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Titre: The Crumbling Case Against Women on U.S. Boards.

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Résumé: The article presents information on the changes introduced to the boardrooms of corporates in the U.S. Topics discussed include lesser number of women appointed to the corporate boards, factors behind the tendency of hiring more men as the board of directors, and the absence of term limits for U.S. corporate boards.

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The Crumbling Case Against Women on U.S. Boards

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Here are six boardroom factors that are changing--and thus changing the debate

Management

Career & Work

Much has been written about why there's an utter lack of diversity on corporate boards. The latest theory comes from search firm Russell Reynolds Associates, which blames the premium that's put on prior board experience. Women and minorities who have it end up on multiple boards; those who don't lose out to a vastly larger pool of experienced white men. Yes, the recruiter is right to note that companies tend to chase the "usual suspects." Is it the main reason why more than 80 percent of directors at Fortune 250 companies are men? Probably not. After all, about a third of all seats go to people who've never been on a board before. Other factors come into play. Among them:

No term limits. Other countries have them. U.S. politicians have them, as do many nonprofit roles. U.S. corporate boards typically do not. "That's the big deal," argues Julie Hembrock Daum, who leads the North American Board Practice at search firm Spencer Stuart. It means directors can linger for years or even decades in the case of Howard E. Cox Jr., who joined Stryker's board in 1974. Who decides on such issues? Directors themselves. They see their own value, which may explain why they've voted to increase retirement ages and average director pay to more than $250,000 for 250 hours of work a year. U.S. boards fill roughly one opening every two years. It's hard to bring new people on when the old ones won't leave.

CEO star power. Chief executive officers are loved by boards worldwide, but Americans seem to have a special affection for those in the C-suite. As the vice president for corporate board services at Catalyst, which focuses on advancing women in business, Brande Stellings speaks to a lot of directors in different markets. CEO experience is a particular priority. With so few women in CEO roles, that's not exactly a plus when it comes to getting more on boards. Luckily, Stellings says, the conversation is now shifting away from finding someone who has run a company toward finding a person with particular skills. Susan Stautberg of WomenCorporateDirectors agrees. "We're seeing more requests for specific experience in areas like emerging markets or supply chain management," she says. That means a broader mix of candidates and more opportunity for women to compete for board seats.

Familiarity. The high number of "recycled" directors may have less to do with prior board experience than with familiarity. Someone on the board has seen a particular candidate in a work setting, or the political arena, or through nonprofit work, and can vouch for that person's performance. Whatever the reason, having a personal relationship with someone on a board clearly helps. Nobody sponsors a name on a piece of paper. Those relationships don't have to happen by osmosis. Catalyst's Women On Board initiative in Canada has helped advance women by pairing aspiring directors with those already serving on boards. That's helped candidates get into the conversation and forge the kind of relationships that count when making board choices.

The business case. U.S. boards tend to focus on why they should diversify, instead of why not. The incentive comes down to the bottom line, with advocates pointing to various studies that find having three or more women on your board makes you nimbler, less risky, more profitable, and better at spotting problems. It's not good enough for a diverse board to be as good as one that's only men. Those girls have to take your company to new levels of excellence to prove it's worth the headache of bringing them on. Never mind that women are often tapped for troubled missions that aren't exactly coveted by men. Making the case that it's always better sets a high bar, especially when such companies as Exxon Mobil manage to make money with only men at the top and even cool brands such as Facebook almost went public without a woman on its board.

The role of a board. Yes, directors are there to uphold investors' rights and be both a watchdog and a voice of wisdom for senior management. In other countries, though, directors are often put in a much broader role. They represent not just the shareholder, but also the stakeholder--the employee, the customer, the supplier, and even the community activist who tracks your every move. In that scenario, you want to have a broader array of voices at the table. You want a board that reflects the diversity of who you hire and who you serve. It becomes more than a group that decides your bonus and your successor. It's a strategic asset and a high-profile body that reflects who you are, not a clubby gathering of gray-haired white men.

Pressure. For anyone who cares about getting more women on boards, the topic might seem stale and overplayed. We get it. There aren't enough on boards, or in senior management. They should all lean in, or lean out. Hey, think it will be Hillary in 2016? Yawn. In fact, though, board diversity is barely on the radar screen compared with other markets. In such places as Canada, the U.K., and much of Europe, it's a policy issue that leaders actively debate. CEOs have to talk about it; journalists find new ways to cover it. "There seems to be much more peer pressure," notes Helena Morrissey, the London-based CEO of Newton Investment Management and founder of the 30 Per Cent Club, which has played a pivotal role in persuading U.K. companies to bring more women onto their boards. "Nobody wants to be the last one to do something." In short, the chairman cares. The CEO cares. Once the people in charge make gender diversity a priority and set actual targets that people get measured against, it seems to happen.

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By Diane Brady
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