

## Quotas to increase number of women executives ruled out

Vince Cable, the business secretary, asked Lord Davies to look for ways to boost gender equality in boardrooms

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Angela Ahrendts, of the Burberry fashion group, is the rare female corporate leader among UK boardrooms.  
Photograph Hazel Thompson/Eyevine

Lord Davies, the former business minister leading the investigation into male dominance of UK boardrooms, has ruled out government-imposed quotas to force companies to recruit female executives.

His report, out this month, is expected to demand instead that [FTSE](#) 100 companies set their own targets, with the veiled threat of government action if the status quo is not challenged within two years.

Last summer [Vince Cable](#), the business secretary, asked Davies to look for ways to foster [gender equality](#) in Britain's boardrooms. Only one in eight directors of FTSE 100 companies are women. He was encouraged to look to Norway, where the government did impose a 40% quota for female directors of listed companies.

The findings are not entirely unexpected as Davies, the trade minister in the last government, appeared to row back from the idea in a comment piece written for the [Guardian's Comment is Free website at the end of last year](#). "Quotas have proved successful in some countries, but many of the women I have spoken with are against these ... I am not convinced that they are the right method to encourage progress," he said.

In Norway the policy is deemed a success, with women's representation on boards now approaching the 40% mark from a low of 6% in 2002. Spain and France have followed suit with quotas and last week Michel Barnier, the European Union's markets commissioner, said he was "open to the idea" of official targets, adding: "The presence of women in the leadership of a country or a region or a business is a question of good governance for me."

Barnier waded in after Josef Ackermann, the chief executive of Deutsche Bank, caused a furore during a debate on what the German stance should be by commenting that appointing women to the bank's executive board would make it "prettier and more colourful". The 12-strong Deutsche Bank committee is all male. [Analysis by Cranfield University has highlighted the lack of female directors in corporate Britain](#), with women comprising 12.2% of directors of FTSE 100 companies in 2009. The picture is even

worse in the FTSE 250, where just 7.3% of company directors are female. Nearly half the index's constituents have no women in the boardroom at all.

Davies's report, which attracted 2,600 submissions from business and academia, is also expected to say that updating on diversity should be as much a part of the annual reporting calendar as corporate social responsibility. It will also tell institutional shareholders to play their part by asking what action the companies they invest in have taken, and also urge the Financial Reporting Council, which oversees issues of board governance, to apply pressure.

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