

WOMEN ON BOARDS

PwC (UK) - Women in Leadership

The business benefits that diversity brings are well documented so why has the pace of change required to reap the benefits been so slow?

The answer is in the pipeline. In February 2011, Lord Davies published his roadmap for UK plc businesses to achieve 25% female representation on boards by 2015. This was not a figure plucked from thin air. Like our own approach at PwC it was based on close analysis of board trends over recent years.

Over the past three years the number of women on boards in the UK had plateaued. Since the report's publication, the UK has seen the biggest ever increase in the percentage of women on boards. If this momentum continues, we will see a record 26.7% female board representation by 2015.

The UK experience demonstrates that voluntary but publicly declared targets can successfully drive change in the landscape of the Boardroom. We're seeing issues traditionally viewed as "soft" move into "hard" business and competitiveness arenas.

Yet organisations are still wrestling with fundamental questions around diversity, not least of which is their ability to promote women through their organisations and into senior positions. Understanding your employee demographic and the key points in the employee life cycle, where women are dropping out of the career track, is key.

At the heart lies the need for transparent data – information about the organisation's demographics that help to identify where any barriers or apparent anomalies may exist. This data can underpin any action plans for change, helping drive the vision development, and giving business leaders the tools to set quantifiable, realistic and sustainable goals, which they are responsible for delivering.

While PwC is not covered by the Davies Report, our own experience confirms the power of this approach. We recently introduced a 'comply or explain' approach to the promotion of women to senior ranks in the firm.

Using detailed analysis and modeling examining the promotion flow of women and men in the organisation, leaders in the firm are asked to proactively consider women in their promotion rounds, or explain what the blocker to progress is, so that it can be addressed. While it's still a work in progress, the approach now means diversity is consciously considered at every stage of how we manage and develop our people; from recruitment through to identification of key talent, development, promotion and retention.

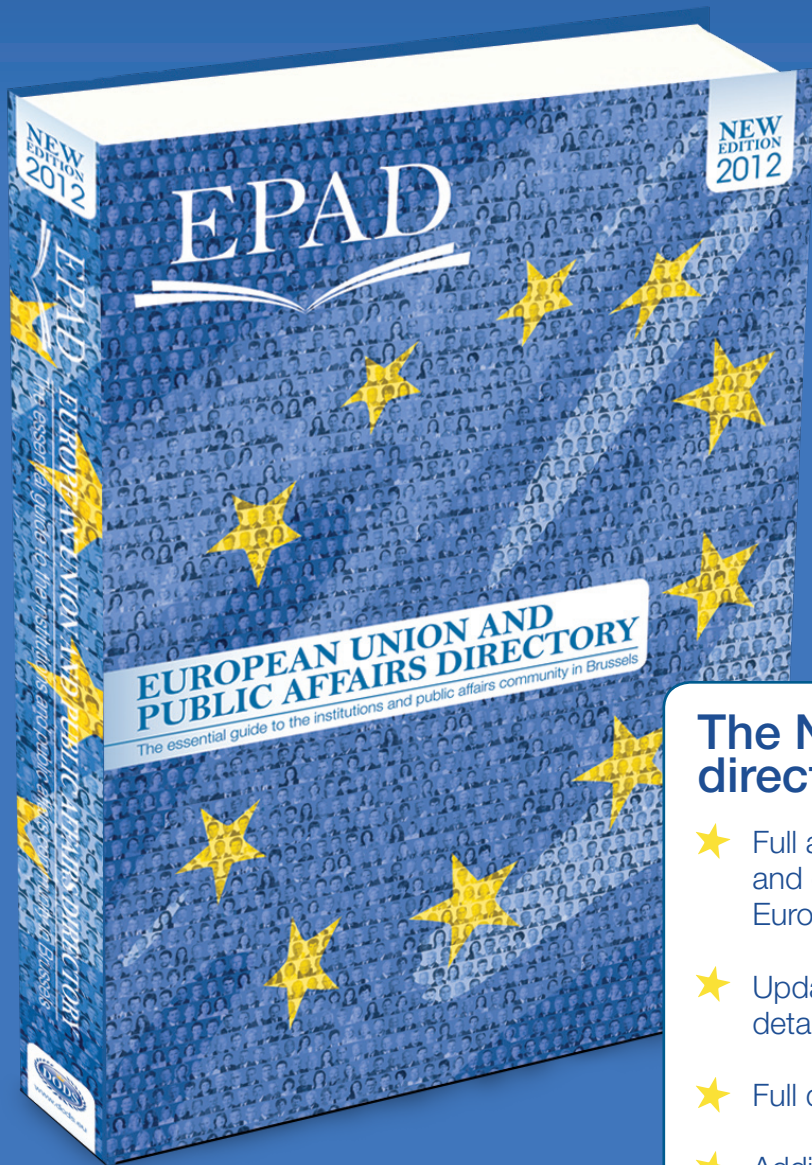
by
Sarah Churchman
PwC Head of Diversity
& Inclusion



EPAD

EUROPEAN UNION AND PUBLIC AFFAIRS DIRECTORY

The essential guide to the institutions and public affairs community in Brussels



**NEW
EDITION
2012**

The NEW EPAD 2012 directory includes:

- ★ Full and updated names, organisations and contact details for all the key players in European public affairs
- ★ Updated MEP information, including contact details and committee membership
- ★ Full details of the European Commission
- ★ Additional data on sectors including NGOs, think tanks & trade associations

New Sections:

- ★ Council of the European Union
- ★ European External Action Service

Available since December 2011 for 200€



ORDER NOW

by phone: +44208 955 7007 by email: order@dods.co.uk
or on our website www.dodsshop.co.uk

A balancing act

Binding legislation is the only way to increase female representation on company boards, argues **Cécile Gréboval**

Commission vice-president for justice Viviane Reding's announcement of possible EU action to address the women's underrepresentation on company boards has created a lively debate about the pros and cons of quotas. The evidence shows, however, that there is only one way forward if the European commission wants to women and men to be equally represented on boards of European companies: binding legislation.

The findings of the European Women's Lobby's (EWL) progress report on women on boards, published in February 2012, and the commission's latest analysis reveal that most progress over the past year towards parity was made in France, where quota legislation accompanied by sanctions was introduced in 2011. Radical change throughout Europe requires decisive action also at EU level. The commission must seize this unique opportunity to ensure modern, efficient and diverse economic decision-making and propose an EU directive on parity in boardrooms. This is a question of credibility in the eyes not just of women, but of men: 75 per cent of Europeans favour quotas, according to a recent Eurobarometer poll.

The EWL's assessment of national level initiatives to open boardroom doors for women teaches us important lessons on how the possible EU-level legislation should be shaped. First, targets must be ambitious, as women's representation rarely increases beyond the thresholds set. For the EWL, the just outcome is an equal representation of women and men. At EU level, the ultimate target should be set at 50 per cent representation of each sex by 2020, with mid-term targets to ensure that the final goal will be reached in due time.

Secondly, only quotas with effective sanctions deliver desired results. In Spain, five years after the adoption of a non-binding

"Introducing EU legislation for more equality at the highest level of economic decision-making would have both a concrete and symbolic impact"

40 per cent target for female representation by 2015, women account for only 11 per cent of board members, and the target will not be met without additional measures. EU legislation must impose strong sanctions, such as those in place in Norway. Thirdly, the commission should propose additional measures to increase the number of women CEOs. In Norway the quota law of 2005 made boardrooms more gender-balanced, but the number of female CEOs did not increase and is still below EU average. Specific attention must also be paid to women's representation in executive boards – the real holders of authority.

EU legislation on parity on boards should cover a large number of companies. While large companies show modest progress, women's representation on the boards of smaller companies is lagging behind. The EU quota should apply to private companies with more than 50 employees and to all public companies.

Introducing EU legislation for more equality at the highest level of economic decision-making would have both a concrete and symbolic impact. However, it is only one part of the equality equation: a broad range of action is needed to achieve equality between women and men and, as a consequence, a striving European economy. Improving the situation of all women, also those who are not (yet) in the position to sit on boards, is all the more important during these times of uncertainty and change.

Progress with the revision to the maternity leave directive – with full pay guaranteed as the European parliament has proposed – would fill the other part of the equation and have an immediate impact on the daily lives of millions of women. It would also ensure more equality and quality in employment and tackle some of the root causes for women's underrepresentation higher on the ladder. Gender-balanced boards are the top of a pyramid, whose basis still needs considerable reinforcement. ★

Cécile Gréboval is secretary general of the European Women's Lobby