there’s been a lot of discussion about the lack of gender diversity on corporate boards of directors. Australian companies, in particular, are feeling the heat about their poor performance in appointing women to boards. But there’s also a lot of confusion about the topic. Here, we address some of the most frequently asked questions about gender diversity on boards.

How bad is it? In Australia, women’s representation on Australian Securities Exchange (ASX) boards in 2010 was only 10%. That’s pretty bad, when you consider that women comprise nearly half of the overall labour force. For comparison, in the same year women held 15.7% of board seats in the Fortune 500 (US) and 12.5% of board seats in the Financial Times Stock Exchange 100 (UK). Australia isn’t alone in its failure to achieve gender diversity – but it’s consistently at the bottom.

Why are the numbers so low? Researchers point to a lot of different factors. Some researchers emphasise supply-side explanations, pointing to the career constraints women experience as a result of their family responsibilities, or suggesting that women are opting out of high-pressure career paths that lead to the executive suite. Other researchers focus on demand-side explanations, arguing that there is a ‘glass ceiling’ blocking women’s access to the highest corporate levels and limiting the pool from which boards of directors are chosen. Probably all of these factors play a role, but there’s no doubt that with a little more effort, companies could achieve a higher level of gender representation than we’ve seen so far in Australia.

There have never been many women on corporate boards. Why is gender diversity on boards such a big deal right now? The recent global financial crisis has increased media attention on corporations and their governance. Stakeholders (investors, government officials and the general public) want to know who is responsible for organisational failures and mismanagement, and most often they see a company’s board as the responsible party. This higher level of scrutiny has brought the lack of gender diversity to the public’s attention, and has increased...
Want to get on a board? Here's how to start

1. **BECOME AN EXPERT**
Become known in a particular area of expertise by writing a blog, contributing to articles, or being a speaker at industry events.

2. **GET A SPONSOR**
Identify a senior manager who will recommend you for high profile development opportunities.

3. **MONITOR OPPORTUNITIES**
Be aware of board vacancies. For example, the Australian Institute of Company Directors’ website maintains a database to help companies identify members of their boards in need of your professional network.

Are the guidelines going to make a difference? The guidelines are already making a difference. Since the guidelines were announced in December 2009, female representation on the boards of the 2011 ASX firms has jumped from about 8% to 11.7% (as of May 2012). But still, 73 firms in the ASX 200 do not have a single woman on their board.

Do the ASX guidelines impose quotas? No. The ASX guidelines emphasise voluntary but transparent targets, not mandated quotas. But some countries are regulating the gender composition of boards.

Since January 2008, all listed companies in Norway must have corporate boards composed of at least 40% of each sex—or face dissolution. The mandated quotas have made a huge difference, increasing women’s representation to 40% in 2011 from 14.3% in 2000. Both France and Spain have also severely penalised bosses that refuse to provide the number of female directors on the boards of public firms.

So quotas are good? Quotas clearly increase women’s representation on boards. But quotas have their critics. For example, in Norway, some researchers have observed that while the proportion of women climbed during a two-year implementation period, it levelled off soon after. Furthermore, the easiest way for organisations to comply with Norway’s quotas is to select from the small pool of women who already have governance experience. As a result, Norway’s quotas may have had the largest benefit for a small group of elite women (dubbed the ‘Golden Skirts’ by the media) who serve on several boards.

Do women make boards better? It’s good to think that women will change the way boards operate. Compared to their male counterparts, women are more likely to hire female executives, so increasing female representation on boards boosts female representation in management more generally. But on the flip side, the number of female top-level managers in a company doesn’t result in women occupying more board seats.

What kinds of firms do put women on their boards? Large firms and firms with a large representation of female employees (e.g. health occupations) are more likely to make boards diverse.

What about on the individual career side – is it good for women to be on boards? A key consideration for organisations looking to appoint a woman as a non-executive director (NED) is whether the board is seeking a ‘form’ or a ‘talent’ candidate.

A form appointee is someone who possesses specific job and/or industry skills and experience consistent with the criteria for a given appointment. A talent candidate is someone who possesses strong attributes to succeed as a non-executive director, but may not possess in-depth functional and/or industry expertise.

Finding a female board member

1. **TOP TIPS FOR FINDING A FEMALE NON-EXECUTIVE DIRECTOR:**
- **Assess your needs:** Are you looking for someone who possesses specific job and/or industry skills and experience (form) or someone who possesses strong attributes to succeed (talent)?

2. **TIP 1:** Make sure the chair or a member of the board has a clear understanding of the role being advertised and can discuss the opportunity with candidates.

3. **TIP 2:** Let your organisation be open and transparent about its recruitment strategy. If you are seeking a ‘form’ candidate, define the role very clearly and don’t be afraid to refer to your company’s reputation when discussing the opportunity. Candidates will enjoy knowing they are being sought for a specific position.

4. **TIP 3:** Identify a long list of candidates. If you are looking for a ‘talent’ candidate, don’t be too fussy about the initial applicant pool. You may not find the perfect candidate the first time around, and it could be several iterations before you find the right fit.

5. **TIP 4:** Consider the candidate’s attributes and experience, not just their qualifications. Many firms use executive search firms to help them identify prospective board candidates.

6. **TIP 5:** Don’t settle for the first prospect you interview. Many companies have experienced a vacuum when an executive position has been filled too quickly, and the board’s decision-making has been weakened as a result.

7. **TIP 6:** Consider your organisation in its entirety. Many boards introducing gender diversity have found it challenging to find women with both industry experience and a strong understanding of governance.

8. **TIP 7:** Consider the board’s current dynamic and the skills and experience it needs to achieve its goals.

9. **TIP 8:** Don’t be afraid to have more than one candidate at the interview stage. It is often easier to make a final decision when you have two or three leading candidates.

10. **TIP 9:** Ensure you have a recruitment plan in place that will allow you to identify potential candidates quickly and efficiently.

11. **TIP 10:** Be persistent. It can take several interviews before you find the right candidate.

12. **TIP 11:** Don’t be afraid to ask for references or conduct a background check on potential candidates.

13. **TIP 12:** Consider the candidate’s attributes and experience, not just their qualifications. Many firms use executive search firms to help them identify prospective board candidates.

14. **TIP 13:** Take your time. A rushed decision could result in a candidate who isn’t the right fit for the board or the organisation.

15. **TIP 14:** Consider the candidate’s attributes and experience, not just their qualifications. Many firms use executive search firms to help them identify prospective board candidates.

16. **TIP 15:** Take your time. A rushed decision could result in a candidate who isn’t the right fit for the board or the organisation.

John Munn is the Chairman of BoardSmart, the world’s leading executive searching consultancy. spencerstuart.com

A key consideration for organisations looking to appoint a woman as a non-executive director (NED) is whether the board is seeking a ‘form’ or a ‘talent’ candidate.

A form appointee is someone who possesses specific job and/or industry skills and experience consistent with the criteria for a given appointment. A talent candidate is someone who possesses strong attributes to succeed as a non-executive director, but may not possess in-depth functional and/or industry expertise.

A key consideration for organisations looking to appoint a woman as a non-executive director (NED) is whether the board is seeking a ‘form’ or a ‘talent’ candidate.

A form appointee is someone who possesses specific job and/or industry skills and experience consistent with the criteria for a given appointment. A talent candidate is someone who possesses strong attributes to succeed as a non-executive director, but may not possess in-depth functional and/or industry expertise.

A key consideration for organisations looking to appoint a woman as a non-executive director (NED) is whether the board is seeking a ‘form’ or a ‘talent’ candidate.

A form appointee is someone who possesses specific job and/or industry skills and experience consistent with the criteria for a given appointment. A talent candidate is someone who possesses strong attributes to succeed as a non-executive director, but may not possess in-depth functional and/or industry expertise.

A key consideration for organisations looking to appoint a woman as a non-executive director (NED) is whether the board is seeking a ‘form’ or a ‘talent’ candidate.

A form appointee is someone who possesses specific job and/or industry skills and experience consistent with the criteria for a given appointment. A talent candidate is someone who possesses strong attributes to succeed as a non-executive director, but may not possess in-depth functional and/or industry expertise.

A key consideration for organisations looking to appoint a woman as a non-executive director (NED) is whether the board is seeking a ‘form’ or a ‘talent’ candidate.

A form appointee is someone who possesses specific job and/or industry skills and experience consistent with the criteria for a given appointment. A talent candidate is someone who possesses strong attributes to succeed as a non-executive director, but may not possess in-depth functional and/or industry expertise.

A key consideration for organisations looking to appoint a woman as a non-executive director (NED) is whether the board is seeking a ‘form’ or a ‘talent’ candidate.

A form appointee is someone who possesses specific job and/or industry skills and experience consistent with the criteria for a given appointment. A talent candidate is someone who possesses strong attributes to succeed as a non-executive director, but may not possess in-depth functional and/or industry expertise.

A key consideration for organisations looking to appoint a woman as a non-executive director (NED) is whether the board is seeking a ‘form’ or a ‘talent’ candidate.

A form appointee is someone who possesses specific job and/or industry skills and experience consistent with the criteria for a given appointment. A talent candidate is someone who possesses strong attributes to succeed as a non-executive director, but may not possess in-depth functional and/or industry expertise.

A key consideration for organisations looking to appoint a woman as a non-executive director (NED) is whether the board is seeking a ‘form’ or a ‘talent’ candidate.

A form appointee is someone who possesses specific job and/or industry skills and experience consistent with the criteria for a given appointment. A talent candidate is someone who possesses strong attributes to succeed as a non-executive director, but may not possess in-depth functional and/or industry expertise.

A key consideration for organisations looking to appoint a woman as a non-executive director (NED) is whether the board is seeking a ‘form’ or a ‘talent’ candidate.

A form appointee is someone who possesses specific job and/or industry skills and experience consistent with the criteria for a given appointment. A talent candidate is someone who possesses strong attributes to succeed as a non-executive director, but may not possess in-depth functional and/or industry expertise.

A key consideration for organisations looking to appoint a woman as a non-executive director (NED) is whether the board is seeking a ‘form’ or a ‘talent’ candidate.

A form appointee is someone who possesses specific job and/or industry skills and experience consistent with the criteria for a given appointment. A talent candidate is someone who possesses strong attributes to succeed as a non-executive director, but may not possess in-depth functional and/or industry expertise.