

# **Women Board Directors in Europe**

## **European comparison of presence, trends, initiatives and their impact in promoting women**

*prepared for*  
**Women on Boards:**  
**an Italian Contribution to the European Open  
Consultation**  
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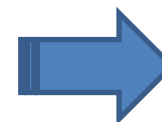
## Italy: the last appointment season before the quota legislation is enacted

- 60% of the boards up for renewal in the Spring 2012 season had at least one woman director. **The percentage will increase up to 85% after this season**
- Out of the 31 companies with all-male boards, 18 have appointed a woman (without reducing board size, on average)
- The presence of women directors in this sub-sample of all-male boards goes from **0% to 8.5%**
- Overall presence of WBD in Italian listed companies was 7.3% in 2011, 8.1% in May 2012 (source: Bocconi) and might reach **9%** at the end of this season. The most significant increase in decades
- The companies without women on boards might decrease from **50% to 40%**

# What has happened during the last season

## Boards up for renewal, spring 2012

	Pre	Post
All Male Nr boards	31	13
All male % boards	40%	16%

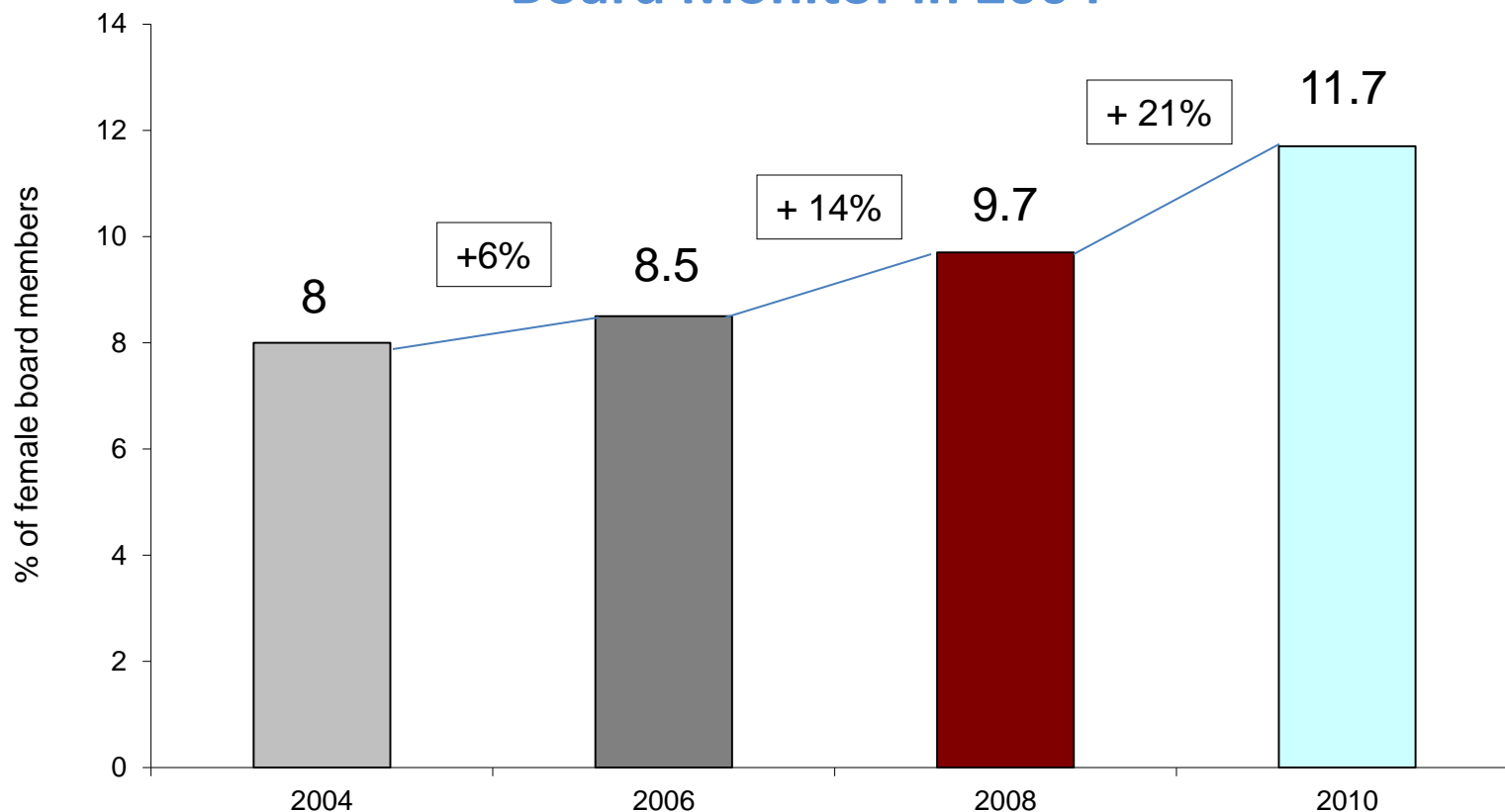


- Italy is an interesting case study
- The law has been passed but is not effective yet
- Why are companies anticipating the compliance?

## All Male boards up for renewal, spring 2012

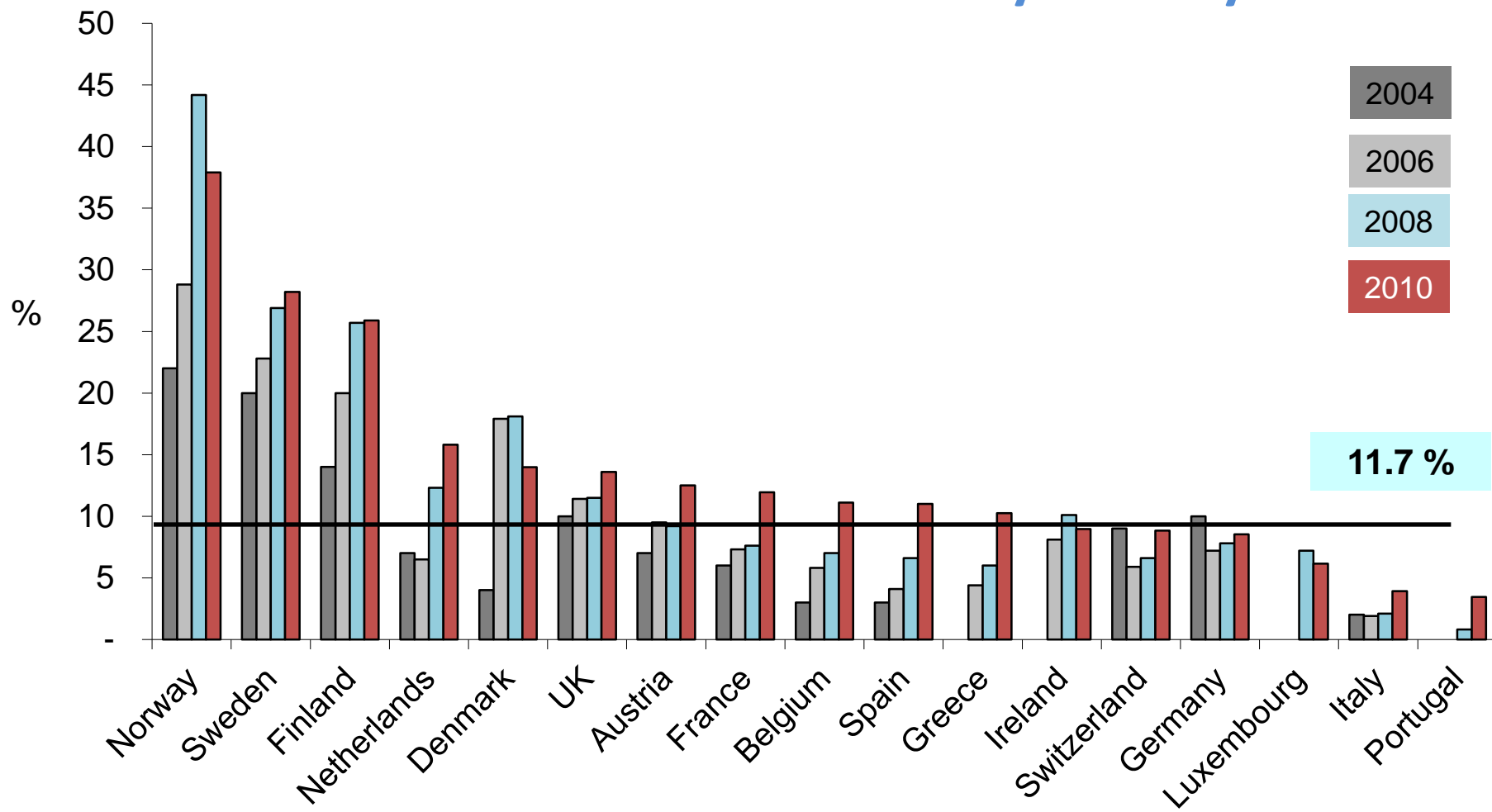
	% Co	% WBD
W proposed in majority slates	52%	9.8%
Women proposed in minority slates	13%	9.7%
Appointed WBD		8.4%

## Female board members in 17 EU countries since first Board Monitor in 2004



Source: EuropeanPWN Board Women Monitor 2004, 2006, 2008, 2010

## % female board members by country



Source: EuropeanPWN Board Women Monitor 2004, 2006, 2008, 2010

## Top and bottom countries..

	Chairperson	
	2010	2003
	Women (%)	Women (%)
EU-27	5	2

Belgium	0	2
Republic of Serbia	21	-

dev. std	802	140
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	Board Member	
	2010	2003
	Women (%)	Women (%)
EU-27	12	9

Malta	2	-
Norway	39	20

Dev. std	1930	719
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Source: [http://ec.europa.eu/justice/gender-equality/gender-decision-making/database/business-finance/quoted-companies/index\\_en.htm](http://ec.europa.eu/justice/gender-equality/gender-decision-making/database/business-finance/quoted-companies/index_en.htm)

## WBD in Europe: summary of presence and trends

- Female presence varies substantially across European countries
- On average the progress has been slow and the absolute numbers are very low
- Over the years, the variance across countries has increased: numbers have changed at different rates, mainly due to the implementation of some kind of regulation at national level
- The variance in the presence of chairwomen tends to be lower than the one for board members: chairwomen are scarce everywhere
- Similarly scarce are executive women directors and women chairs of committees
  - 1:4 is the average ratio between executive and non executive women directors

# International initiatives

- The initiatives implemented to mitigate the issue of under-representation can be segmented along their goals, their nature, or their impact on the presence of WBD
- Initiatives can be voluntary or rather compulsory. These latter tend to be more effective given their direct impact on the numbers of women on boards. Some regulatory initiatives invite companies to «comply or explain»
- Voluntary initiatives are usually promoted by associations or companies and they work indirectly to support the process of promoting women to board positions. Examples of such actions are mentoring programs, networking initiatives, databases of high profile women
- Voluntary initiatives, being rather «indirect» in the way they promote women to board positions, tend to be less effective than quota legislation
- **However their role in preparing the market to future stronger actions is of paramount importance. They increase the awareness on the issue of under-representation and support the development of actions that will make the change happen (databases, training, ecc.)**



# The value system of the initiatives



## Examples of actions

Initiative	Ratio	Example	Example
Raising awareness, research	"awareness"	EPWN (Board Monitor)	Cranfield (FTSE Report)
Training (firm based or associations)	Develop human capital	EPWN: Administrateur(E) au Feminin, Guide pour Devenir Administratrice	Valore D
Network	social capital	PWA/SDA, Ready for Board Women	Professional Boards Forum (Norway, UK)
Databases of high profile women - Italy	visibility	Fondazione Bellisario	PWA/SDA, Ready for Board Women
Databases - International	visibility	Women on Board (AU)	Women on Board, Belgium
Career management and monitoring	develop pipeline	Valore D	The 30% Club
Voluntary Charter	Direct effect	Women on the Board Pledge for Europe	
Self regulation	Direct effect	Belgium Germany, Uk, Italy , France Spain, Finland, Sweden	
Mentoring, companies	human and reputational capital	Deutsche Bank	Intesa San Paolo
Self determination, Associations	Direct effect	DAX 30 Germany	Talent to the top (NL)
Self regulations, private firms	Direct effect	Deutsche Telekom	Vodafone, ISP, Unicredit ect.
Quota legislation	Direct effect	Norway, Spain, France, Italy, Austria, BelgiumI, Iceland	

	voluntary
	comply or explain
	mandatory

# Quota legislation/regulation in Europe

Country	Legislation and quota (max )	Corp Governance Code*	State owned (also political target)	Other	Sanction
Italy	33%	Y	33%		Verbal, fine, decadence
Germany	under debate	Y		Y	
France	40%	Y			Board appointments null
Norway	40%				Company's dissolution
Austria			35%	Y	
Belgium	33%	Y	33%		Loss of benefits by board members
Denmark	under debate		Y		
Finland		Y	40%		
Iceland	Y			Y	No penalties for non-compliance
Ireland			Y		
Netherland	30%	Y			No sanctions
Spain	40%	Y			No sanctions for non-compliance
Sweden	under debate	Y	Y	Y	
UK	under debate	Y			

Source: L. Aliberti Amidani , *Consiglio di Amministrazione e donne: una fotografia. Confronto europeo, la legge sulle quote rosa in Italia* , Un posto in Cda, Ed. S. Cuomo, A. Mapelli, 2012, Egea

## Effectiveness of initiatives/legislation

Year	Norway	Sweden	Finland	NL	UK	Germany	France	Belgium	Spain	Italy
2004	22	20	14	7	10	10	6	3	3	4.6
2006	28.8	22.8	20	6.5	11.4	7.2	7.3	5.8	4.1	4.7
2008	40	26.9	25.7	12.3	11.5	7.8	7.6	7	6.6	5.8
2010	38.0	27.8	25.9	15.8	13.6	8.5	11.9	11.1	11.0	6.8
2011	39.0		26.0		15.2	9.8	12.7	11 (est.)		7.2
Self Dealing		2004	2003	2003	2010	2009	2010	2009	2006	2013
Hard Law	2006			2012			2012	2011	2007	2012

Soft laws, indirect actions or self determination, have not delivered significant and consistent results

## What the market says..

- The only initiative that has changed the presence of WBD is the Norwegian law. Hard laws without penalties or not mandatory have/will not be as effective
- A significant increase in women directors as a consequence of soft laws or private initiatives simply has not taken place



- Hard legislation seems to be the only effective action to induce a consistent and significant change in the presence of women at board level across countries
- However, our experience shows that the implementation of parliament-led actions is mostly effective when accompanied or preceded by private voluntary initiatives aimed at raising the market awareness on the issue and in giving players the opportunities to find the best possible resources

## Final remarks

- The current appointment season in Italy shows that the issue of gender imbalance is best addressed if all stakeholders are actively involved, from the regulators to the market players
- Thanks to the moral suasion exerted by a unique set of initiatives, Italy is experiencing a relevant increase in voluntary women appointments. Companies have particularly stressed, in their disclosure to the market, the anticipation of their compliance with the future quota legislation
- Thanks to the various actions launched in Italy by PWA, Valore D, Fondazione Bellisario (to quote some), a new, positive virtuous circle seems to have started off

**Women = Good governance**