



INSTITUTE OF DIRECTORS
IN IRELAND

Women on Boards in Ireland 2015

The Institute of Directors in Ireland (IoD) is the representative body for over 2,200 directors and senior executives within the private, public and not-for-profit sectors. As the leading voice in the debate on improving corporate governance standards, the Institute of Directors is dedicated to developing and improving the effectiveness and performance of directors and boards throughout Ireland.

For this research report on Women on Boards in Ireland, the Institute of Directors in Ireland (IoD), exclusively surveyed 196 of its women members who currently are directors, either executive or non-executive.

Research was conducted online between 27th April and 11th May 2015.

Profile of Respondents

The respondents represent all of the board director categories – Chairpersons, Non-Executive Directors, Executive Directors and Chief Executives / Managing Directors. With 64% of these directors having five or more years' experience acting as a director, there was a considerable knowledge base from which to draw our responses and the survey also offered substantive commentary on the areas under examination.

The women were questioned under three categories and this summary report captures the key findings within each of these categories. The majority of directors surveyed were appointed to their executive board positions when they were in their thirties and the majority of non-executive appointments were made when the women were in their forties. 80% of the directors surveyed have held their current directorship position for three years or more, and 48% for over seven years. 19% of the directors surveyed have been serving as directors for two years or less.

39% of respondents sit on the boards of private companies, 11% on the boards of public companies, 16% on State, or semi-State boards, 19% on not-for-profit boards and 9% on the boards of multinational corporations.

The findings are analysed, where relevant, against the results of a previous survey conducted with IoD women members between 30th January and 12th February 2013 and published in the report, “Women on boards in Ireland – Insights from women directors on the progress made and obstacles remaining”.

Executive Summary



This research, which was undertaken exclusively with women members of the Institute of Directors in Ireland (IoD), aims to find out about their experiences as a director to date, to seek

their views on the obstacles, if any, that they may have faced in being appointed to boards, and on how gender diversity across boardrooms in Ireland can be improved. It follows on from similar IoD research conducted with women members in 2013.

It is encouraging to see that general awareness of the importance of gender diversity on boards in Ireland has improved in recent years, according to 82% of those surveyed. The wide-ranging debate and increased focus on the topic in recent years is likely to have influenced this growth in awareness, though many women highlight that this has not resulted in a commensurate increase in appointments to boards. There are however some encouraging signs, with half of those surveyed saying that gender diversity is a medium or high priority for their board, an increase of 13% since 2013, and 58% of women surveyed saying that that gender diversity on boards is improving generally.

A significant finding within the report is that women appear to be increasingly reluctant to put themselves forward for board positions, with 62% claiming that women are more reluctant than men to put themselves forward, compared to just 43% in 2013. The commentary provided pointed to a lack of confidence, lack of contacts and a lack of role models as key reasons for this, while there is also a sense of disenchantment with the 'who you know' approach to board appointments.

There has been a slight decrease from 35% in 2013, to 31% in 2015, in those who argue that a 'glass ceiling' exists in Ireland, with the focus appearing to be shifting more towards the perception of a

'glass ceiling' in certain sectors, such as financial services, construction, manufacturing, property and publicly listed companies, rather than the existence of a common 'glass ceiling' across Irish businesses. Issues such as interlocking directorships, slow rotation of board members, a lack of contacts and unequal access to information, were also identified as significant barriers to women that are proving difficult to overcome.

Analysis of what women believe needs to change to enable more women to be appointed directors in Ireland shows a change in priority in recent years. 74% say that rotation of board members is now the greatest change needed, an increase of 10% since 2013. This compares with 66% calling for transparency in the appointment process, down from 72% in 2013, a reduction which is probably due to improved awareness of gender diversity and changes in appointment processes for certain boards, such as the new process for State board appointments.

A significant majority of the women surveyed also believe that women themselves need to take some responsibility for the low level of women on boards in Ireland, arguing that women need to be more proactive in their approach to securing directorships. The report also shows a decreasing appetite for formal quotas among women, with the largest proportion still favouring targets over quotas. In the further commentary provided, it is clear that women want to compete on an equal footing and a key factor to achieve this is greater access to information and networks.

There are a number of positive findings in the research in terms of improvements since 2013, yet many of the same issues remain in terms of accessing information about available board positions. It is clear that cultural changes are needed and a greater focus needs to be placed on addressing issues of access in order for the number of women participating in Ireland's boardrooms to continue to grow.

Maura Quinn
Chief Executive
Institute of Directors in Ireland

Section One

Changes in the landscape

Awareness versus action

In this section, the women surveyed were asked a series of questions in relation to the issue of gender diversity on boards in Ireland including their personal experience of gender diversity on the boards on which they sit, and their views on whether a 'glass ceiling' exists, preventing women being appointed to boards in Ireland.

'The change and improvement is still a slow process'

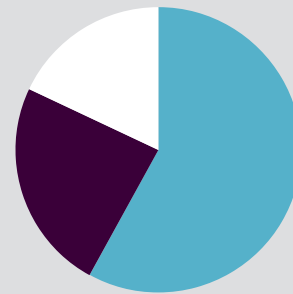
'Awareness – perhaps; action – no'

Q Has awareness of the importance of gender diversity on boards increased in Ireland in recent years?



82% Yes

Q In your opinion, is gender diversity on boards in Ireland improving generally?



58% Yes

24% No

18% Don't know

It is encouraging to see broad agreement that awareness of the importance of gender diversity on boards in Ireland has increased in recent years. The wide-ranging debate and increased focus on the topic among the business and political community, the media, and various interest groups, is likely to have influenced such an increase in awareness.

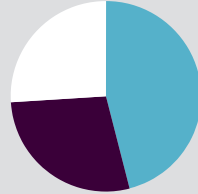
A marginal majority are of the opinion that gender diversity on boards in Ireland is improving generally, however, many women indicated that this increased awareness has not always resulted in equivalent action and that progress remains slow.

Q

Is there a glass ceiling preventing women being appointed to boards in Ireland?

2015

2013



- 31% **Yes** 35%
- 27% **Yes, in certain sectors** 18%
- 18% **In the past, not any longer** 16%

There has been a slight decrease since 2013 in those who believe that a ‘glass ceiling’ is generally preventing women from accessing boardrooms in Ireland, however, there has been a notable rise of 9% in those who argue that a ‘glass ceiling’ exists in certain sectors.

In the commentary provided, the focus appears to be shifting towards certain perceived ‘male dominated’ sectors such as banking, financial services, construction, manufacturing, property and publicly listed companies, rather than a common barrier across the business landscape.

Many directors surveyed also spoke of legacy issues, where a lack of women in senior positions in many of these businesses has affected the number of women coming through to board level. The commentary also suggested that the ‘old boys’ club’ network remains an issue and that women are not considered for positions as they are not in this network.

‘As women did not make it to the top of executive roles until recently... the pool from which board members were chosen did not contain many women’

‘I don’t consider that there is a glass ceiling, but until recently, there was a real complacency with the status quo and little value placed on diversity’

Q

What is the percentage of directors who are women on the boards on which you sit?

	2015	2013
Fewer than 10%	18%	22%
11 - 40%	59%	54%
41 - 50%	13%	14%
Over 50%	10%	9%

Disparity remains in terms of the percentage of board positions occupied by women, according to those directors surveyed, with 10% saying that women represent over 50% of directors on the board on which they sit and 18% of boards having fewer than 10% of directors who are women.

The majority of respondents, 59%, put the representation of women on their board at between 11% - 40%.

Q

What level of priority is given to gender diversity on the board on which you sit?

2015

50% Medium / High

2013

37% Medium / High

The significant increase in the level of priority which is given to gender diversity by boards in Ireland since 2013 is likely to relate to an increase in awareness of the importance of gender diversity on boards in recent years.

In the further commentary provided, many women outlined that while achieving a better gender balance has become an increased priority for their board, appointments should still be made primarily on the basis of merit and with consideration for other areas of diversity such as background, age and skill-sets.

The women also outlined that gender diversity was either a low priority, or not a priority, for their board as the appropriate level of diversity has already been achieved.

‘The leadership in the business is increasingly female so the board as a result became more female’

‘I am always very concerned about the rush to appoint females to boards for the sake of ensuring that a balance exists between male and female representation’

‘The board is already 50% female, so is more focused on directors’ capabilities than gender’

Section Two

Are women locked out of the boardroom?

In this section, the women surveyed were asked about the ease of access to information on available board positions in Ireland, whether women are more reluctant than men to put themselves forward for directorships, and whether women themselves should take some responsibility for the low level of women on boards in Ireland.

Respondents were also asked about how they secured their directorship positions, and having successfully accessed the boardroom, whether they feel equal at the table.

‘Word of mouth recommendation is still the most used method of recruitment and is therefore self-perpetuating’

‘Unless the positions are advertised, women who are not as well networked as male colleagues are less likely to hear about the positions’

Q

Do men and women have equal access to information about available directorship positions?

	2015	2013
Yes	23%	18%
No	57%	55%
Don't know	21%	27%

Equal access to information about available directorship positions remains an issue of concern for many women.

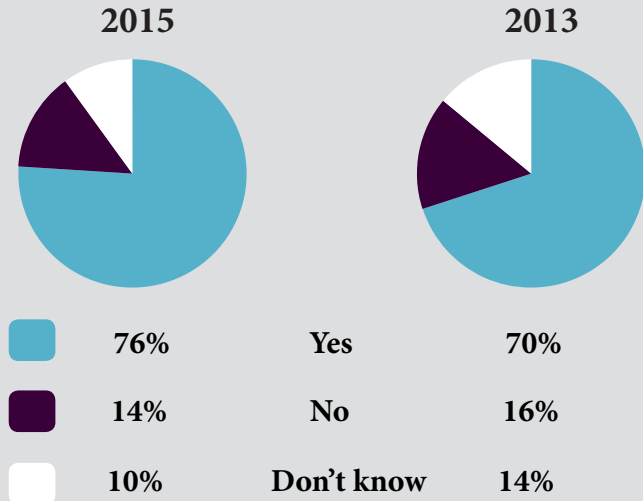
In the further commentary provided, many women claim that they are not as well connected as men, or indeed some other women, and are therefore not given equal opportunity to put themselves forward for available positions, most of which tend not to be publicly advertised.

There is a strong call from the women surveyed for available board positions to be more widely advertised, a suggestion that they say will not only improve gender diversity, but open up boardrooms to broader diversity in the areas of expertise, experience and skill-sets, essential for a well-functioning board.

‘Positions are not advertised, expressions of interest are not sought, selection criteria are not advised to potential board members – it seems to still be very much who you know’

Q

In your opinion, is it any more difficult for women to become non-executive directors in Ireland than men?



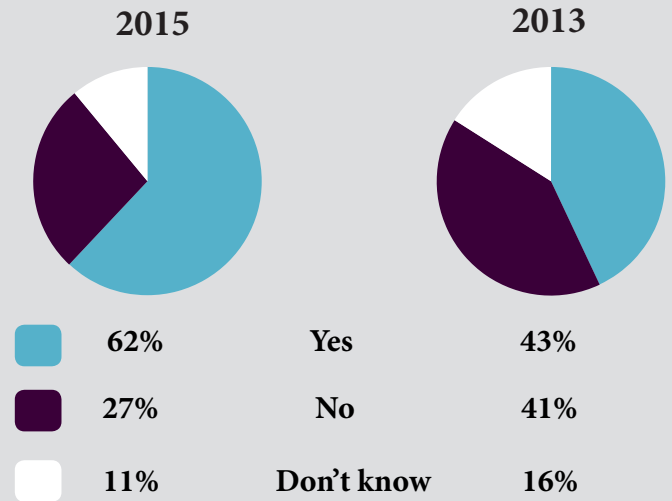
Three-quarters of the women surveyed claim it is more difficult for women to secure non-executive director positions, an increase of 6% since 2013.

Of those who believe that it is more difficult for women to become non-executive directors in Ireland than men, the key reason identified in the further commentary provided is that appointments are often made informally through established networks.

It was also suggested that recruitment of non-executive directors is typically from 'core areas' like finance, accounting and legal, while women may traditionally have developed careers in 'non-core areas' such as human resources and marketing.

Q

Are women more reluctant to go forward for board positions than men?



There has been a significant 19% increase since 2013 in those who are of the opinion that women are more reluctant to go forward for board positions than men. The key reasons, as detailed in the commentary provided, are that women often lack the confidence to put themselves forward, are unaware of available positions that are not openly advertised, and often have greater commitments outside of the work place.

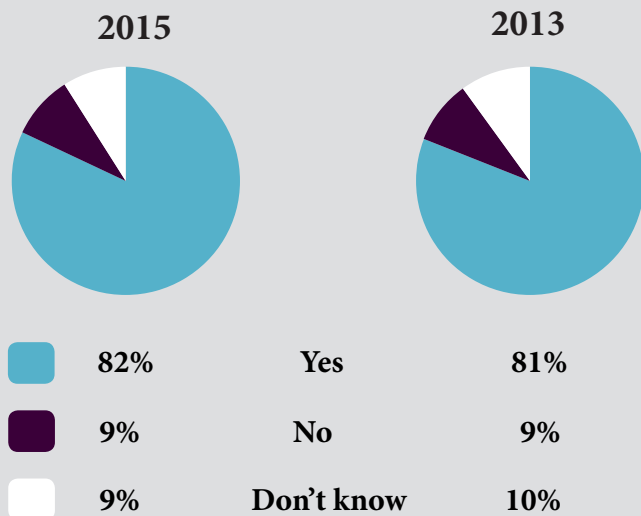
There is also a clear sense in the commentary that women often undervalue their potential contribution and hence are reluctant to put themselves forward.

'The absence of a formal process for applying for board positions (with the recent exception of State boards) is a negative factor from a female perspective'

'Women don't see as many role models to follow in certain industries, sectors'

Q

Should women themselves take any responsibility for the low level of women on boards in Ireland?



82% of women surveyed say that women themselves should take some responsibility for the low level of women on boards in Ireland, a minor 1% increase compared to 2013.

While there is broad agreement that women themselves should take some responsibility and be proactive in promoting themselves and undertaking relevant training, it was also suggested that women are not wholly responsible and that there needs to be greater commitment from men and women alike to meaningfully address gender imbalances in Ireland's boardrooms.

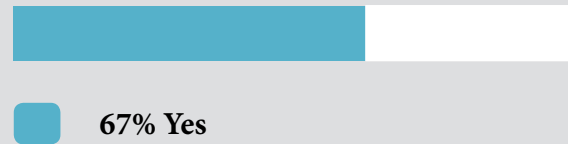
'Women have a responsibility to promote themselves and others'

'Women should seek and train for directorship positions'

'Men equally need to change their attitudes towards women in the workplace'

Q

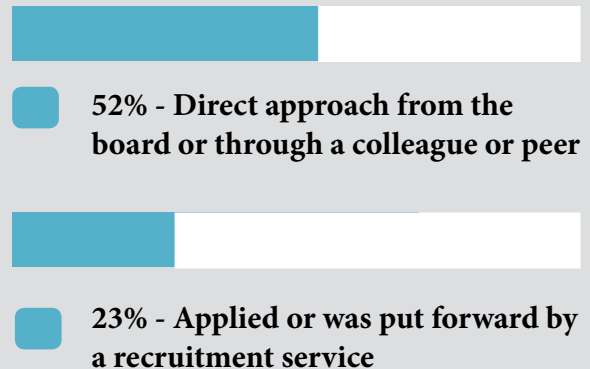
Have you ever undertaken any formal training?



Over two-thirds of women surveyed have undertaken formal director training and it is encouraging to see such a high level of commitment to professional development. Any person acting as a director should be fully aware of their responsibilities and training in the areas of corporate governance and the role of the director is vital in order for directors to perform their role effectively.

Q

How were you approached to join the board on which you sit?



Networks and connections are to the fore in terms of how most women were approached to join the board on which they sit, with the majority securing their board position either through a direct approach from the board or through a colleague or peer.

23% of respondents either put themselves forward and applied for available positions, or were put forward by a formal recruitment service, such as the IoD's Boardroom Centre or Boardmatch Ireland.

Q**Do you feel equal in the boardroom?****2015**

91% Yes

2013

94% Yes

While there has been a slight decline since 2013, the women surveyed have no issue with equality in the boardroom.

In the supplementary commentary provided, most women feel that their input is equal and valued by other board members, although some women commented that it can be challenging to be heard at times.

Some women also indicated that the percentage of other women in the boardroom and the attitudes of the Chairperson and Chief Executive, can have an impact on how equal they feel.

'I have never felt gender was an issue for me'

'I did complete some training in order to be heard around the table'

'It can be challenging to be heard when you have a different point of view'

Section Three

Barriers & solutions

In this section, the directors surveyed were asked what they consider to be the main barriers facing women accessing the boardroom and what changes are needed to enable more women to be appointed as directors in Ireland.

Views on gender quotas as a means of increasing the number of women on boards in Ireland were also examined, and respondents were asked what advice they would offer to women who are aspiring to become directors.

Q What are the main barriers facing women being appointed as directors to boards in Ireland?

- 1** Interlocking directorships
- 2** Women don't have access to same contacts as men
- 3** Boards are too male dominated

Q What needs to change to enable more women to be appointed as directors in Ireland?

2015		2013
74%	Rotation of board members	64%
66%	Transparency in the appointment process	72%
54%	Gender targets or quotas	53%

The main barriers facing women being appointed as directors to boards in Ireland, as identified by those surveyed, are the number of interlocking directorships held in Ireland, issues around access for women to the same networks of contacts as men, and the perception that boards in Ireland are too male dominated.

When asked what needs to change to enable more women to be appointed directors in Ireland, 74% of women surveyed signalled a need for greater rotation of board members, an increase of 10% since 2013.

Transparency is also considered to be a factor in enabling more women to be appointed to boards, though it has dropped to second position in terms of the top three changes needed. The introduction of some form of quotas or targets to increase the number of women on boards is also highlighted.

Q

What is your view on gender quotas as a means of increasing the number of women on boards?

2015 - 40%

2013 - 43%

Gender targets rather than mandatory quotas

2015 - 23%

2013 - 29%

Gender quotas are most effective

2015 - 28%

2013 - 25%

Gender targets are the wrong approach, appointments should be based on merit not gender

When questioned further on gender quotas as a means of increasing the number of women on boards, views amongst respondents were split, with support for quotas as the most effective way to increase the number of women on boards dropping by 6% since 2013 to 23%.

28% of women surveyed say that quotas are the wrong approach, while 40% of those surveyed favour targets over mandatory quotas as a means of increasing the number of women on boards in Ireland.

In the further commentary provided, some women who are in favour of quotas indicated that quotas should be introduced as a short-term measure in order to accelerate change, while others indicated that quotas may serve to disguise the real reasons as to why there is a gender imbalance on boards and that merit should be the key consideration in all appointments.

One participant suggested that targets should be set for interview panels, rather than board positions, to increase access and opportunities for women.

'I don't like quotas, however they work'

'I am not keen on targets or quotas. I think companies should be required to run transparent processes for board appointments'

'Short term quotas have been shown to work'

Q

What do you consider to be the most important elements to look for when appointing directors to boards?

1

Appropriate skill-set

2

The right experience

3

Good fit for the board

4

Gender diversity

The directors surveyed placed a higher value on appropriate skill-sets, the right experience and being a good fit for the board, ahead of gender diversity in terms of the most important elements to look for when appointing directors to boards.

In the further commentary provided, respondents highlighted the dangers of ‘group-think’ in situations where board directors all come from a similar functional background or have similar experience.

‘I don’t think gender diversity should play a role at all. The right person with the right skill-set should trump everything’

‘Too many boards consist of individuals with the same experience and qualifications’

Q

How in your view can we all contribute to improving gender diversity in the boardroom?

When asked what can be done to contribute to improving gender diversity in Ireland, the key themes which repeatedly emerged were greater access to information on available board positions through more public advertising, further encouragement and mentoring for younger women and for more women to put themselves forward for directorship roles.

The women surveyed are also keen to keep the gender diversity debate on the agenda to maintain awareness of the issue.

‘Put the mechanisms in place so that women can compete fairly for positions’

‘Women need to push themselves forward and make their reputation and experience known to a greater audience’

‘Look at the needs of the board rather than available directors who are known’

‘Open up the culture of board membership and the appointments process’

Q

Do you have any advice for women who are aspiring to become directors?

The women surveyed, who have all been successful in accessing the boardroom, were asked what advice they would offer to other women who are aspiring to become directors in Ireland.

A key theme in the responses was for women to seek mentors for guidance and advice.

Another common theme was the suggestion that women need to build contacts and to establish networks where they can make their interests known.

Undergoing professional training was also highlighted, as was the need for women to put themselves forward, rather than waiting to be approached for available positions.

'Seek out successful women and ask for their advice'

'Find a mentor and start networking'

'Put yourself forward, don't wait to be asked'



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