	6.3 yrs
	Average across all FTSE 100 Companies	8.5%		11.7	55.2	5.2	60.8	8.4 yrs	51.9	7.1 yrs

Table 6: Profile of the top 12 companies in the 2003 Female FTSE Index

Table 6 profiles the leading twelve companies in the 2003 Female FTSE Index. There are key differences in some of the characteristics of this set of companies compared to the average.

The chairmen have had much shorter tenure, three years less on average (a 38% difference), whilst the CEO tenure is one year less. As we found in 2002, the longer tenure of chairmen is significantly related to the lack of women on boards. Across all the FTSE 100 companies, the higher tenure of the chairman was negatively correlated with the company's rank in the Female FTSE. These findings suggest that the long tenureship of chairmen can lead to complacency in recruitment of new board members.

5. THE FTSE 100 COMPANIES AND WOMEN DIRECTORS

We note the considerable progress being made in female directorships in companies where there are already women directors. We also note that there are still 32 companies with all-male boards, even in sectors where there are likely to be a reasonable talent pool of women to be identified and developed. 2003 marks the first year that the number of companies with 0% female directors has gone down since 1999. Table 7 and Table 8 show how the number of companies with multiple directors has increased since 1999.

Table 7: FTSE 100 Companies and their Women Directors

FTSE 100 (October 2003)	2003	2002	2001	2000	1999
Companies with women executive directors	13	12	8	10	12
Companies with women directors	68	61	57	58	64
Companies with 1 woman director	46	44	42	46	49
Companies with 2 women directors	13	11	12	12	14
Companies with 3 women directors	7	6	3	0	1
Companies with 4 women directors	2	0	0	0	0
Companies with no women directors	32	39	43	42	36

Table 8: FTSE 100 Companies and their Women Directors

% female board	2003	2002	2001	2000	1999
Over 30%	2	0	0	0	0
20-29%	10	6	5	1	2
10-19%	28	28	27	22	27
6-9%	28	27	25	35	35
0%	32	39	43	42	36

6. THE 13 COMPANIES WITH FEMALE EXECUTIVE DIRECTORS

The number of companies with female executive directors is 13, and this is disappointing. Women executive directors are symbols and role models for the women seeking inspiration that they can get to the top in their company. Indeed, the presence of executive women directors may be a determining factor for ambitious young women seeking to make their careers within forward-thinking companies. Such companies demonstrate that they do not just pay lip service to diversity.

Table 9: Profile of FTSE 100 Companies with Female Executive Directors

Company	Rank in Female FTSE	Sector	Board Size	No. Exec Directors	Female Executive Directors	Job Title
Pearson	13	Media & Photog	11	6	Marjorie Scardino Rona Fairhead	CEO Finance Director
Marks & Spencer	1	Retailers	11	7	Alison Reed Laurel Powers-Freeling	Finance Director Director of Financial Services
BAA	5	Transport	13	6	Margaret Ewing Janice Kong	Group Finance Director Chairman Heathrow
Abbey National	19	Banks	12	7	Yasmin Yetha Priscilla Vacassin	IT Director HR Director
J Sainsbury	3	Retailers	12	5	Sara Weller	Assistant Managing Director
Shell	3	Oil & Gas	11	2	Judy Boynton	Director of Finance
Legal & General	8	Life Assurance	14	6	Kate Avery	Group Director Retail Distribution
Kingfisher	10	Retailers	12	4	Helen Weir	Group Finance Director
Scottish Power	16	Utilities	13	5	Judi Johansen	President/CEO PacifiCorp
Morrisons	19	Retailers	7	7	Marie Melnyk	Joint Managing Director
WPP	19	Media & Photog	15	4	Beth Axelrod	Chief Talent Officer
Bradford & Bingley	46	Banks	10	5	Rosemary Thorne	Group Finance Director
Alliance UniChem	50	Health	11	6	Ornella Barra	Group Services Director

Table 9 profiles these thirteen companies. Pearson is still the only FTSE 100 company with a female CEO. Four of the thirteen companies are major retailers, a sector where women are making inroads into the boardroom, in increasing numbers. Four companies (Marks & Spencer, BAA, Pearson and Abbey National) have two women executive directors.

7. COMPANIES WITH WOMEN DIRECTORS BY SECTOR

Table 10 indicates the sectors where companies have women directors. All the retailing companies have female directors, as do the banks, the utility companies and the oil & gas sector companies. However, there are still no women in mining, real estate, support services, and software services.

Table 10: A Sectoral Comparison of Companies with Women Directors

	Companies with women	Total companies in sector	% Companies in sector with women
Retail	11	11	100%
Banks	10	10	100%
Utilities	6	6	100%
Oil & Gas	3	3	100%
Leisure	5	6	83%
Telecoms	4	5	80%
Finance, Insurance, Investment	10	13	77%
Food Production	2	3	67%
Health	2	3	67%
Pharmaceuticals	2	3	67%
Tobacco	2	3	67%
Engineering, Aero, Defence, Automobiles	3	5	60%
Construction	1	2	50%
Media	4	8	50%
Transport	1	2	50%
Beverages	1	3	33%
Chemicals	1	3	33%
Mining	0	4	0%
Real estate	0	3	0%
Software & Computer Services	0	1	0%
Support Services	0	3	0%
	68	100	

8. THE FEMALE DIRECTORS

There are now more female directors in the FTSE 100 companies than ever before, and there has been a significant jump from 84 to 101 this year, an increase of 20% on 2002. The 101 seats are held by 88 women, as some have more than one directorship. There is still only one female CEO, Dame Marjorie Scardino of Pearson, and one female Chairman, Baroness Hogg of 3i. See Table 11.

Table 11: Female Directorships and Female Directors

FTSE 100 (October)	2003	2002	2001	2000	1999
Female-held seats	101 (8.6%)	84 (7.2%)	75 (6.4%)	69 (5.8%)	79 (6.3%)
Female executive directorships	17 (3.7%)	15 (3.0%)	10 (2.0%)	11 (2.0%)	13 (1.99%)
Female NEDs	84 (11.8%)	69 (10.0%)	65 (9.6%)	57 (9.1%)	66 (10.8%)
Women holding FTSE 100 directorships	88	75	68	60	67
Women CEOs	1	1	1	1	1
Women chairmen	1	1	0	0	0

Some Significant Factors related to Female Directors

We found some significant correlations in the data indicating that the presence of female executive directors was associated with younger age of the chairman. The composition of the nomination committee also had significant effects. There were likely to be more female executive appointments when there were females on the nomination committee, when the CEO was on the nomination committee, and when the average age of the nomination committee was lower. Just as for the female executive directors, the presence of female NEDs was very strongly associated with females being on the nomination committee.

Age

Women were significantly younger than men overall, whether executive directors or NEDs. Whilst this is encouraging for young women, it may indicate that a generation of older women has been missed out in the selection process.

Table 12: Comparison of Age of Directors

AGE	All Directors	NEDs	Executive Directors
All directors	55.2	58	51
Women	53.0	54	46
Men	55.6	59	51

Tenure

Table 13 shows that women had significantly less tenure as directors compared to their male peers, and female executive directors had under three years tenure on average. Whilst male directors had similar tenure regardless of the type of directorship, there is a significant difference between the tenure of female executive and non-executive directorships.

Table 13: Comparison of Tenure of Directorships

TENURE	All Directors	NEDs	Executive Directors
All directors	5.21 yrs	5.24 yrs	5.16 yrs
Women	4.3 yrs	4.3 yrs	2.9 yrs
Men	5.3 yrs	5.4 yrs	5.3 yrs

Titled Directors

In 2003, women directors were significantly more likely than men to have a title, with 31% of women holding a title compared to only 20% of men. A comparison with the situation in 2002 shows that the gap is closing slightly. Last year, 36% of females and 21% of males had titles. The titled women are more likely to hold multiple directorships.

Table 14: Comparison of Titled Directorships

	Rt Hon	Lord Baroness	Sir Dame	Baron, Count, Lady, Hon	Prof	Dr	Senator, Admiral
Males	4	38	101	5	8	56	2
Females	0	8	4	3	3	14	0

International and Ethnic Diversity

International experience is a key factor in the appointment of directors. As more companies operate globally, there are more opportunities for would-be directors to acquire an international career portfolio. International experience was reportedly highly valued by FTSE 100 chairman in a survey last year by Russell Reynolds & Associates (2002), in contrast to their views of gender diversity. International women directors bring at least two types of diversity to their boards.

Of the 101 female-held directorships, 39 were held by overseas women, mostly from the United States (24), one from Canada, ten from continental Europe (two Belgian, one Dutch, two French, one Italian, two Spanish and two Swedish) and one each from Hong Kong, Japan, Venezuela and Australia. Women from outside the UK are apparently being seen as increasingly attractive as potential board members, particularly for non-executive posts. Some are executive directors, including an Italian (Ornella Barra), and four Americans (Laurel Powers-Freeling, Marjorie Scardino and the newly appointed Judy Boynton and Judi Johansen).

There were extremely few women from ethnic minorities in the list of directors, and they are almost the same as reported last year, apart from Haruko Fukada, from Japan, who is an NED on the Foreign & Colonial board, a company which entered the FTSE 100 in 2003. Yasmin Jetha is IT director of Abbey National, coming from an East African Asian family. Baroness Dunn is Deputy Chairman of HSBC, based in Hong Kong. The only African-American, Dr Bonnie Hill recently resigned as NED of National Grid Transco.

9. THE SEVENTEEN FEMALE EXECUTIVE DIRECTORS 2003

Table 15: Profile of the 17 Female Executive Directors

Woman Executive Directors	Age	Job Title	Qualifications	Company	% female board	Joined company	Appointed director	Background (from biogs in annual reports and websites, & from national press)
Kate Avery	43	Group Director Partnerships	MBA	Legal & General	21%	1996	2001	Was MD of Barclays Stockbrokers & Barclays Bank Trust. Joined L&G as a Sales & Marketing Director before promotion to main board. Married, no children, works 12 hour days
Beth Axelrod	40	Director/Chief Talent Officer	Masters in Mgt, Yale	WPP	14%	2002	2002	Promoted to director after a few months. Co-author of "War for Talent", prev co-leader of McKinsey's Global Organisation & Leadership Practice. Before that, worked in Mergers & Acquisitions for First Boston in New York and London.
Ornella Barra	49	Group Services Director	Pharmacy quals	Alliance Unichem	7%	1986	1997	An Italian, after qualifying, she bought her own pharmacy, then founded a distribution company which got taken over. Appointed President of that company, Alleanza Salute Italia in 1994
Judy Boynton	48	Chief Financial Officer	Hons grad in Maths & Economics; MBA, University of Chicago	Shell	27%	2001	2003	Also first female to join Shell's Board of MDs. Previously was Exec VP Business Development & CFO for Polaroid Corp in Massachusetts. 1978-98 with Amoco Corp in US, holding variety of finance, strategy and merger & acquisition roles in upstream, downstream & chemicals business.
Margaret Ewing	47	Group Finance Director	BA Business Studies, FICA	BAA	25%	2002	2002	Joined as GrFD, was previously FD at Trinity Mirror. Earlier was Partner 14 yrs at Deloitte & Touche. She helped shape merger of Trinity & Mirror Group, & restructured the finance function. Involved as advisor in many sectors including telecoms, leisure, transport & business services. She is also expert on privatisation and deregulation.
Rona Fairhead	41	Finance Director	Law degree from Cambridge & Harvard MBA	Pearson	15%	2000	2002	Joined Pearson to become Deputy FD, becoming FD in June 2002. Previously was at IC where she was Exec VP Strategy & Group Financial Control, and member of Executive Board. Earlier was in British Aerospace & Shorts. Married with three children, she also has a pilot's licence.
Yasmin Jetha	50	IT & Infra-structure Director	BSc Maths, MSc Mgt Science, FCMA	Abbey National PLC	14%	1998	2001	Held several director positions within Abbey National before appointment to main board. Also Director of First National Bank. 2002 salary cited as £360,120
Judi Johansen	45	President and Chief Executive Officer of PacifiCorp	Degree in Political Science, Colorado State, & Law degree	Scottish Power	15%	2001	Sept 2003	Responsible for all PacifiCorp's operations. Joined PacifiCorp as Executive VP Regulation & External Affairs in Dec 2000, having held senior positions with Bonneville Power Administration and Washington Water Power. She is involved in several civic and professional activities.
Janis Kong OBE	52	Chairman Heathrow	BSc Psychology, Harvard Advanced Mgt Program	BAA	25%	1973	2002	Chairman of Heathrow, BAA's largest profit earner. Previous MD of Gatwick Airport, following time as Operations Director. She led BAA Gatwick's groundbreaking partnership approach on community & stakeholder consultation.
Marie Margaret Melnyk	45	Deputy Managing Director	No info	Morrison (Wm) Supermarkets PLC	14%	1975	1997	Also in top earners list (£302,000), 27 years unbroken service in same company, a historic family supermarket chain with no NEDs.

Laurel Powers-Freeling	46	Director, Financial Services	Economics & Physics degrees from Columbia & MIT	Marks and Spencer PLC	31%	2001	2001	American, worked at McKinsey and Prudential, then Lloyds TSB where she headed Wealth Management. Joined M&S in 2001, hired to develop financial services at M&S and reinvigorate the loyalty card scheme. 2002 salary cited as £214,000. She has two children.
Alison Reed	46	Finance Director	CA	Marks and Spencer PLC	31%	1987	2001	Accountant at Touche Ross, joined M&S, was spotted & became assistant to chairman/CEO, gaining visibility to board. Was FD of UK Retail before promotion to main board. Reputation for turning round 2 key depts. She is NED at HSBC Bank plc since 1996. 2002 salary cited as £484,000.
Dame Marjorie Scardino	56	Chief Executive	Law degree	Pearson PLC	15%	1997	1997	American. Trained as lawyer; was CEO of The Economist, before Pearson, later becoming CEO. Reportedly gave the company new focus, took it into the internet, expanded in the US, & saw the share price rise. Married with three children. 2002 salary cited as £525,000.
Rosemary Thorne	51	Group Finance Director	No info	Bradford & Bingley	8%	1999	2000	Formerly FD at Sainsbury, Financial Controller of Grand Metropolitan (now Diageo), and FD of Harrods. She is NED of Consignia and a member of the Financial Reporting Council.
Helen Weir	40	Group Finance Director	1 st class Maths degree Oxford, MBA	Kingfisher	20%	1995	2000	Also in top earners list (£413,000 in 2002). Previously finance chief for B&Q. Worked for McKinsey. Married, with three young children including new baby.
Priscilla Vacassin	44	HR Director	Law degree	Abbey National	14%	2003	2003	Previously HR Director at BAA. Earlier career spent with Kingfisher, where she was HR Director for Superdrug. She is a widow with two adult sons. She took 4-year career break.
Sara Weller	41	Assistant MD of strategic planning & marketing	1 st Class Chemistry degree Oxford	Sainsbury	27%	2000	2002	Only 2 nd ever female executive director at Sainsbury, joining from Abbey National where she was retail director for 3 yrs. Previously at Mars Confectionery for 13 years. Reported salary £106,000 in 2002. Univ Blue in Badminton.

Women Finance Directors

Just as in 2002, almost half of the female executive directors are Finance Directors, indicating that this may be the best career track for those women who wish to get to the top. Overall, 87 males and 7 females were listed as finance directors. However, whilst there was no difference in age, women finance directors' board tenures were very significantly different, with male finance directors having an average of almost five years in post, compared to females of just two years. This suggests that the average age of appointment as finance directors for both males and females is around age 43. We reported in 2002 that women were also making progress as finance directors in the United States.

10. PROFILES OF SOME NEW WOMEN NON-EXECUTIVE DIRECTORS IN FTSE 100

Barbara Cassani is Veuve Clicquot business woman of the year for 2001, and chairman of London 2012, bidding to bring the Olympic Games to London. She established and sold the budget airline Go in 1997. She was recently appointed as NED on the Marks and Spencer board. The Chairman said "She has an impressive track record in one of the toughest industries in the world, with experience of both start-up and established businesses. She will bring a new perspective to the Board".

Diane Price Baker was appointed to the Amvescap board in July 2003. She was welcomed by Charles Brady, the executive chairman, for "the fresh perspective and broad financial knowledge that she brings to the board of directors." She was senior VP and chief financial officer of The New York Times, and R H Macy & Co, as well as director of corporate finance at Salomon Brothers. Diane, who is 49, has an MBA from Columbia University.

The new member of the Dixon's board team is **Rita Clifton**, appointed in July 2003. She is 45, and is Chairman of Interbrand, as well as being a member of the Government's Sustainable Development Commission, and held former positions with Saatchi & Saatchi. Sir John Collins, said that "her long experience in the advertising and marketing sector will add an important dimension to the blend of skills which our newly established board represents".

Not all the new women are coming from the corporate world. Some come from other sources, including the new Barclays director, **Professor Sandra Dawson**, Director of the Judge Institute Business School of Cambridge University. She has held a number of non-executive positions before, including Rand Europe (UK).

Michele Hooper (age 51) was appointed to the AstraZeneca board as an NED. She is the former president and CEO of Stadtlander Drug Co in the USA, bringing considerable experience of the US healthcare industry, according to chairman Percy Barnevik.

As EMAP came into the FTSE 100, its NED, **Karen Jones** (age 46) enters this list of top women. She fulfils one of the desirable criteria for such positions by her job as CEO of The Spirit Group, a pub company.

Appointed in 2002, **Dr Pam Kirby** is NED of Smith & Nephew. Aged 48, she is CEO of Quintiles Transnational Corp, and was previously Head of Global Strategic Marketing at Hoffman-La Roche in Switzerland. Earlier, she was MD of Astra's subsidiaries in the UK and Ireland.

A female icon in the international publishing industry is **Gail Rebuck** CBE, age 51, who was appointed NED at BSkyB during the year. She is Chairman/CEO of The Random House Ltd. Ms Rebuck is married with two daughters.

Reckitt-Benckiser appointed their second female NED, **Judith Spreiser** (age 50) in August 2003. She is CEO of Transor Inc, with a number of outside-directorships in the United States.

The most recent appointment is that of **Ruth Markham**, (age 50), the first female on the board at Standard Chartered Bank, where she is an NED. Ruth Markham, who has just moved back to London, was Managing Partner (Asia) for the international law firm Freshfields Bruckhaus Deringer, where she was responsible for their eight offices across Asia.

11. NEW CAREER PATTERNS - THE PORTFOLIO CAREER

Alison Carnwath (aged 49) is a recent example of women making different choices, joining senior women non-executives such as Baroness Hogg and Ann Burdus in establishing a portfolio of top company directorships. Ms Carnwath was recently appointed to the Gallaher board, as well as holding directorships with MAN and Friends Provident. She started in accounting at Peat Marwick Mitchell, then moved to New York gaining valuable international experience. She has non-executive chairman experience too (The Vitac Group), making her CV look very attractive for future board appointments.

12. WOMEN IN THE MARZIPAN LAYER

The Tyson Report (2003) refers to women just below main board director level as "the marzipan layer". We include here a profile of some of the women-in-waiting for corporate board positions, as their companies list them as members of the senior executives on their web pages. This showcasing of the in-house talent pool is welcomed, as clearly these companies are developing their female managers and appointing them to very senior positions. So many employers state on their websites that they want to be seen as the employer of choice, yet present an all-male corporate board and an all-male senior management team, which is not likely to appeal to talented young women as a good base for a fulfilling career in a meritocratic company.

Shell has a number of women executives almost at the top of the company. They include **Linda Cook**, President & CEO Shell Canada, promoted from Head of Gas and Power. **Dr Lynn Elsenhans** is CEO Shell USA. **Karen de Segundo**, CEO Renewables, is a Dutch-born mother of three children, who has combined family with a top career.

Dr Lynne Gailey (49) is Director of Corporate Affairs at Amersham. Previously she was Director and VP of Communications, Europe and International for SmithKline Beecham. Before joining SmithKline Beecham, Dr Gailey worked in research and development for Croda Chemicals and prior to that was a Production Superintendent for BP Chemicals.

Danuta Gray (44) is the CEO of O2 Ireland, on the executive management team of MMO2. Previously she was senior VP of BT Wireless's businesses in Europe, and she has general manager experience of BT Mobile for five years.

Giulia Nobili, appointed Sept 2003 as Group Director Strategy & Business Development, Cable & Wireless. With 14 years' experience in telecoms, she was a senior adviser with Lehman Brothers, and had been Head of International Strategy and Corporate Development for Telecom Italia Group. Earlier in her career, she worked in investment banking with Salomon Brothers and Citigroup. She has an MBA from Bocconi University in Milan.

Another new Cable & Wireless director is **Dr Barbara Poggiali**, Group Director Mobile, currently working with Telecom Italia, with COO experience at e.Biscom, a broadband network company. Early career was spent with Bain and McKinsey. She has a PhD in materials management from MIT.

A new entrant to the "marzipan layer" is **Jean Tomlin**, the new director of human resources at Marks & Spencer, sitting on the Group Operating Committee. She had an earlier career in industrial relations at Ford, before moving to become Sales and Operations Director of Prudential Direct. She also was HR director of Egg. The chief executive said "she has a very strong and varied HR background, and this experience will be invaluable as we continue to make Marks & Spencer a great place to work". Also at Marks & Spencer are **Alice Avis**, Director of Commerce, **Flic Howard-Allen**, Director of Communications; **Jack Paterson**, Director of Beauty & Lingerie and **Yasmin Yusuf**, Creative Director for Clothing.

Other directors and top team executives listed on the FTSE 100 websites included the following senior women:

- **Fiona Bailey**, Director for Culture for Safeway
- **Sarah Bazycki**, Head of Corporate Banking, British Land
- **Lucinda Bell**, Head of Tax, British Land
- **Kathryn Brown**, HR Director for Imperial Tobacco
- **Maureen Constantine**, Director HR, GKN Driveline
- **Alison Cooper**, Group Financial Controller, Imperial Tobacco
- **Susan Donovan**, Director of Communications, Granada
- **Elizabeth Fagan**, Director Group Marketing Services
- **Euleen You Kiang Goh**, CEO Singapore, Standard Chartered Bank
- **Diana Houghton**, Director for Corporate Strategy at Diageo
- **Philippa Hurd**, Director of Personnel, Granada
- **Claire Jenkins**, Director of Investor Relations at Gallaher
- **Bronagh Kennedy**, Retail Director, Mitchells & Butlers
- **Maggie Miller**, Chief Information Officer at Sainsbury
- **Anne Minto**, OBE, Group HR Director at Centrica
- **Kyla Mullins**, Director of Legal Affairs, Granada
- **Kathleen Nealon**, Group Head of Compliance, Standard Chartered Bank
- **Tessa Raeburn**, HR Director at British American Tobacco
- **Rebecca Salt**, Head of PR and Marketing, Exel
- **Victoria Sharrar**, Chief Sales Officer USA, Yell
- **Lesley Smith**, Director Corporate Affairs, Dixons
- **Alison Wheaton**, Retail Director, Mitchells & Butlers
- **Alison Wood**, Head of GMD Networks at BAE Systems
- **Jennie Younger**, Senior VP, Corporate Communications, GlaxoSmithKline

The Female Company Secretary Talent Pool

There were a number of female company secretaries, with boardroom experience that could help them attain more senior positions in due course.

- **Susan Folger** is company secretary at Liberty International.
- **Ms J C Hanratty OBE** is company secretary at BP.
- **Debjani Jash** is company secretary at ICI.
- **Helen Jones** is company secretary at Kingfisher.
- **Rosemary Martin** is general counsel and company secretary for Reuters.
- **Jyoti Munsiff** is company secretary at Shell.
- **Emma Nichol** is company secretary at BG, with previous posts as Deputy General Counsel. She previously worked at Clifford Chance and National Power.
- **Lucy Neville-Rolfe** is company secretary and head of corporate affairs at Tesco.
- **Elizabeth Richardson** is company secretary at Reckitt Benckiser.
- **Rosamund Marshall Smith** is company secretary at Provident Financial.
- **Karen Wood** is company secretary at BHP Billiton.

13. CONCLUSIONS

As the data indicate, women are making slow but steady progress to fuller participation at the top of their companies. There are more female directors holding more directorships in FTSE 100 companies than ever before and these companies are enjoying the business benefits of diversity. For women directors themselves, having female colleagues at board level increases the likelihood that they will be seen as individuals with unique contributions to the board, rather than as "the token woman".

Our corporate governance indicators identify some strong links between good corporate governance and the appointment of women directors. We have identified some persistent barriers to change, and several of these relate to the age and long tenure of boards, nomination committees and their chairmen. It would be a mistake to think that the opportunities for women at board level will inevitably increase over time. What is required for change to take place is a continuous unrelenting strategy to reverse institutional sexism and the prejudicial male prerogative to manage. We need to end the reflex "think manager, think male". Women are high achievers at all levels of education, yet that promise is not continued in corporate life. Research shows that many women do want to get to board level, but if there are few female role models, if the barriers are almost impossible and the culture seems hostile, then they may scale down their ambition. The Higgs Review and the Tyson Report show that increased diversity of directors is desirable yet problematic in that sourcing of diverse talent requires the opening up of both the methods and criteria for selection. Higgs and Tyson both call on companies to draw their directors from a more diverse pool, recognising that women with experience in the public sector, voluntary sector and professional services firms have a contribution to make to business and industry. A more sustained effort at developing the pipeline of internal women managers will help to accelerate the appointment of women executive directors. The women are there, well educated, ambitious, committed, but the barriers need to come down so that they can be identified, developed and trained to become effective directors, and help boards to manage themselves and their companies better.

Having women directors on corporate boards makes sound business sense. Our comparison of the top 20 and the bottom 20 companies in terms of market capitalisation shows a consistent and increasingly high correlation between high market value and the presence of women directors. This year we demonstrate that the presence of women on the boards is also linked to good corporate governance. Women directors act as positive role models to women employees and help build companies' reputations in the market place in attracting future women employees. Paraphrasing Lyndon Baines Johnson's famous quotation, "It is time that we not only open the doors of the boardroom to women but we also equip them to walk through them".

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The Cranfield Centre for Developing Women Business Leaders

The Centre for Developing Women Business Leaders is committed to helping organisations to develop the next generation of leaders from the widest possible pool of talent. We are unique in focussing our research, management development and writing on gender diversity at leadership level.

The objectives of the Centre are to:

- Lead the national debate on gender diversity and corporate boards
- Provide a centre of excellence on women leaders, from which organisations can obtain the latest trends, up-to-date research and benchmark best practice
- Identify and examine emergent issues in gender diversity and leadership, through sponsored research in partnership with industry and government
- Share research findings globally through conferences, workshops, academic articles, practitioner reports and in the international press.

For more information on the Centre's research and executive development, please visit our Centre website at www.cranfield.ac.uk/som/ccdwbl. There is also a list of our research articles in areas such as women on boards, leadership, diversity management, impression management, mentoring, work/life balance, commitment and careers.

Professor Susan Vinnicombe

Susan is Professor of Organisational Behaviour and Diversity Management at Cranfield School of Management. Susan is Director of Graduate Research, and Director of the Centre for Developing Women Business Leaders at Cranfield - the UK market leader in women's professional development and leadership programmes.

Susan has lectured, researched, consulted and published in the field of women in management for 20 years. She regularly speaks on radio, television and at international conferences and has written six books, including "Women with Attitude: Lessons for Career Management" (Routledge 2003). Susan's women's training programmes have won several prestigious national awards. Her particular research interests are women's leadership styles and the strategies required in women advancing their managerial careers.

Increasingly the focus of her work is on the issues facing women operating at, or striving to reach, the board level. The Centre for Developing Women Business Leaders has been running the Female FTSE Index for five years. It has become the UK's premier research resource on women corporate leaders.

Dr Val Singh

Val is Senior Research Fellow in Organisational Behaviour, at Cranfield School of Management where she undertook her doctorate. She works in the Centre for Developing Women Business Leaders, undertaking research projects on women leaders, diversity management, mentoring, impression management, lecturing on these topics as well as on research methods for doctoral students. She has published widely, in both academic and practitioner journals, and has spoken about her research at many international conferences. She is on the editorial board of *The Journal of Business Ethics*.

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