

## It's Your Business; Your Opinion Counts - Results



### Company Secretarial Services Alert

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#### **What's sex got to do with it?**

Again, a good response! Maybe the title helped..?!

Whilst the majority consider that the gender make-up of the board should be irrelevant in investor decision-making, there was an acknowledgement that it might be an influencing factor and there were one or two 'notable' comments:

*'I personally feel that unmarried or divorced women are more enthusiastic and dedicated in their jobs'*

*'Possibly relevant in a strongly gender specific company eg bra manufacturer'*

*'The vision of females is far less than males'*

*'Relevant if the share price took a dive following a female board appointment and the fall was a direct result of the appointment.'*

Of those who have experience of mixed gender boards, several commented that a female board appointment had been very positively received. However, others felt that the background/expertise ie perceived 'value' of a women had to demonstrably better than a man for the same opportunity.

One respondent, however, seemed to get to the nub of the matter by saying that *'shareholders over-value companies all the time regardless of who is on the board... the nominations committee should explain fully the reasons for all appointments and the resultant benefit. Good investor communication should create the enthusiasm.'*

Women are more risk averse and less personally competitive: This was considered to be a generalisation and impossible to prove, though many felt that women provided a different perspective which might lead to different decision-making. Some felt that the corporate culture was a more influential factor, one pointed out that a woman wouldn't be on a board if she wasn't personally competitive – and that risk-taking is a fundamental element of business success (not just failure).

It's an emphatic 'No' when it comes to the question of whether or not shareholders look for a female-led management style in a recessive climate. The widely-held review is that economic climate is irrelevant as shareholders simply seek effective management in any market conditions - and a recession is as much a time for aggressive risk-taking as for a cautious approach.

It's also generally agreed that 'testosterone-fuelled' does not equate with confidence, appetite for risk and vision, and that women are more than capable of holding their own on these fronts, though their approach might be different.

At an individual/personal level, a woman may feel she is (or at least be perceived as) lacking self-confidence, but this doesn't mean that the board as a unit will lack confidence, though women feeling this way might have to work harder to make an impact and be heard. Perhaps – and it's a sensitive one - the question should be how willing are most women to put themselves through all this; are they ultimately less single-minded than men and do they equate corporate success alone with personal satisfaction in the same way as men do?

So, should there be legislation?

*'No, tokenism undermines validity'*

*'Yes, but denomination doesn't bring quality and meritocracy must be maintained too'*

There is perhaps a case for women to be offered some support or facilitation (though active positive discrimination or quota-filling was not widely advocated) but - in contrast - there was also a feeling that women must 'want it' as much as men.

Perhaps it's best summed up by one respondent who wrote as follows:

*"Let's be clear about what we want from our boards. Let's be objective in how we select people for these positions. There are just as many talented people who are women as there are talented people who are men. If we think carefully about the skills we want, assess them objectively the levels of male: female representation will even themselves out across UK plc. Positive discrimination is potentially as damaging as the converse; the real challenge is to be blind to gender, race and sexuality – and embedded equality based on merit in everything we do"*

**Thank you to all who contributed.**