The New York Times

World Business

In Europe, Women Finding More Seats at the Table

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Published: March 22, 2008

As the homeland of strong female figures, from former Prime Minister Gro Harlem Brundtland to the character Nora in “A Doll’s House,” Norway seemed the natural place for a law requiring companies to fill 40 percent of corporate board seats with women by 2008.

The country has met the goal since the law’s passage in 2003, in part through the efforts of people like Elin Hurvenes, the founder of the Professional Board Forum, which helps women meet the institutional and wealthy investors who have a say when it comes to picking Norway’s boards.

Some companies have embraced the change. Domstein, a seafood company that never had a woman on its board, named Hanne Refsholt, the chief executive of Norway’s largest cooperative dairy, as its chairman.

But Ms. Hurvenes said it never would have happened without the penalties that threatened to shut companies down if they did not comply. In 1993, women held 3 percent of corporate board seats; in 2002, it was 6 percent. “If organic growth is 3 percent every 10 years,” Hurvenes said, “it would have taken 100 years to get to 40 percent.”

For women eager to gain a seat in the boardroom, the good news from Norway and elsewhere in Europe is that a growing number of companies are searching for women with qualifications, talent and tact to serve as outside, or nonexecutive, directors.

“The general consensus today is that diversity is very good,” said Krister Svensson, who runs CMi, a mentoring program in Brussels for executives preparing to be directors or chief executives. This year Mr. Svensson has five women in his nonexecutive director mentoring program; last year he had none.

There is, Mr. Svensson said, a new paradigm for corporate governance: “If you have 12 gray-haired men average age 65 on a board, they tend to think about business prospects and strategy from the same perspective. But if you put a 45-year-old from a hot company and a woman and an international representative on the board, the quality of the debate will deepen.”

Corporate governance studies like the Higgs Report in Britain, which in 2003 emphasized the need to “broaden the pool of candidates” for directorships, have also influenced some companies to appoint women to their boards.

But the reality is that the proportion is still small. Specialists say it is constrained by the small number of women who have reached the so-called corner suite level, as well as a deep-rooted desire to preserve traditional male networks and the chemistry and comfort level that go with them.

That is why Norway’s five-year process has raised expectations among women seeking board seats throughout Europe.

Since women and men often network in different circles, Ms. Hurvenes’s company, sponsored by corporations like Norsk Hydro and Telenor, offered a forum for companies to meet women who were interested in filling board seats. Women are often less vocal about asking for a higher position, and Ms. Hurvenes encouraged them to use the contacts they made. She called the new law “the largest transfer of power to women since they got the vote.”

Now Norway’s initiative is being followed elsewhere. In Spain, the Socialist-dominated Parliament has passed legislation calling for 40 percent board participation by women by 2015, although so far it does not have the kind of enforcement measures that accompanied the Norwegian law.

In the Netherlands, an organization called TopBrainstorm is preparing a voluntary charter for corporations to sign that would commit companies to meet targets for getting women into the kind of senior executive positions that make it possible for them to become board candidates. The initiative will be presented to the Dutch government on May 28.

Marieke Bax, a former Sara Lee executive who founded TopBrainstorm, says that in addition to corporations pledging to promote women, there needs to be government initiative to smooth the paths and change perceptions.

In the Netherlands, Ms. Bax said, 85 percent of women with children work a maximum three days a week because of social norms — mothers are expected to bring their children home from school to eat lunch, and hiring a nanny is prohibitively expensive because of the tax code.

Women’s participation rates range from 0.7 percent for Portugal to 5.3 percent for Belgium, according to a European corporate governance paper compiled by the executive search firm Heidrick & Struggles.

Even when the numbers appear far better, as in Britain and the Netherlands, academic researchers argue that the true figures are somewhat lower. A researcher at Erasmus University in Rotterdam recently published a Female Board Index for the Netherlands analyzing 122 companies.

Only 2.1 percent of executive directors of Dutch companies are women, Ms. Bax said, while 6.9 percent of nonexecutive directors are women. Of that pool of 48 women and 928 men, 56 percent of the women are foreigners.

In Britain, where progress has been steadier, a Female FTSE 100 Index compiled at the Cranfield School of Management shows 123 women holding 11 percent of the seats on FTSE 100 boards, with 20 percent of new FTSE 100 director appointments going to women in 2007.

One obstacle to appointing more women is a persistent preference among companies to have either sitting or retired chief executives on their boards.

“A sitting C.E.O. is perceived to have great value because he or she is facing the same issues and complexities at their own companies,” said Herminia Ibarra, a professor at Insead, the international business school with campuses in Singapore and Fontainebleau, France. “The number of women is restrained by the small number of people who have reached that level.”

There is some evidence that the pool is expanding as some corporations cast the net wider. Susan Stautberga founder of WomenCorporateDirectors, which enables female directors to meet to discuss common board issues, said that experience in specific countries like India or China may be appealing, and so may expertise in information technology, mergers and acquisitions, or regulatory issues.

For the candidates, snagging that first directorship, like making that first million, is the hardest. It usually requires not only qualifications, but strong recommendations from people on the board or in their network and creating a perception that one is a team player.

Take the case of Martina King, who is on the board of Johnston Publishing, a FTSE 250 company, as well as Capita, a business services company in the FTSE 100. Ms. King, now 46, was the European chief executive of Yahoo. An executive recruiter, also a woman, “knew my background and the background at Johnston Press,” Ms. King said. “There were already a number of people on the board I knew from my newspaper career. The relationships were already favorable. I was known and I already had my mettle tested in my career.”

For women whose credentials do not automatically put them high on the list of director candidates, Ms. Ibarra of Insead suggested additional networking, writing articles and accepting speaking engagements to gain a higher profile.