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The Guide to UK Company Giving

Women on Boards

In celebration of International Women's Day

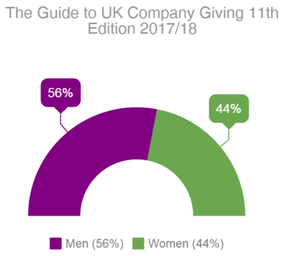
Women on boards in 2016

Since Lord Davies' 2011 report on the inequality of corporate governance, 'The Guide to UK Company Giving' has reported on the gender imbalance of boards. Lord Davies' 2015 evaluation widely praised the business sector as there were no men-only boards in the FTSE100. This trend is repeated in the Directory of Social Change's research, as we have found that the number of women on boards has doubled in the last four years. This has occurred without the implementation of quotas with many of the corporate research strategies we analysed tackling changing the cultural assumptions around female leadership. The decrease in men-only boards shows that the business sector has voluntarily embraced the recommendations laid out in the report to diversify their corporate structure.

All-male boards on the decline

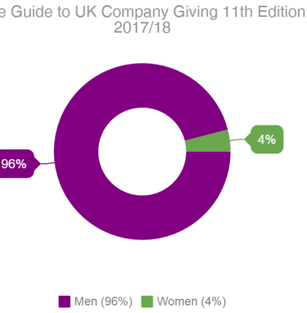
Our research for the latest edition of 'The Guide to UK Company Giving' shows that excellent progress has been made as less than a fifth of boards have no female representation. Although there has been a significant increase in the number of women on boards, the positions that they hold tend to be non-executive, and rarely hold the position of chair. The stagnation of rates following the closing of Lord Davies' report is a worrying sign that businesses will not exceed the new target of 33% by 2020. We worry that male-only boards will return unless there is a renewed commitment to elevating women.

Boards with 25% or more women



Nearly 29% of the companies we researched had women representing over 25% of the board. The Cranfield School has reported that there needs to be three or more women on a board to make a significant difference to the corporate governance structure. While lone women can and do make important contributions, three or more women have a normalising effect on corporate governance in that they are no longer viewed solely through their gender; but rather are seen as individuals. This negates any attempt to categorise a lone woman's opinion as 'a woman's perspective' and thereby dismiss it. The 2015 review of Lord Davies' further stresses the positive impact of increasing the number of women on boards.

Boards with 50% or more women



Our previous research indicated that female-led companies were extremely rare, and this has not changed significantly. The six companies that we did find included a co-operative, a pharmaceutical group, a manufacturing company, an electronics company, an engineering firm, and an information technology service provider. The impact of diverse boards cannot be reduced to a gendered ratio; true diversity is complex and must reflect society. We look forward to undertaking this research for the next edition of 'The Guide to UK Company Giving' when further comparisons can be made, and we hope to find new initiatives that positively address diversity in the workplace, including the ratio of women to men on boards and the offices they hold.

References:

Davies, Evan Mervyn (2011), Women on Boards, Department for Business, Innovation & Skills
Davies, Evan Mervyn (2015), Women on Boards Davies Review Five Year Summary, Department for Business, Innovation & Skills
Sealy, Ruth; Doldor, Elena; and Vinnicombe, Susan (2016) The Female FTSE Board Report 2016