Critical Mass on Corporate Boards: Why Three or More Women Enhance Governance

Vicki W. Kramer, Ph.D., Alison M Konrad, Ph.D., Sumru Erkut, Ph.D.

The Wellesley Centers for Women

The Wellesley Centers for Women (WCW) conducts scholarly research and develops sound training and evaluation programs that place women’s experiences at the center of its work. WCW focuses on three major areas:

- The status of women and girls and the advancement of their human rights both in the United States and around the globe;
- The education, care, and development of children and youth; and
- The emotional well-being of families and individuals.

Issues of diversity and equity are central across all the work as are the experiences and perspectives of women from a variety of backgrounds and cultures. Since 1974, WCW has influenced public policy and programs by ensuring that its work reaches policy makers, practitioners, educators, and other agents of change.

The Wellesley Centers for Women is the single organization formed in 1995 by combining the Center for Research on Women (founded 1974) and the Stone Center for Developmental Studies (founded 1981) at Wellesley College. For more information, please visit: www.wcwonline.org.

Ordering Information

Special Reports and other publications of the Wellesley Centers for Women (WCW) are available for purchase through the WCW Publications Office. For a complete list of current publications, visit our online catalog at: www.wcwonline.org/publications.

Publications Office - Wellesley Centers for Women
Wellesley College, 106 Central Street, Wellesley, MA 02481
Phone: 781-283-2510 Fax: 781-283-2504

Unless otherwise noted, the authors hold the copyright to their WCW publications. Please note that reproducing a WCW publication without the explicit permission of the author(s) is a violation of copyright law.
Critical Mass on Corporate Boards: Why Three or More Women Enhance Governance

Vicki W. Kramer  
V. Kramer & Associates

Alison M. Konrad  
Richard Ivey School of Business  
University of Western Ontario

Sumru Erkut  
Wellesley Centers for Women


The authors hold the copyright to their papers. Please note that reprinting or distributing this working paper without the express permission of the author(s) and the Wellesley Centers for Women is a violation of copyright law.
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acknowledgements</td>
<td>ii</td>
</tr>
<tr>
<td>Executive Summary</td>
<td>iv</td>
</tr>
<tr>
<td>I. Background/Introduction</td>
<td>1</td>
</tr>
<tr>
<td>Context for the Study</td>
<td>1</td>
</tr>
<tr>
<td>Theoretical Background</td>
<td>3</td>
</tr>
<tr>
<td>Our Approach</td>
<td>6</td>
</tr>
<tr>
<td>II. Women on Corporate Boards: Findings and Discussion</td>
<td>8</td>
</tr>
<tr>
<td>What Difference Do Women Make on Boards?</td>
<td>8</td>
</tr>
<tr>
<td>What Difference Do Numbers Make?</td>
<td>17</td>
</tr>
<tr>
<td>One woman</td>
<td>17</td>
</tr>
<tr>
<td>Two women</td>
<td>22</td>
</tr>
<tr>
<td>Three or more women</td>
<td>34</td>
</tr>
<tr>
<td>III. Beyond the Numbers</td>
<td>40</td>
</tr>
<tr>
<td>Women of Color</td>
<td>40</td>
</tr>
<tr>
<td>Sensitivity of Gender Issues</td>
<td>42</td>
</tr>
<tr>
<td>Increasing the Representation of Women on Corporate Boards</td>
<td>45</td>
</tr>
<tr>
<td>IV. Conclusion/Implications for Action</td>
<td>52</td>
</tr>
<tr>
<td>Appendices</td>
<td></td>
</tr>
<tr>
<td>A. Research Methods</td>
<td>54</td>
</tr>
<tr>
<td>B. Questionnaires and Focus Group Guide</td>
<td>60</td>
</tr>
<tr>
<td>C. References</td>
<td>69</td>
</tr>
</tbody>
</table>
ACKNOWLEDGMENTS

Many people helped to make this report possible. Most obviously we are indebted to the 71 people who generously gave of their time to be interviewed or participate in focus groups. Without them the study would not have been possible. Many of them also suggested others and permitted us to use their names in making new contacts.

We appreciate the support of our advisory group – Michele J. Hooper, Lois Juliber, Maria Elena Lagomasino, Roger W. Raber, David W. Smith, and Carol Stephenson. They permitted us to use their respected names on our brochure and as we approached potential interviewees and gave us sage advice at various stages of the project.

As the first funders of The Critical Mass Project, the Valentine Foundation gave us an enormous boost and we greatly appreciate their belief in the project. The TIAA-CREF Institute made the project possible by providing the largest portion of our funding. Their support helped us secure the additional funds needed. We also thank The Hess Foundation for its generous contribution. We are deeply grateful to the generosity of Carole Haas Gravagno through the Phoebe Haas Charitable Trust ‘A.’ Her challenge grant inspired the contributions of many individuals who believed enough in the project to provide financial support. Many thanks to those without whose support the research could not have gone forward including: Carol Ammon, Ernesta Ballard, Helen Bosley, Marianna L. Cayten, Happy Fernandez, Diane Freedman, Elizabeth Gemmill, Pamela Godwin, Susan O. Jaffe, Joan Mazzotti, Leslie Anne Miller, M. Christine Murphy, Carol Neuls-Bates, Susan Perloff and Edward Blumstein, Leslie Reid Price, Linda Resnick and Stuart Levy, Phoebe R. Resnick, Molly Shepard, Lee van de Velde, Judith von Seldeneck, Karol Wasylyshyn, Elizabeth Werthan, Constance Williams, Lynn Yeakel.

Many other people assisted us by connecting us with funders and possible funders, with our advisory group members, and with the participants in the research. We particularly want to thank Rosalie Wolf, whose early confidence in the project, encouragement, wise counsel, and unflagging efforts on our behalf were invaluable. Members of ION, the network of eight executive women’s organizations working to increase the representation of women on corporate boards and in executive positions, endorsed the project and helped make the Boston and Chicago focus groups possible. Particular assistance came from Patricia Flynn and Toni Wolfman of The Boston Club; Amy Osler, Pamela Strobel, and Isabel Carter Stewart of The Chicago Network; Rona Wells of The Board of Directors Network, Atlanta; and leaders of The Forum of Executive Women, Philadelphia. Valuable encouragement and advice also came from Pamela Godwin, Elizabeth Gemmill, Karol Wasylyshyn, and Charles Biscieglia.
Don Kramer provided continuing support when the obstacles to getting funding seemed insurmountable, as well as encouragement and advice throughout and a thoughtful reading of the first and last drafts. Susan Perloff did a wonderful job of copy editing.

Juliet Goodfriend was a valued partner in conceiving the project in its early stages. Although she was unable to participate in the actual research and writing because of other major commitments, she gave us valuable feedback and suggestions as we were writing the report.
EXECUTIVE SUMMARY

Corporate governance reform has been a hot topic for a number of years. Congress, the Securities and Exchange Commission, the media, and large shareholders have been pressuring corporations to improve their governance. In the face of the public failure of companies such as Enron and WorldCom, some boards have been accused of being asleep or at least acquiescent, often focusing on short-term earnings and permitting runaway CEO compensation. While many companies are demanding more competent directors, the traditional pool of directors is no longer adequate to meet the need for independent, outside board members required by Sarbanes-Oxley and other reform guidelines – particularly since CEOs are limiting the number of boards on which they serve. Nominating committees and search firms are enlarging the scope of their search for qualified directors and dipping into new pools of candidates, including women. Yet some of the largest companies still have no women directors, and of those that do, only a small percentage have more than two women directors. The most recent Catalyst report (2005 Catalyst Census of Women Board Directors of the Fortune 500) indicated that women held only 14.7 percent of all Fortune 500 board seats. Among the Fortune 500 companies, 53 still had no women on their boards, 182 had one woman, 189 had two, and only 76 had three or more women directors.

Does it matter to corporate governance whether women serve on a board? If so, does it make a difference how many women serve? Is there a critical mass that can bring significant change to the boardroom and improve corporate governance?

Based on interviews and discussions with 50 women directors, 12 CEOs, and seven corporate secretaries from Fortune 1000 companies, we show that a critical mass of three or more women can cause a fundamental change in the boardroom and enhance corporate governance.

Our study extends current research and writing on corporate governance, particularly work that draws attention to the importance of boardroom behavior and dynamics. In addition to employing critical mass theory, we build on research on minority and majority influence on group decision-making as well as tokenism theories.

Women Directors Make a Difference

We find that women do make a difference in the boardroom. Women bring a collaborative leadership style that benefits boardroom dynamics by increasing the amount of listening, social support, and win-win problem-solving. Although women are often collaborative leaders, they do not shy away from controversial issues. Many of our informants believe that women are more likely than men to ask tough questions and demand direct and detailed answers. Women also bring new issues and perspectives to the table, broadening the content of boardroom discussions to include the perspectives of multiple stakeholders. Women of color add perspectives that broaden boardroom discussions even further.
How Many Women Constitute a Critical Mass on a Corporate Board?

The number of women on a board makes a difference. While a lone woman can and often does make substantial contributions, and two women are generally more powerful than one, increasing the number of women to three or more enhances the likelihood that women’s voices and ideas are heard and that boardroom dynamics change substantially. Women who have served alone and those who have observed the situation report experiences of lone women not being listened to, being excluded from socializing and even from some decision-making discussions, being made to feel their views represent a “woman’s point of view,” and being subject to inappropriate behaviors that indicate male directors notice their gender more than their individual contributions.

Adding a second woman clearly helps. When two women sit on a board, they tend to feel more comfortable than one does alone. Each woman can assure that the other is heard, not always by agreeing with her, but rather, by picking up on the topics she raises and encouraging the group to process them fully. Two women together can develop strategies for raising difficult and controversial issues in a way that makes other board members pay attention. But with two women, women and men are still aware of gender in ways that can keep the women from working together as effectively as they might, and the men from benefiting from their contributions.

The magic seems to occur when three or more women serve on a board together. Suddenly having women in the room becomes a normal state of affairs. No longer does any one woman represent the “woman’s point of view,” because the women express different views and often disagree with each other. Women start being treated as individuals with different personalities, styles, and interests. Women’s tendencies to be more collaborative but also to be more active in asking questions and raising different issues start to become the boardroom norm. We find that having three or more women on a board can create a critical mass where women are no longer seen as outsiders and are able to influence the content and process of board discussions more substantially.

Impact on Corporate Governance

Having a critical mass of women directors is good for corporate governance in at least three ways.

- The content of boardroom discussion is more likely to include the perspectives of the multiple stakeholders who affect and are affected by company performance, not only shareholders but also employees, customers, suppliers, and the community at large.
- Difficult issues and problems are considerably less likely to be ignored or brushed aside, which results in better decision-making.
- The boardroom dynamic is more open and collaborative, which helps management hear the board’s concerns and take them to heart without defensiveness.

This paper has important implications for improving corporate governance. It shows that diversity is an issue of governance and that increasing the representation of women on every board is a good governance issue. It also supports the value of moving beyond CEOs, who still tend to be white males, when looking for board candidates. And it shows
that simply putting one woman on a board does not necessarily permit that board to benefit fully from gender diversity.

**Finding Qualified Women**

Are there enough qualified women available to substantially increase the representation of women on *Fortune* 1000 boards without sacrificing the quality of decision-making? If being a *Fortune* 1000 CEO is a prime qualification – as it has been often in the past – the answer is No, because few *Fortune* 1000 companies are led by women. But being a CEO isn’t critical for all board members. In fact, many white men on these boards don’t meet that qualification.

Although our respondents consider it important to have some CEOs on a board, they see no reason why all board members must be CEOs and some good reasons why not all members should be CEOs. Indeed, because women tend to bring new perspectives, a new and desirable leadership style, and a willingness to tackle tough issues, they arguably have more of what it takes to contribute to boards than some CEOs, whom our respondents see as having more narrow views and sometimes being more willing to smooth-over tough issues than to process them fully. Male CEOs looking for board candidates may still be drawn to men with whom they are comfortable and with whom they socialize, but some CEOs themselves recognize that that is not necessarily good for corporate governance.

Our respondents were adamant that women should not be brought on as tokens simply because they are women. To serve boards well, women need high-level corporate experience or the knowledge, skills, and abilities needed to contribute to board discussions. Although boards may have to reach a bit deeper into the senior-management ranks to find more women, women who have succeeded in business careers in corporate America are eminently qualified to contribute to these boards – as are successful women entrepreneurs, lawyers, nonprofit executives, consultants, and academics.

To improve board governance, our research shows that boards should actively seek qualified women board members and not be satisfied with just one or two women on their boards. Nominating committees should *not* try to be “gender-blind.” Rather they should consider increasing the number of women an important part of their role and should insist that search firms bring them diverse slates of candidates that always include qualified women. Since corporations say they value “outside the box” thinking, they need to look outside the box to recruit women, who bring a new perspective and style that enhances the quality of discussions in the boardroom.
BACKGROUND/INTRODUCTION

Context for the Study

Corporate governance reform has been a hot topic for a number of years. Since the public failures of companies such as Enron and WorldCom, Congress, the U.S. Securities and Exchange Commission (SEC), the media, and large shareholders have been pressuring corporations to improve their governance, the oversight and direction of management by the company’s board. In 2002, the U.S. Congress enacted the Sarbanes-Oxley Act, often called SOX, to prevent financial malfeasance exhibited in the dealings of some corporate boards.\(^1\) Although there is agreement that corporate governance needs to improve, there is little consensus on what constitutes good governance – how to measure its effectiveness and what goes into it.\(^2\) Most people concur on indicators of ineffective governance – illegal or unethical activity and poor financial performance. But what is the measure of good governance? Whose interests are to be served? Is it those of shareholders only, or a broader array of stakeholders – “customers, employees, communities, suppliers, and society at large” (Simons, Mintzberg, & Basu, 2002, p. 119)?\(^3\)

Concurrent with the pressure to improve corporate governance has been the call to increase the representation of women on corporate boards. In 2006, Norway moved to require that 40 percent of board members of its large companies be women (Bernstein, 2006). In the United States, women’s organizations have made notable efforts to increase the representation of women on boards. Catalyst, a nonprofit research and advisory organization focusing on women at work, has tracked and reported on the number of women on Fortune 500 boards since 1995. A newer organization, ION, a national network of eight executive women’s organizations in major corporate centers has, for the past two years, compared the results of their regional studies of major corporations in their areas (2006).

In addition to tracking overall percentages of women on boards, these studies have revealed how many companies have no women, only one woman, and two, three, or more on their boards. The most recent Catalyst report (2005 Catalyst Census of Women Board Directors of the Fortune 500) indicated that women held 14.7 percent of all Fortune 500

\(^1\) For more information see, for example, Summary of Sarbanes Oxley Act of 2002 at http://www.aicpa.org/info/sarbanes_oxley_summary.htm.

\(^2\) A growing body of writing argues that rules about structure and processes don’t guarantee good governance; instead, board behavior and the dynamics of decision-making or board culture are the key elements (Pound, 1995; LeBlanc & Gillies, 2005; Carter and Lorsch, 2004; Sonnenfeld, 2002 & 2004; Nadler, 2004).

\(^3\) See also the notion that boards need “their own version of the ‘balanced scorecard,’” (Lorsch, 1995), a tool that suggests moving away from exclusive reliance on financial indicators and using a number of different perspectives or indicators: financial, customer, internal business processes, and learning and growth (Kaplan & Norton, 2001).
board seats, compared to 13.6 percent in 2003. Among the *Fortune* 500 companies, 53 still had no women on their boards, 182 had one woman on their board, 189 had two, and only 76 had three or more. At the current average growth rate of one-half of a percentage point per year, it will take 70 years for women to obtain equal representation with men on *Fortune* 500 boards, according to Catalyst. Research has shown that the largest companies tend to have a higher representation of women directors, while the *Fortune* 501 to *Fortune* 1000 boards have fewer women (see ION, 2006).

Catalyst and ION and its members have all stated a business case for adding women, arguing that greater representation of women can improve corporate governance. In a meeting reported in the *New York Times* (Lyne, 1992), a group of high-level women put forth a theory of how to “alter the balance of power to produce changes” that became known as the Rule of Three. They suggested “getting three women on the same board instead of one woman on several boards because then we’d really see some change.”

However, advocates for increasing women’s representation on boards have been unable to point to research to support their beliefs that increasing the number of women on any one board has benefit. Some studies have linked positive financial performance to the presence of women in executive and board positions (Veleva, 2005), and others have reported links between boards with women and a variety of indicators of good governance (Singh, 2005; Conference Board of Canada, 2002) but they have not been able to show a causal relationship.

In particular, previous researchers have been unable to assess the mechanisms through which increasing the representation of women leads to better financial performance and other indicators of good governance. This limitation has hampered the ability to draw a causal inference from their studies. It is necessary to demonstrate that women influence boardroom dynamics, the discussion process, and the decisions that boards make in order to draw a causal inference that women’s representation improves governance. Such a focus is much in line with the growing body of writing on the importance of board dynamics as a key to good governance. In addition, research needs to compare discussion dynamics on boards with one woman, two women, and three women or more in order to demonstrate that increasing the representation of women will have an appreciable effect. This approach was called for by the Editors of the first entire book devoted to the subject of women on boards, published in 2000, entitled, *Women on Corporate Boards of Directors: International Challenges and Opportunities*, as well as by Bilimoria, one of the contributors to the book (Bilimoria & Wheeler, 2000).

Making such a comparison was the goal of the present study. By asking women directors, CEOs, and corporate secretaries about their observations of boardroom dynamics in situations where there were one, two, and three or more women members, we sought to identify ways that women directors influence corporate boards. We have been able to glean information about both the content and process of boardroom discussions and to identify ways that having more women is associated with outcomes that are important to corporate governance.
Theoretical Background

The theoretical framework guiding this study is critical mass theory. Critical mass theory concerns a change that results from a shift in the size of a subgroup whose impact on the larger group becomes more pronounced when the size of the subgroup reaches a certain threshold, or a critical mass. The proliferation of social science applications of critical mass theory can be traced to Granovetter's analysis of collective behavior (1978). He argued that a slight shift in the heterogeneity of the group can result in a large shift in the group's overall behavior. The notion of a discontinuity in the social influence of a subgroup before and after a critical mass has been reached has been applied to a large number of issues including unionization (Hedström, 1994), racial differences in homicide rates (Krivo & Peterson, 2000), and the global spread of market oriented policies (Simmons & Elkin, 2004). It has been popularized most recently in Gladwell's book *The Tipping Point* (2005).

While critical mass theory predicts that when a certain threshold is reached the magnitude of a subgroup’s influence grows, the theory is silent on what that threshold might be. To understand what number is likely to constitute a critical mass of women directors on corporate boards, we examine theories of group dynamics that explain minority and majority influences on decision-making in groups and theories of tokenism that explain the experiences of people who differ from the others in a group. We link those to the concept of a critical mass and put forward the implications of these theories for corporate boards and for the number of women on corporate boards.

**Majority and Minority Influences on Group Decision-Making**

For decades researchers have studied the effects of majority and minority influence in small groups, beginning with Asch’s (1951; 1955) experiments on conformity to majority influence. This body of research shows that when an individual is faced with the opinion of three unanimous, unwavering people, that person is likely to conform to the unanimous “majority” opinion, even if that opinion is obviously wrong. If the unanimous majority consists of fewer than three persons, the likelihood of conformity is substantially reduced, but adding more people to the incorrect majority decision doesn’t...
increase the likelihood of conformity. Hence three people seem to constitute a critical mass that can be very influential in a group setting (Bond, 2005; Moscovici, 1985; Nemeth, 1986; Tanford & Penrod, 1984).

A major caveat to this finding is the effect of having an ally. If even one person in the room expresses disagreement with a majority of three, it greatly reduces the likelihood that others will conform (Moscovici, 1985).

A persistent unanimous minority influences the group, but not in the same way. Rather than conforming to the minority opinion, the group examines its own views more closely through discussion, which results in a higher quality decision (Nemeth, 1986).

These experimental findings have several implications for corporate boards. First, if three people on the board speak strongly and unanimously in favor of a particular point, and no one says anything in disagreement, it is likely that the other individuals in the room will conform to the apparent majority decision. Given that board decisions are complex and the facts are often ambiguous, the impact of a majority of three is likely far greater in a board situation than it is in the experimental situation in Asch’s studies, where the decision was simple and the majority was visibly wrong.

Second, if even one person on the board makes a strong statement in disagreement with a majority of three and does not waver from his or her view, that disagreement from a persistent minority is likely to lead the group to process the issue more fully than would otherwise be the case, with the result that a better decision will be made by the board. Hence, minority views are critical to the effectiveness of board decision processes.

Third, and finally, people with minority opinions are considerably more likely to speak up and state their disagreement with a strong majority of three when they know they have an ally in the room. People who perceive themselves as being alone in disagreeing with the majority are more likely to conform and therefore considerably less likely to share their dissenting views. Hence, although sole dissenters can stimulate an effective group process, they are less likely to do so than dissenters with allies.

*The Experiences of Demographic Minorities in Group Settings*

Starting with Kanter’s (1977) foundational work, researchers have studied the dynamics of being similar to or different from a group based on demographic characteristics rather than on opinions. This research has shown that being in the numerical minority, which Kanter argued was 15 percent or less of the group, results in a predictable set of dynamics, called tokenism.

Tokenism includes hypervisibility – standing out and being highly scrutinized – and, paradoxically, invisibility – being ignored, dismissed, or otherwise excluded (Cohen & Swim, 1995; Erkut & Winds of Change Foundation, 2001; Fiske & Taylor, 1984; Kanter, 1977; Lord & Saenz, 1985; Yoder, 1994). Tokens are perceived as representing an entire demographic group and are stereotyped by the dominant group, who attribute to individuals their beliefs about the characteristics of the group, regardless of the
individual’s personal attributes (Cohen & Swin, 1995; Crocker & McGraw, 1984; Kanter, 1977; Yoder, 1994). Tokens are often doubted and not trusted. And being in the position of a token can create discomfort, a sense of isolation, self-doubt in the face of low expectations and lack of validation; it can also lower a token’s performance (Crocker & McGraw, 1984; Kanter, 1977; Sekaquaptewa & Thompson, 2002; Thompson & Sekaquaptewa, 2002).

While Kanter’s original work asserted that being in the numerical minority can be detrimental to anyone, subsequent research (Chattopadhyay, 1999; Konrad, Winter & Gutek, 1987; Sekaquaptewa & Thompson, 2002; Thompson & Sekaquaptewa, 2002) has suggested that being in the minority is worse for members of groups such as women and racial and ethnic minorities that have historically held less power or social status.

**Integrating the Perspectives: Implications for Women on Boards**

Combining the majority/minority influence framework with the research on group demographic composition, it is reasonable to expect that women on boards have a different experience depending upon whether they are alone, one of two, or one of three. We describe each situation conceptually here and present the related findings from our interviews and focus groups in the next sections.

Conceptually, the lone woman whose perspective differs from the majority male perspective is in a similar situation as the participants in Asch’s majority-influence experiments. In a number of situations, the lone woman is likely to think that the majority view is not correct and that considering another view would improve the quality of the decision. If she expresses her dissenting view, she may move the group to process the issue more fully and possibly change the decision for the better. However, a lone woman is less likely to express dissent because of the pressures to conform to the majority. If a group of three or more unanimously and unwaveringly supports an incorrect decision, many people go along. Women on boards may not go along with clearly wrong decisions, but most board decisions are ambiguous, and a lone woman is likely to choose her battles, with the result that a number of board decisions are of lower quality than they might have been. The dynamics of tokenism increase the likelihood that a lone woman will withhold a dissenting opinion. Being highly visible, a lone woman realizes that her behavior is carefully scrutinized, and if she is cautious, she will speak only when the issue is clear. In order to establish a good rapport with the majority, a lone woman will try to emphasize her similarities. To do so, she will agree with the majority when she can and refrain from disagreeing unless the issue is clear and important. Because she is a member of a group with historically low status, a lone woman is particularly vulnerable to biased treatment from the majority – which increases pressure to perform in the boardroom.

Adding a second woman to a board provides a potential ally for the first. Although women don’t always agree with each other any more than men always agree with each other, the presence of another woman increases the likelihood that the dissenting views of one might resonate with at least one other person in the room, and research shows that the
presence of an ally substantially increases the likelihood that people will dissent against an incorrect majority.

In addition, due to the forces of similarity-attraction, a second woman provides an opportunity to develop a strong social relationship with another member of the board relatively quickly and easily. The similarity-attraction perspective (Byrne, 1971) suggests that people prefer similar others because similarity results in reinforcing social interactions in which similar experiences, values, and beliefs result in mutual validation. The social-identity perspective suggests that when there are two women on a board, they have an interest in enhancing each other’s status due to the desire to belong to a respected and valued group (Turner, 1987). Hence two women may be likely to support each other and encourage the board to respect and process each other’s issues, even in cases where they disagree.

With three women on a board, a critical mass is potentially formed. If the three women strongly and unwaveringly support a particular issue, they may create a “majority influence dynamic” that causes their views to prevail. This outcome is especially likely if they are not perceived as having discussed the issue in advance but are viewed instead as having reached the same conclusion independently (Moscovici, 1985). On the average board, which has between nine and 12 members and is declining in size (Anonymous, January, 2006), the tokenism dynamics of visibility and stereotyping are reduced because three women constitute substantially more than 15 percent of the group. The impact of having allies and similar others with whom positive relationships are quickly built increases with the presence of three women compared to two. As a result, three women are even more likely to express their views freely when they don’t agree with the rest of the board.

Our Approach

We set out to examine whether it matters to corporate governance that women serve on a board and, if so, whether it makes a difference how many women serve. Is there a critical mass that can significantly change boardroom dynamics and improve corporate governance?

To answer these questions, we wanted to learn about the experiences and observations of women directors who have served on public boards with different numbers of women directors. We also wanted to gain the perspectives of CEOs and corporate secretaries who have observed and interacted with women directors in boardrooms.

In choosing women directors, we endeavored to achieve diversity in

- Industry, geography, and race/ethnicity.
- The number of boards on which they served.
- The numbers of other women on those boards.
We conducted interviews and focus-group discussions with 50 women directors, 12 CEOs and seven corporate secretaries from *Fortune* 1000 companies in the United States, and two search firm professionals.

To obtain candid accounts of what went on in the boardroom, we promised participants not to disclose their names or the names of the companies with which they were associated. The 50 women we interviewed represent 65 percent participation from the original sample of 77 women directors we asked to participate. We interviewed 37 women directors individually, and 13 women directors participated in one of two focus group discussions. We achieved a participation rate of 55 percent from our list of 22 CEOs, and 70 percent from our list of 10 corporate secretaries.

Twenty-eight percent of the women directors were women of color. Three of the 12 CEOs were white women; eight of the nine male CEOs were white; one corporate secretary was a white man, one was a woman of color, and the others were white women.

The participants drew on their vast experience of corporate governance. The 50 women had served on 175 boards. Most had served and currently serve on multiple boards, and many had sat on boards with different numbers of women. Many also could speak about being on a board when the number of women changed. The CEOs represented companies with different numbers of women directors, and some had witnessed, and in some cases encouraged, changes during their tenure. Some of the CEOs also had served on other boards, which allowed them to make comparisons. The corporate secretaries also had experience with changing numbers of women on their boards.

We followed a semi-structured interview format in both individual interviews and focus groups. As promised in the recruitment letters, we taped the focus groups but not the interviews. The interviewer took extensive notes, transcribing them immediately after each interview. A coding scheme was arrived at by two of the researchers independently reading all the interview notes to derive coding categories, which revealed their categories and subcategories to be substantially parallel.

Find more detailed information on the participants, our research procedures, and methods of data analysis in Appendix A. Find the semi-structured interview questionnaires and focus group guide in Appendix B.
WOMEN ON CORPORATE BOARDS: FINDINGS AND DISCUSSION

What Difference Do Women Make on Boards?

It would not matter how many women serve on a board if the presence of women did not add value to corporate boards, so we start with the question of whether the presence of women makes a difference on boards.

Our findings show that women directors make positive contributions to board governance in a number of ways, including
• Providing different perspectives.
• Expanding the content of board discussions.
• Raising issues that pertain to multiple stakeholders.
• Raising tough issues.
• Using their interpersonal skills to positively influence board processes.

Women Directors Enhance Diversity in a Number of Ways

Many respondents mentioned the importance of diversity of thought to the quality of board discussions and linked diversity of thought to different categories of diversity, including gender, race/ethnicity, national origin, field of interest, and position. Women can embody all these sources of diversity.

I and the company take diversity seriously. We have two board members from other countries, one African-American, and two women. Diversity is about diversity of thought. Our clients are very diverse. You need different perspectives at the table. The board should represent the world in which we operate. They come from different environments and think and live differently. That is the value of diversity. (Male CEO.)

Others identified more subtle dynamics of diversity that they associated with improved board performance. One male CEO said, “There is more transparency with diversity. You don’t assume people will think in a certain way, and people express opinions in a clearer way.” As this CEO suggests, a diversity of experience and communication styles may force both managers and directors to articulate the logic of their arguments more explicitly, which allows everyone to see the strengths and gaps more easily. Clearer communication in this sense is likely to lead to better decisions.

When you have a fair amount of diversity of gender, race, profession, and temperament, more people feel free to make points that are unconventional. (Male CEO.)

Our interviewees also said gender diversity has a symbolic importance to those outside the boardroom. As the following quotations
show, having diversity on the board is a signal to employees that career success is possible even for people who are not white males.

It makes it difficult to demonstrate openness to diversity if you don’t have a number of women on the board. It sends a signal to women that they have a chance to succeed if you have women on the board. (Woman director.)

The composition of the board is a signal to the organization – a diversity signal. And you are asked to speak to the organization’s employees, especially to the female leaders. Having women on the board says to the women employees, there is a future here. (Woman director.)

It made a difference for everyone when a woman, a person of color, joined the board. It was important for the corporation. Everyone in the company could see that. Nowadays most corporate board members serve on boards with women and diversity. In terms of tone and appearance, it makes a huge difference to employees. Women and guys of color are trotted out to the company. It’s an effort to link directors back to the company. (Woman director.)

It has been a good message internally. The board is symbolic of what you stand for, and the women at the company are encouraged to see a higher-than-average number of women on the board. (Male CEO.)

Women Directors Expand the Content of Board Discussions
The CEOs, corporate secretaries, and the women directors themselves consistently reported the value of having women in the room for enhancing the content of boardroom discussions. Women raise a new set of issues for board consideration that are based on their unique set of experiences as business owners, executives, and consumers. Even though we didn’t ask directly about it, fully 24 of the 37 women directors interviewed individually\(^5\) and seven of the 12 CEOs mentioned that women directors raise different kinds of issues than men do.

Many focused on the importance of having the perspectives of key constituencies – customers and employees – represented at the boardroom table. Consider these quotations from three male CEOs:

This is a consumer-products industry with mostly women customers. The women on the board bring a unique perspective on their daily life – different from male CEOs, who don’t do the shopping. We have some businesses targeted just at women, so the women on the board have relevant experience.

We are in the healthcare business, and most decisions about healthcare are made by women. So not having women on the board would be ridiculous. I don’t think

\(^5\) When reporting findings from women directors, we report only counts based on responses obtained from 37 women who were interviewed individually because information obtained in focus groups does not readily lend itself to numerical counts.
companies in the types of businesses where women make most of the spending decisions can get good input from their directors when they don’t have women on the board. You get a much better sense of what’s going on in the real world if you have the woman’s viewpoint in the boardroom.

No doubt it is a different board because there is a woman there. It is critical to have diversity of opinion; diversity of opinion makes us stronger. How can men understand issues that the women employees – who are 30 percent of employees – face? It would be less effective without a woman. You want good decisions and need diversity of opinion to get that.

A woman director told a focus group about joining a board where she was the only director who had ever shopped in the company’s stores and where she was the first board member to understand, as she put it, “the shopper she.” Another told a different focus group about being the first and only woman on a board that was discussing a strategy related to working mothers, basing it on “some theory and data.” She reported that she was able to change the discussion of the male board members about an idea that was “going nowhere” by giving her own perspective of being a working mother. Similarly, drawing on their own experiences, women directors say they have suggested new product lines, such as a profitable line of healthier foods in one company.

Women Directors Raise Issues that Pertain to Multiple Stakeholders

Women directors are also more likely to broaden the content of boardroom discussions to consider the perspectives of multiple stakeholders who have an impact on and are impacted by the company’s performance. They are more apt to bring up human resource and customer concerns or raise questions about issues – such as health and safety – that might affect company reputation and the community. Though these may be considered “softer” issues by some, the women directors and CEOs we interviewed saw them as business matters.

Women get what’s really happening on the ground and how we can help people. They have the ability to put someone’s welfare before their own. Most men think about themselves and think about things only from their own point of view. Women have greater connection to the human context of the business, which is very good for our business, because if you help more people, you win. (Male CEO.)

When you go through rough patches and you have to make decisions about your strategy – getting rid of businesses, cutbacks – the women show a real sensitivity to the people in the company; and that’s good to make certain everyone’s treated properly.... Women are in some ways more aware of a company’s visibility in the public eye and the marketplace. There’s a saying that women think with their full brain and men with half their brain, and to some extent that’s true. Men tend to focus on achieving a goal, and they don’t pay attention to what’s happening on either side of them. (Male CEO.)
Women tend to be more aware of the cultural fabric of the organization. By and large women raise issues related to human aspects of an organization. Men may not think to talk about it but once that happens, men will jump in. (Woman director.)

Women are certainly more likely to raise issues related to the advancement of women in the company. They report paying attention to how women are doing during board succession discussions, as well as taking active roles in mentoring women executives and speaking to women’s networks in the companies. CEOs sometimes asked them to play those roles. Women employees gravitated to the women directors at company events. And almost all the women directors we interviewed reported taking some action to promote women’s careers, though their approaches ranged from the direct and outspoken – asking for diversity reports and, in one case, making a videotape on diversity – to working behind the scenes. Many thought that such action was expected of them or that they had a responsibility to do this.

One director started out saying she did not see that “women are more focused on employee or diversity or environmental or corporate responsibility issues than on other things.” But she concluded with:

Is there the probability, if you are discussing succession, that women might ask the question about women or people of color, or questions about the external image of the company, or how the consumer might see it – especially if it could be sensitive? Yes, the probability is higher that a woman will raise it.

Many respondents said that the women, like the men, also bring a variety of skills, knowledge, and perspectives based on their particular professional experience – marketing, finance, technology – and raise a wide variety of issues. But women are more likely be “strategic” while men tend to focus on “short-term earnings, losses incurred, sales – all the key points that impact the short term,” according to one woman director.

**Women Directors’ Interpersonal Skills Positively Influence Board Processes**

In addition to influencing the content of boardroom discussion by bringing valuable new perspectives on issues, due to their experiences as women, women directors have an impact on the discussion process. Without a direct question from us, 10 women directors interviewed individually and five CEOs mentioned women’s interpersonal skills as an asset to the board. They reported that women have a more collaborative style that impacts boardroom dynamics. Women, more than men, listen openly to other speakers, attend to the needs of others for respect and consideration, and are enthusiastic about identifying mutually satisfactory compromises to solve delicate problems.

I think women are better readers of body language. That can be a good skill in the boardroom. I can think of times when I was not sure of the subject matter, but I could look around the room and see that there was something troubling other people, but for some reason, no one was speaking out. I can be the one to say, “Can we just step back a minute here? Can you state again what you’re asking
us?” and open up the conversation one more time. There are times when it is amazing what that can lead to. Another whole discussion starts. Women are better at picking up the vibes that we are not all in agreement here. (Woman director.)

Women are more cooperative and less competitive in tone and approach. When there’s an issue, men are ready to slash and burn, while women are ready to approach. Women are calmer and more reasoned, often more balanced. Women often provide a type of leadership that helps boards do their jobs better. More of a voice of reason in the room. (Woman director.)

Women are universally more polite. They are more willing to listen. They have much more sympathy and empathy and concern. (Male CEO.)

While outspoken, the women find a way to make sure you can hear their comments.... The women are more apt to ask questions that allow them to use their listening skills better so that they can make sure that when they follow up their comments are on target. (Female CEO.)
Women’s Collaborative Leadership Style

Interviewees sounded the clear theme that, on average, women utilize their interpersonal skills more fully in the boardroom than men do. The interviewees noticed and valued women’s more collaborative style in the boardroom, whether dealing with other board members or with staff.

Women directors said the following about women directors:
“When there’s an issue, men are ready to slash and burn, while women are ready to approach.”

“There’s a vast difference in how women and men react to things. Women tend to be much more collegial and inclusive. Men tend to be much more independent. There is great problem solving when you have both working together.”

Women directors described themselves in this way:
“I was used by both sides to find a way to bring the board together. It’s a way that I function in business settings with some frequency; it is a characteristic of my style. I’ve been used that way by other groups as a facilitator of conciliation.”

“On boards, I can listen to both sides and make a good judgment. I provide a good sounding board. I don’t stick to my own view. I help work compromises.”

CEOs and corporate secretaries validated this view:
“The women are universally more polite. They’re more willing to listen. They have much more sympathy and empathy and concern.” (Male CEO.)

“When outspoken, the women find a way to make sure you can hear their comments. The men aren’t nearly as adept at how they verbalize questions or comments. I would say too that the woman are more apt to ask questions that allow them to use their listening skills better so that they can make sure that when they follow up their comments are on target. Because you can hear their comments more clearly and take them in, you take them to heart a little bit better.” (Female CEO.)

“The woman director did disagree with me but did it in the right way. Not, ‘That’s wrong, do it this way.’ But asking a question like, ‘Have you thought about this?’” (Male CEO.)

“Women tend not to suffer from CEOism – they are not so demanding; they are more gracious, open-minded.” (Corporate secretary.)

“The women are incredibly humanizing. They treat staffers better. They are less hierarchical. They are affirming of staff.” (Corporate secretary.)
Women Directors Raise Tough Issues

Claiming that women tend to bring positive interpersonal and communication skills to the boardroom is not saying that women are “softer” than men. On the contrary, we also heard evidence from women directors, CEOs, and corporate secretaries alike that women are more likely than men to ask questions and raise tough issues. Thirty-one of the 37 women directors interviewed individually and nine of the 12 CEOs noted, without prompting, that women raise tough issues in the boardroom. One male corporate secretary said that women tend to ask questions if they don’t understand something that the management team has not fully explained, although he knows there are men on the board who are “equally clueless” about what is being discussed.

A male CEO claimed the men “felt a gender obligation to behave as though they understood everything.” As a woman director said, “Women are not afraid that they will look dumb if they ask a question,” and their “willingness to ask the question helps the board process. If people are afraid to raise a question, a matter does not get resolved. If a board member does not understand an issue, then they can’t contribute fully.” Another woman director said that, “Men don’t like confrontation. There is a lot of complacency. They won’t confront the tougher issues. Women are willing to discuss it. Men’s behavior is more like what goes on in a family: the elephant in the middle of the room is not confronted.”

And a male CEO noted that, “Women have a unique talent of asking tough questions. They are more penetrating and direct than men tend to be. Men may be more concerned about the impact on others.” He has seen this play out in the boardroom and elsewhere and he finds women’s questions “very refreshing. Whether strategic or people issues or outside public perceptions issues – women will penetrate on these. They will raise a question the men have not thought about.”
Women Ask Tough Questions and Raise Tough Issues

Women directors ask tough questions and often insist that the board process tough issues rather than setting them aside, according to most of the women directors and CEOs, who commented on this without a direct question from us. Acknowledging and confronting issues improves decision-making on boards.

**Women directors said:**

“CEOs are rarely challenged when they speak, but with my training I can spot when things are illogical or don’t make sense. And I point it out. I say, ‘I don’t follow how you got there based on what you said earlier.’ That’s very valuable.”

“I was the solo voice on executive comp during times when we missed earnings.”

“I ask very direct questions, and I think give very specific and direct recommendations based on matters that are being discussed.”

“I had them revisit some rationales for change and in some cases they have avoided something that would have been harmful.”

“They looked at me in shock and said, you don’t know who we’re dealing with. I said, I know who we’re dealing with – the stockholders. That was an AHA moment for them.”

**CEOs agreed:**

“The women have asked questions that, in the past, other members did not ask either because of fear of the CEO or lack of knowledge.”

“Women have a unique talent of asking tough questions. They are more penetrating and direct than men tend to be.”

“We were in a discussion, and the guys on the other side were not very ethical, did a lot of stuff that required us to take very strong action. One of the women board members was the iron fist in the velvet glove, and then she took off the velvet glove. She made sure we didn’t allow anything that wasn’t in the best interests of the business.”

In controversial areas such as compensation, women were considered more likely to raise tough questions and demand straight answers. Numerous women brought up instances where they were alone in questioning the CEO’s compensation or in voting no on a compensation issue. Two comments made in focus groups capture this theme and link with the phenomenon of women as “outsiders,” a theme that was repeated in different ways throughout our discussions:
For the time being, women and people of color are outsiders in the boardroom. The dynamics of being someone who hasn’t had the same experiences are that one asks different questions. One of the most valuable things in the boardroom is the questions asked. Why are we doing that? I see this increasingly on the dynamic on compensation. There was difficulty in setting limits by those who have benefited from the non-limits in the past – former CEOs. “I don’t want them to question mine; I won’t question yours.” Most women and minorities have not been CEOs and bring different perspectives to corporate compensation.

Compensation is a platform that we as outsiders, and insiders – as a peer on the board – have an advantage. My perspective is real different than a lot of the guys on how much is enough. Because I have a different perspective, some boards are reluctant to put women and minorities onto the compensation committee. Men say, “I want a former CEO.” They are competing with each other and want someone who understands that you have to have the plane, etc. That could be the next frontier where women and minorities can help with that dialogue.

Compensation is not the only subject on which women were willing to take minority positions and be outspoken. They reported speaking against the launch of a proposed new product and prevailing, opposing entry into a new market and being vindicated, voting no on a major transaction and being proved prescient in a few years, and urging a company not to ignore a potential sexual-harassment situation. They used terms like “going against the tide,” being “the only one to vote no,” and opening “topics that were unpopular.”

One focus-group participant said that women are “willing to tell truth to power, to risk,” possibly because they are “not part of the old boys’ club and don’t owe as many people.” Being relative newcomers to the boardroom, women directors are not bound by informal, business-as-usual traditions that have shaped boardroom interactions and directors’ decision-making. Some of those traditions revolve around relationships forged on the golf course, according to the women we interviewed. One male CEO explained that, “Men – CEOs – are still putting on boards those they know and are comfortable with. If the board lets them get away with packing it with their friends, they will. Women are perceived as more outsiders. They are not the typical CEO playing golf on a weekend and socializing together outside the office.”

Raising tough issues is not without its difficulties and is not always well received. One woman believes she was not re-elected to a board because of her positions on CEO compensation and some governance issues. But some women reported that their dissent opened the door for others on the board to challenge the majority. Also, in raising the tough issues, women generally, though not always, used their valuable process skills to couch statements in terms that prevented defensiveness. CEOs saw this factor as important for helping management take the women’s concerns to heart.

In summary, by enhancing diversity, paying attention to the needs of multiple stakeholders, providing unique perspectives that brings new content to the boardroom, offering a new style that creates a more collaborative boardroom dynamic, and insisting
that boards face and process tough and sensitive issues, women are making critical contributions to the quality of corporate governance in Fortune 1000 firms. Hence there is a clear business case for gender diversity on corporate boards and there is no question that having women at the table can make an important and positive difference.

What Difference Do Numbers Make?

To answer the question, how many women does a board need to reap the substantial benefits generated by gender diversity, we examined what is different about board experiences and the contributions of women when there are one, two, or three or more on the board. Many of our respondents compared their own experiences on boards where the number of women had changed or their experiences on different boards with different numbers of women. And we were able to compare the comments of women who had experienced different numbers along with comments of CEOs and corporate secretaries. The comparisons show clear, sometimes stark, contrasts among boards with a lone woman, boards with two women, and boards with three women or more. The presence of more women not only improves the women’s board experiences, but also enhances the contributions women make as board members.

One Woman

A lone woman can and often does have a significant impact on a board. The women we interviewed who were sole women directors had chaired audit, compensation, nominating and governance committees and had made substantial contributions, such as reorganizing a company’s compensation process, shepherding a company through a business downturn, and putting state-of-the-art governance processes into place. Some of the solo women had been elected lead director by their peers. Two male CEOs with lone women on their boards spoke positively of what those women added. “No doubt it is a different board because there is a woman there,” one said, emphasizing the importance of diversity of opinion. The other CEO spoke of the first woman on his board, who was the only woman for a long time, as “always prepared and arguably the best prepared.” He also found her “the most insightful director,” although she did not have the business background that men on the board had. However, he acknowledged that some directors did not think as highly of her as he did, which he attributed to her having “developed a pro-management reputation.”

Some of these lone women were justly proud of their accomplishments and played down any disadvantages of being the only woman. However, we inferred that these women were effective not because of being the only woman but despite being the only woman, and that there were downsides to their solitary status. More than a few directors mentioned that because they had been the only woman in business circles for many years, they had become accustomed to being the only woman. In order to succeed as pioneers in corporate America, they had to develop tough skins. “I have been the only woman so many times it doesn’t register with me,” said one woman.
Particularly women of color, who faced dual barriers, had to disregard possible obstacles. Referring to her experience as a pioneering African-American woman at a major company, another director, who first went on boards in the 1970s and said she did not notice any issues in being the only woman, explained that she was accustomed to going in and “just getting on with it – whatever the task was.” She added that she was “very task oriented and never worried about being female or black.”

A white woman who first joined boards in the late 1980s seemed to put the onus on women who noticed differential treatment: “Your experiences really depend on the head-set you go in with. If you feel you’re different, you can attribute people’s reactions to being different. Also people respond to you the way you think about yourself. Individual men may react differently toward women as a gender issue, but most don’t.”

This last comment begins to suggest the challenges facing a lone woman, if only in being certain how to interpret what is going on around her and having to use extra energy. As another woman said in a focus group, “When you are the only woman, you have to be mindful of interactions and think about the lens, being careful that you don’t always interpret behaviors as negative because you are a woman.”

Being the first woman on a board or following another woman may make a difference, according to some women. A focus group participant said, “There’s a difference between being the only woman and the first woman. If you are the first woman, everyone is conscious that you are a woman. Until you’ve really performed, there is a question mark. There is a supposition that you speak from a woman’s point of view. That erodes as you participate. If you had a strong predecessor or two and the board senses you are not speaking as your predecessor did, the transition is quick, and the board gets the message that you are not just another woman.” So you are seen more as an individual. One interviewee who had followed a “brilliant, self-confident, and outspoken woman,” said that, “It must have helped to have her first.” How a woman is treated may be different if the first woman was not viewed as a contributor. A focus group participant explained: “The sense of being an outsider is my experience, being the only woman on two boards. I had a predecessor on one who hadn’t contributed much. My experience is that no one listened to me.”

The fact that it matters what kind of woman preceded another woman on a board makes it clear that a single woman still must overcome tokenism. When a man serves on a board, he is not treated like the man he replaced because he is seen as an individual. One woman director who said she was “comfortable in all male environments because of my upbringing,” gave examples of her contributions as the lone woman on a board with “a strong male culture.” But she said that “proving competence plus standing up to them was important.” She also reported that she had received a card from the CEO that read, “I thought I was hiring a token, and boy was I mistaken.” She acknowledged that “the language in the boardroom was rough,” and added that, “Some women might have seen that as harassment; I was used to it.”
In some instances, the language begins to change when the first woman arrives on the board. One male CEO reported that, “The board’s language was cleaner than if it had been all male. I play golf with these men and know how they talk.” Some women also mentioned their sense that things had been different before they arrived. “You get glimpses sometimes when people have a conversation after dinner and drinks that maybe you were a civilizing addition to the mix,” said one woman. But even if one woman can cause men to be more careful about their language, it is unlikely that she will have much impact on the culture of the board – the aspects that are, in the end, more important than language. One woman does not convert the culture to “co-ed,” according to one woman who compared being a solo to serving on a board with multiple women.

The Signs of Tokenism
Many lone women directors reported experiences that presented barriers to full inclusion and therefore to contributing to the board at the level of which they were capable. They described situations in which their effectiveness was compromised and they were conscious of behaving differently than they would have behaved in boardrooms where there were other women present. These barriers typify those described by research on tokenism: being at once visible and invisible, being stereotyped, and being seen as representing all women.

Hypervisibility. Several women said they felt visible as lone women. As one focus group participant said, “If you are alone, the spotlight is on you.” Another participant pointed out that some issues of being a woman on a board may continue when more women join, “But you notice it more when you are the only one. It is so visible when you are the only one. You are different when you walk in.” One woman who was skeptical that numbers made a difference maintained she does “not function at any lower level at a board where I am the only woman than where I am one of three women.” Yet she reported on an experience of standing out on a board where she was the lone woman. In the board’s evaluations, she learned that one man thought she “asks too much” and that she “is too much center stage,” although he “respects her ability to be persuasive on issues.” She also joked that she “gets more attention at cocktail parties” when she is the only woman.

Invisibility. Probably more detrimental to their ability to contribute was what one woman called “the invisibility phase” – feeling ignored, dismissed, not taken seriously, or otherwise excluded. Many directors identified these problems with being the only woman on a board. “If you are the only one, it is clear that you are not part of the club,” explained a woman who had experienced being the sole woman and being one of multiple women. Another woman characterized a board where she is the only woman this way:

It is kind of like, “Who is this person? She’s a lot different than we are.” Not collegial. Not a lot of conversation, not a lot of interaction. On this board, where I’m the only woman and the only African-American, it’s very different than the other two, where there are two women – the interaction with board members, openness and acceptance of new members like me.
Invisibility is not comfortable for any woman, but, more than that, it is a situation that reduces her capacity to contribute. The same woman who described her experience as the lone woman as “not collegial” indicated that she was not included in the “informal interaction before or after meetings,” and that, “There are conversations many times, and I have a feeling that everybody comes to the table with a point of view based on these other conversations that I’m not included in.” Another woman explained: “Initially it felt like I was playing catch-up. Other directors seemed to understand, and I didn’t. A lot of what happened seemed to have been worked out in committees I didn’t sit on or on golf courses. It was an old-boy network until I asked, ‘How did that get decided?’ Then they began to ask what I thought.”

As some of these quotations make clear, the women directors were often able to resist being ignored. But to do so, they had to work extra hard, or get help from one of the men, or be willing to point out what was happening. One woman who had a sponsor on one board said that, “On another board, where they didn’t know me, I had to work a lot harder to fit in and to gain their comfort with me so that we could operate effectively as a board.” The following comments by lone women directors indicate the challenges of being ignored.

The only woman in a room of guys. I’m not shy, but trying to get your voice heard around the table is not easy. You can make a point that is valid. Two minutes later Joe says exactly the same thing, and all the guys congratulate him. It is hard, even at our level, to get your voice heard. You have to find a way to wedge in, and they realize you are not going away.

With one woman on the board, it takes much longer to get stuff done like getting more women in the pipeline. Regarding the dynamics of the boardroom, the first woman says something, then five minutes later it becomes the genius idea of somebody else. Early on, as the only woman, you have to spend more time convincing others of the credibility of your issue. When you’re the first one in the room, you’re much more circumspect.

When I first went on the board and was the only woman, I was basically invisible. The chairman was sensitive to diversity and always made sure my opinion was heard. If the others were ignoring me or talking over me, he would say, “Wait a minute, I haven’t heard her view on this issue yet.” In most people’s view, I was just kind of there, another pretty face. I don’t think that people were rude, but my opinion wasn’t highly valued except by the chairman.

The company had had the same external auditors for years and decided to change, just for good practice. The CFO and board are discussing the fact that we are changing auditors. He’s going to bring in the new partners from the auditing firm. They come into the room. They walk down one side of the boardroom and shake hands with everybody. Shook hands with the two guys on my left, skipped me, and then shook hands with the next guy. They left. The group started talking about their presentation, and I said, “I have to interrupt. Did you notice what
happened?” It turns out that, yes, one of the guys had noticed. He said, “They didn’t shake hands with you.”

Presumably, had she not drawn attention to having been ignored, the only man who noticed would not have spoken up to call attention to what had occurred.

Comments by CEOs validate what women directors experience. One said, “When you’re the only one, you’re an outlier in a social sense. The flavor of the discussion is a very masculine flavor – ‘How about them Cubs?’” Another male CEO with three women on his board had participated in board meetings as a senior officer for many years before he became CEO. There had been only one woman on the board. He recounted how that solo woman had to fight to be taken seriously.

Shareholders had been asking, “When are you going to have a woman?” So they put a woman on just to say they had a woman. She had to break down brick walls to be heard. She had to work hard to get into the conversation, almost like not being there. Management was not interested in her competency. It was an old-boy’s club, and no one on the board wanted a female.

Even a female CEO faces challenges when serving on an outside board where she is the only woman. A female CEO reported, “I spend time making sure I am heard. I may have to say things two or three times.”

Stereotyping and Representing All Women
Lone women reported being seen as women first, contributors second. When women were listened to or their opinions were sought, often they were consulted for what are stereotypically female issues. The most extreme example of this was experienced by a woman on a search committee for a new CEO. The new CEO “seemed to assume I was on because of being a woman. The only time he called and asked me for advice was for his wife on information about curtains. That was inappropriate.”

More typically women sensed they were listened to when they talked about matters that were presumed to be in their realm of knowledge and discounted when they talked of things that were presumed to be beyond them. One male CEO described the reactions of his board members to the lone woman director, an academic, whom he described as an expert on “treatment of people and of women and minorities.” When she spoke about business issues he reported sensing male board members wondering, “What does she know? She has not been in our business.” Although he said that versions of this happened to everyone on the board when they talked of things outside their realm of expertise, we wondered whether the only woman on the board was more likely to be doubted.

Women reported being expected to bring up issues involving women. A focus-group participant told of the first woman on a board publicly bequeathing that responsibility to her when she was replacing that woman. But that expectation was also a potential trap, according to others who worried about being tagged as single-issue people. As one male CEO said, “When you have more than one female or minority, it is much easier for them
to speak out and also speak on diversity issues. It is difficult to be the only woman or ethnic minority and raise some kinds of issues.”

Some women felt they were seen as representing all women and that sometimes they were indistinguishable from any other woman in the eyes of their male colleagues. A focus group participant said that, if there were not another woman on her board, “I would feel I have to represent all women.” And a female corporate secretary said, “It’s always hard if you are the only one who looks like you in the room. You get viewed as representing the whole group.”

Lone women also reported on having to overcome assumptions about how they landed on boards – the assumptions being that they were there only to be tokens. “They look at you skeptically as to how you got there. First you’d better show men why you’re there – women don’t get the benefit of the doubt. Board meetings are pretty brutal.” Another said, “If you’re the only woman, you can be dismissed with, ‘That person is here just so we can say there’s a woman on the board, not that this person is a potential contributor.’” One woman heard chairmen or CEOs say sometimes, “We already have one woman,” a statement that made her “shudder.”

In conclusion, while we received many comments about what a lone woman was able to accomplish, we also found strong evidence that one woman on a board of directors is not enough. These comments, from CEOs comparing and contrasting boards with sole women and with multiple women, reinforce this view. One male CEO who had spoken of gaining “more transparency with diversity,” said, “You could not achieve this with one woman. If you want a diverse set of views, you are not as likely to get it if a person is alone unless that person is a very strong person, so it is likely that different views won’t be that well represented.” Another CEO with multiple women on his board serves on another board with just one woman; he said, “It does feel a little odd.” Another said flatly, “I’m also on a board with one woman, and that doesn’t matter, there’s no impact if there’s only one. You have to have enough so that there’s reinforcement.”

**Two Women**

Many women we interviewed saw a clear difference between being a lone woman on a board and being one of two women. When a second woman arrives on a board, the dynamics seem to change. First, the stereotyping dynamic becomes somewhat less prevalent. Having two women in the room with different styles and areas of expertise helps dispel the notion that either of them is raising the “woman’s point of view.” Second, women tend to include each other so that they feel less isolated. The women validate each other, providing each other with a sounding board as well as someone who can more easily understand their views. This validation helps boards hear the points that women raise. However the simple presence of two women does not always cause significant change, for a number of reasons. The women often believe they should be...
Two Women Generate Feelings of Inclusion and Comfort
The burdens directors felt as solo women could be gleaned from their comments about how the addition of a second woman made a positive difference.

When the second woman came, I loved having her there. There is a difference when another woman is in the room. It is helpful. You generally share perspectives and it is easier to have two who feel the same way. We supported each other, but it was also a mental check.

We added one woman who was capable, incredibly knowledgeable. It was nice having another woman in the room. I didn’t feel quite like I was representing my gender every time I spoke up.

Whether they were the first when a second woman appeared, the second to join, or one of two who joined at the same time, most participants with two women on a board were happy and felt less isolated because of having another woman in the room. As one interviewee pointed out, “It is better to not be the only woman. It is good to have at least another. You become closer.” Another said,

With two women, there is more comfort. You feel a commonality beyond business experience – I have someone I can bounce things off of. Of course, it depends on the kind of woman, but if you are not extremes of personality, it is natural support.

Speaking about how men interact with female directors, another interviewee said:

It feels like they don’t quite know what to do sometimes. The four new guys tend to bond at the meetings. All six of us new directors, two of whom are women, tend to hang together. But the guys with the guys, it’s easier. The guys share more interests and find it easier to build rapport. They’ll ask each other, “Where’s your wife this weekend?” but they are uncomfortable asking about husbands. That took a long time.

These comments show that the presence of a second woman can provide a partner to socialize with during downtimes or social events, making such situations more comfortable.

The support that comes from getting to know people outside the boardroom and being able to have casual conversations, which sometimes include board business, is something that men may well take for granted. The golf course has served men for years in this way and, even at board retreats, women have reported having to find other things to do while the men golfed. One woman reported using the time to get to know management women and other women directors. According to another woman, “A certain old-boy network
survives. The current chairman and two others live in the same city and play golf together. Some conversations you can’t participate in. The guys get together, and it is inevitable that things come up and are discussed.”

---

### Golf

The support that comes from getting to know people outside the boardroom and being able to have casual conversations that sometimes include board business is something that men may well take for granted. The golf course has served men for years in this way and continues to do so, thereby ending up excluding women both from the camaraderie and informal board discussions. This phenomenon was highlighted in a New York Times article, “A Path to a Seat on the Board? Try the Fairway” (3/11/06), in which the head of an investment bank was quoted as saying: “A CEO wants a guy with shared experience and values, a guy, say, who gives him putts within three feet.”

“Men – CEOs – are still putting on those they know and are comfortable with. If the board will let them get away with packing it with their friends, they will. Women are perceived as more outsiders. They are not the typical CEO playing golf on a weekend and socializing together outside the office.” (Male CEO.)

“Initially it felt like I was playing catch up. The other directors seemed to understand and I didn’t. A lot of what happened seemed to have been worked out in committees I didn’t sit on or on golf courses. It was an old boy network until I asked, ‘How did that get decided?’ Then they began to ask what I thought.” (Woman director.)

“A certain old boy network survives. The current Chairman and two others live in the same city and play golf together. Some conversations you can’t participate in. The guys get together and it is inevitable that things come up and are discussed.” (Woman director.)

“The guys know each other on a different level – have been playing golf together, etc.” (Woman director.)

“If you’re playing golf with someone every other weekend, that’s a different dynamic. Conversations about who will be the next director. Men advocate for other men. ‘I play golf with so and so, and he’d be a great board member.’” (Woman director.)

Several women in one focus group mentioned their conscious efforts to create social relationships with male board members by getting to know their wives, hosting dinner parties for board members and their spouses, and getting to know and be known “at a deeper level.” One woman who found this helpful said, “The guys know each other on a different level – have been playing golf together, etc.,” and mused that her approach to
cultivating relationships with spouses “should be part of the ‘commando’ training for women on boards.”

Two Women Provide Validation, Reinforcement and Strategic Partners for Each Other

Beyond establishing a comfortable social rapport, the presence of another woman helps with actual board business. A second woman in the room can be helpful when a woman feels ignored. As one woman explained:

Knowing somebody else understands what’s going on and having someone to talk to about it makes a difference. The other woman picks up what’s going on, and one man does also. One of them will say something to me after the meeting. It makes me feel better about what’s going on if somebody else recognizes it.

A second woman can also provide a sounding board for ideas and a partner with whom to strategize about bringing issues to the board most effectively. One female director said:

The other woman and I strategize off-line — in the ladies’ room. Having her has been calming. We validate each other’s perceptions. The board and the company had been going through the male Stepford Wives routine, not seeing anything wrong. They were all there when the company went afoul of regulators.

Another woman said, “When the second woman came on, it made a difference in being able to check the temperature. We travel to meetings on the company plane together, and it is good to have an opportunity to ask these questions.” According to a different woman, “Having another woman helps. Women are more collegial. Sometimes a woman will help another woman – reach out to her if she is trying to accomplish something on the board. You have to ask the men to help, but the women volunteer.” Hence women’s informal discussions can enhance the likelihood that their issues are presented effectively, so that the rest of the board responds to their concerns. As the following quotation shows, two women can strategize to assure that difficult issues are addressed:

The board became increasingly pro-active and independent of management, but the old-style audit chair never quite got it and was still passive. They set up a new finance committee that I chaired. I agreed to do it and to leave the audit committee, and the other woman went on that committee to assure it was not too passive. We talked behind the scenes.

In addition to supporting each other informally, two women also often validate each other during board discussions. One interviewee said she could tell that the other female director understood what she was saying when her male colleagues had no idea. “More is automatically understood because other women have had similar experiences.” Women can also reinforce a point that might otherwise not be heard.

When it’s more than one woman saying similar things guys listen more. You feel the confidence and value, to have guys see it as a normal thing to listen to these women as opposed to listening to the odd duck.
— Woman director
“When it’s more than one woman saying similar things, guys listen more. You feel the confidence and value, to have guys see it as a normal thing to listen to these women as opposed to listening to the odd duck.”

Women do not agree on every issue, but even so, two women can help each other by influencing the discussion in the boardroom. Women directors say:

I think it helped having a woman there who had been on for a long time and was quite vocal. If she felt that people were not listening to me or there was something unfair going on, she would speak up, not necessarily directly, but would pursue the same train of thought and make sure my point got heard.

Sometimes the other woman will try to draw attention to what I said, or I will do that for her. It is harder to ignore a point that two people make.

A female corporate secretary on a board with two women mentioned the same dynamic, “When there is more than one woman, one makes a point and the other chimes in.” By helping each other be heard, two women increase the likelihood that the board more fully processes points raised by either woman.

With at least two women in the room, each woman also feels freer to bring up issues and concerns. “When you’re the first one in the room, you’re much more circumspect,” said one woman. But a second woman who is likely to at least understand, if not agree with, one’s views enhances the comfort level, which helps many women be more vocal in board meetings. That includes being vocal about issues involving the treatment of women, as the following instance, reported in a focus group, indicates.

One of our Southern directors asked about a female candidate – no one had asked this about any other candidate – “but doesn’t she have a family?” The other woman director and I looked at each other, and she gave me her look like, “You do it.” I did it. I erupted, not a controlled thing. We had fireworks. He thought it was a legitimate question. Other people jumped in and said it was not legitimate. The other woman made him feel better by joking. That evening, we ganged up against him in front of his wife – “Do you know what you husband said?” He took it in great good humor. If the other woman director hadn’t known how to make it better, it would have damaged my relationship with this man. We still joke about it together.
Most Women Directors Have Good Relationships with Each Other

When discussing women in management, people sometimes ask whether women get along with each other or whether women are “catty” and make life difficult for other women. A clear theme resonating throughout our interviews was that women on boards developed good relationships with each other. Even though they did not always agree, most women talked about the pleasure of working with other women, the strong relationships they built, and the help and mutual support they provided for each other. They spoke admiringly of other women directors.

“When there’s a crisis or issue and board members want to speak among themselves, the women were the people I called first because I felt the most comfortable talking with them.”

“We women directors are a very collegial group. We make sure we connect at board meetings and see each other in contexts outside the boardroom.”

“The other woman on the same board is delightful, a wonderful personality, extraordinarily skilled, smart, a wonderful board member.”

“The other woman was very illustrious, fabulous. I learned a lot from her. She asked the toughest questions. She took me under her wing early on.”

“Sometimes a woman will help another woman – reach out to her if she is trying to accomplish something on the board. You have to ask the men to help, but the women volunteer.”

“The other woman is my one friend on the board.”

Two Women Reduce Stereotyping and Begin to Normalize the Situation

A number of women we interviewed said that they experienced less stereotyping on boards with two women than on those with one:

It is palpably different when there is more than one woman. It is hard for men to generalize if the two women are different.

Having another woman minimizes the chances they will say, “Well, that’s just a woman’s view,” because we sometimes disagree, and the men see there is not unanimity. It desensitizes them to noticing we are women because there are two women.
It was easier for the second woman that I was the first. The men learn that women will be deliberating just like the men.

For women, having at least two women in the room helps normalize the situation. Said one, “Men listen to one another. They listen to women differently, with more skepticism. An additional woman is invaluable. You feel that it makes having women on the board seem semi-normal.” Men on the board also can notice the normalizing effect of having more than one woman. Said a male CEO, “I am on one board with just one woman, and it does feel a little odd having only one. It feels more natural to have two or three.”

**Two Women Have a Larger Impact on the Board**

A focus group participant noted that the behavior demonstrated by two women affects the discussion dynamic among everyone in the boardroom. For example, women can serve as role models for the rest of the board:

> When we went from being a one-woman board to a two-woman board, a definite shift happened. It was tangible to feel the difference around things like listening. The other woman is a strong contributor, and we agree on lots of things, so we tag-team a lot. We assist each other when the other’s point is not being heard. The whole culture became much more warm and we talked about a much broader set of topics. Family, for example. The men felt a lot more comfortable talking about their home lives as well as their corporate lives. We got to know each other at a deeper level.

Another focus group participant concurred, “The new woman director was a CEO, a woman. On a small board of eight, that shifted the whole dynamics. The listening issues, the leadership issues, changed enormously.”

A third focus group participant shared an example of the positive impact on governance because of a change in boardroom dynamics and the fact that the women’s views were heard:

> It felt like a second woman coming on was a tipping point and everything opened up. Group dynamics became much more collaborative, and everyone started listening much better instead of this one-upmanship. The board is now actively involved in helping management think through its strategic options. We were going through an industry downturn. Management came for a two-day strategy-planning retreat, and the board said, “No, you don’t understand the world around you. Let’s think about what our experiences have been.” We completely restructured the strategy, management and board together. As a result, the company went through a 30 percent downturn in its industry with rising profits, flat revenues, and increasing market share because the competitors didn’t see it coming. That success was due to the board’s new ability to listen to the bigger view.
This woman believed that two women changed the dynamic of the boardroom to create an environment that was more open to a variety of views, with the result that better decisions were made.

**CEOs Report Similar Changes**

CEOs we interviewed validated the women’s views on the benefits of having a second woman on the board. A female CEO with four women on her board and lots of board experience herself said that as the only woman on a different board she was well-respected, but she spent time making sure she was heard. “This happens less when there are more women in the room. I noticed a difference even in the short time since the second women has been there.”

Two male CEOs referred to critical mass and tokenism in talking about the benefits of having two women. One with two women on his board used the term “critical mass” to apply to a situation with more than one woman—so that “people can find some support.” He said he learned the critical-mass concept from a woman with whom he served on a board, and he sees that more than one woman makes a difference. Another CEO said that, when a second woman joined his board, “It helped reinforce the importance of women on the board. It made them feel less like a token on the board and more that there is an effort to really make the company more gender-friendly.”

**Two Women Reduce but Do Not Necessarily Eliminate the Effects of Tokenism**

Although having two women on a board is clearly better than having only one, two women were not always enough to eliminate the evidences of a tokenism that affected both men and women. A few women reported that on some boards men have behaved in ways that indicated they thought of two women as interchangeable rather than seeing them as separate people: “I raised a question at a board meeting that caused the board to take some important action. Later on, the board chair thanked the other woman for raising the question. No one said anything to correct him.” The woman who reported this example had a similar experience at another time on the same board. Male board members also continued to be surprised at how good the women were, an indication that they may have seen them as tokens and did not have high expectations for their performance. An interviewee had this experience: “Going back in the van after the first meeting, the other woman and I were in the back seat having a good discussion about a lot of things. A man said, ‘Wow! You guys made a real contribution!’” We heard similar stories in a focus group.

On boards with two women, some female directors reported negative experiences with being categorized, stereotyped, ignored, and excluded that are similar to those faced by women on boards where they serve alone:

In an executive session, an independent legal advisor who was observing the board meeting said, “The CEO did not answer Carol’s question,” and the other directors said, “Yes, he did not answer.” I had wanted a number and kept saying it really would help me to have it: What would it cost if we did not do this? My
question was characterized as “complicated” by the CEO. It was related to the effect on the bottom line of some decision. The independent chairman then said, “We have discussed this, and all of us are really interested in getting an answer.” The question came back because of the advisor’s sensitivity to the fact that every time the two women asked questions, there was a bit of annoyance by the CEO. There is a difference between the CEO responding to a question as though you are raising a problem – being defensive – and saying, “Let me think about it.”

I feel like I’ve been included, but I don’t feel like I’ve necessarily been heard. They don’t get together just the guys and not include the women, but sometimes it’s hard to feel you’ve been heard. We have dinners for non-management directors twice a year. We were having a conversation at one of these dinners where we were discussing input for the CEO and several things I said were not listened to, and then they were brought up again by a man and were listened to. I’m sure it’s a sexist thing, because it happens to the other woman also.

The other woman director and I, we came on at the same time, feel that some things are discussed outside of the meetings. We are not quite part of the inner circle.

I am a businesswoman, and the other woman is an academic, and they do not know what to do with us. They do not know how to make conversation.

When we were looking to add another person to the board and had passed around a resume with a picture of a woman, one man said, “We should set her aside because we already have two women on the board.” When a man’s resume came around, I pulled it out and said, “We’d better set him aside, too. We already have two bald men on the board.”

Several women noted that their concerns about being stereotyped affected their behavior, notably attempting to avoid being viewed as colluding with the other woman:

At the first few meetings I would sit down and the other woman would come and sit beside me. I felt that created a dynamic that I did not want to create. So we try not to sit together because we don’t want to look like the “women’s contingent.”

The other woman director said, “We better not stand here too long or they’ll think we’re plotting a coup.”

If there are only two women and they sit next to each other, the men think the women are conspiring.
The other woman wasn’t openly supportive of me in the meetings. She was supportive afterward. We were both careful not to make it the two of us together versus everyone.

One interviewee with experience on many boards said, “The stage with two women is the conspiracy phase: if the women sit next to each other, if they go to the ladies’ room together, the guys wonder what the women are up to.” Another interviewee quipped, “When two women on a board agree, the guys joke, ‘They’re ganging up on us.’ I joke back, ‘You can’t win.’”

One woman explained her effort to walk the fine line between getting too close to another woman and keeping too much distance:

It is not a girl’s club nor is it a queen-bee thing. There is conversation in the ladies’ room, but I have not gone out of my way to establish close relationships. You must retain your independence, objectivity, and distance from the others. I may have a more extreme view than some of the men, but I do not want to be accused of being part of a voting bloc.

So women consciously have to choose how much to associate with each other – at least in public. And even with the presence of two women, they face the kinds of choices Kathleen Hall Jamieson describes in her book *Beyond the Double Bind: Women and Leadership*. For example, women are frequently presented with no-win choices: Be relatively quiet and indirect and be seen as ineffective or be outspoken and direct and criticized for being too aggressive. In this vein we heard repeatedly that women had to be strong and outspoken to be heard and that some women were too quiet or hung back too much. But we also heard that a second woman on one board was viewed as too “confrontational,” and that, on another board with two women, “A woman search person had written about a woman board candidate describing her as extremely aggressive. The men saw that as a negative. The candidate was a prominent woman.”

Also, with two women, as one woman director pointed out, the women may differ in temperament and qualifications and be uncomfortable with each other. One woman told us that, “The second woman to come on the board had always been prominent, which was hard for her in terms of sharing the spotlight.” She identified this as “a queen-bee problem.”

Finally one male CEO who had spoken positively about the advantages of having two women on his board offered this cautionary note, suggesting that even two women can be isolated: “If you have a board that works well together, the woman feels more a part of that team. On a board that has too much infighting, the woman doesn’t quite know where she fits. If there’s only one or two of them on the board, then it’s easier for them to feel like, ‘What camp do I join here?’”

In summary, the presence of two women on a board clearly helps most women. They prefer the shared experience to being the only woman. Two women also help each other
contribute to and be heard by the board by providing a partner with whom to strategize, a sounding board on which to test ideas and perceptions, validation and a sense of reinforcement that comes from knowing that someone else understands what one is saying. The presence of two women helps assure that the board hears and engages more fully with each woman’s points. In addition, it tends to normalize women’s presence on the board and reduce the extent to which women are stereotyped. Two women can have a larger impact on board decisions and dynamics than a lone woman can have. But two women still often experience tokenism, and that makes it more difficult for their voices to be heard and for them to have the impact on board governance that they might otherwise have.
The Ladies’-Room Phenomenon

One perceptive CEO with three women on his board also serves on a board with just one woman. He said, “The woman may feel a little lonely, being the only one lining up at the ladies’ room.” He was the only man to mention something many women directors brought up in interviews and focus groups and that we began to call the ladies’-room phenomenon. Its significance goes beyond whether or not a woman is lonely. When the board takes a break and the men go to the men’s room, a single woman has no one with whom to continue the conversation or check on her impressions. Once there are two women, that changes. Women said:

Having another woman gives you someone to talk to in the ladies’ room, which is important. The conversation continues in the bathrooms at breaks.

You break and go to the ladies’ room. It helps. The ladies’ room is a big deal. You have something you did not discuss and it is a chance to get a quick read on whether the others agree. You can come back and can raise the issue if they agreed.

The other woman and I strategize off line – in the ladies’ room.

We can have sessions in the ladies’ room. If we know the agenda, we can talk ahead of time.

Although at least one woman expressed strong reservations about having any discussion of board issues outside the boardroom and claimed to avoid this during bathroom breaks, it was apparent to numerous women that men had no such reservations. One lone woman director returned from a break in the midst of a discussion to find that the men were moving on to another topic. When she asked what had happened to the original issue, the men had to acknowledge that they had resolved it in the men’s room without even thinking about her absence.

Another woman director said that she and another woman director make sure to go to the ladies’ room simultaneously so that the men will not start the meeting before they return. However a third woman director, describing the situation of two women on a board as “the conspiracy phase,” said that, “If they go to the ladies’ room together, the guys wonder what the women are up to.”
Three or More Women

Three or more women in the boardroom seem to result in a definite shift. A few respondents used the terms “tipping point” and “critical mass” to characterize boards with two women. But they may be similar to the CEO who acknowledged he does not have “enough experience with three women on a board to know if it makes a difference,” while speculating that it would. Most of those with experience of boards with three or more women spoke strongly and unequivocally about the value of moving beyond two.

Having multiple women on a board benefits the women by influencing the way they feel about being there and about the relationships and dynamics among them. The benefits to the women end up being benefits to the board – by enhancing women’s ability to contribute, to be heard and to have an impact on both the issues the board considers and the dynamics in the boardroom. The ultimate result is a positive impact on corporate governance.

Three or More Women Become a “Normal” Part of the Boardroom

After a career being the first or only woman in the room, joining a board as the third or fourth woman can be an unusual experience: “It feels odd because you are so used to being the only,” said a woman in a focus group. In settings with multiple women, the presence of women becomes normalized, not just “semi-normal” – the term used by one woman in describing two women on a board. It seems to remove gender from being a concern. One focus-group participant was the third woman on her first board and “never thought about being a woman.” A woman who serves on two boards with four women and a number of smaller boards as the lone woman said having more women is not only more enjoyable, it is more “natural.” One woman characterized the progression from one to two to three this way: “One woman is the invisibility phase; two women is the conspiracy phase; three women is mainstream.”

Three or More Women Become More Comfortable Being Themselves in the Boardroom and Associating with One Another

Women on boards with two women had spoken of being more comfortable with two than when alone; those who had the opportunity to work with three or more women seemed to become much more comfortable and to worry much less about the reactions of the men. “There was comfort in getting to know the other women,” said one, particularly if she “needed someone to call.” The same woman said, “When there are more women, you don’t have to get the guys comfortable.” The woman who spoke of the boards with four women as more “natural” connected that with feeling she could be herself and the other women could be themselves. Another woman captured the important themes of women not having to work so hard to prove themselves and being comfortable enough to be themselves:
Three is like three legs on a stool. Strong. It is clear you are not there because of gender but because of talents. You feel that way. You feel free to say, “Let’s go shopping.” It is OK to be a female person because you know you are there because of your talents.

As that comment suggests, with three, many women feel less constrained about associating with other women and don’t think they have to keep their distance from each other as some did when there were just two women. According to another woman:

> Three is a kind of a charm. When the third woman came, it was easier. The dynamic among the women became slightly more interactive. It isn’t based on the fact that the first woman is not a friend. In fact she is someone I didn’t know at all. She’s become a friend, but before all that happened, it changed the dynamic between us as women. If the three of us got into a conversation, there was no awkward feeling.

---

*With Three or More, Women Feel Better Supported*

Having three or more women on a board clearly creates a more supportive atmosphere, according to many women directors. We had heard similar comments from women on boards with two women but we heard them more frequently from those with three or more on the board. As described earlier, some of that support comes in board meetings, but some occurs in informal settings where women can both socialize and compare notes on board issues. A number of women mentioned the importance of traveling to board meetings together with other women on the corporate jet. Women on boards with three women also spoke of getting together with the other women when they were in each other’s cities, visiting each other’s homes, and being able to chat with each other. With three women, the ladies’ room continues to be a place to connect and strategize about how to get something done “if we were in the ladies room and we came to the conclusion we wanted something to move in a certain direction,” as one woman explained. “We aligned with different people, so we divided them up and made the phone calls. With three, now you are a power base.”

Although CEOs and corporate secretaries are not in a position to know as much as the women themselves about the relationships among them or about how the women feel about those relationships, some of them noticed women supporting each other. One CEO spoke of a “kinship” among the three women on his board. “Sometimes there will be a supportive statement by one when another has spoken.” A corporate secretary said that the four women on her board have looked to each other for support and “make a point of greeting each other before meetings. After meetings they go over to one another and say, ‘I’m glad you brought that up.’ They are personally affirming.” She noted that this has happened more frequently since there have been more women on the board.
A CEO noticed that the two women who were on his board were pleased to see a third and fourth woman come on. He remarked, “It is natural to be glad for there to be more people like me.” He also noted that the fourth “must have been more comfortable that three were already there.” Most importantly, he connected that increase in numbers with their ability to contribute: “There is a likelihood that they would be unrestrained and even more engaged and vocal when the number is greater.”

*Three or More Women No Longer Have to Represent All Women*

With three women on a board, no one woman has to worry about representing the entire gender. “The three women don’t always agree with each other, and that is healthy for the men to see. They are independent,” said a male CEO with three women on his board. Although most of the women – even when they were the only one or one of two women on a board – paid attention to the status of women employees by interacting with female executives, raising questions about candidate slates during succession discussions, or requesting diversity reports, many women directors were conscious of not wanting to be tagged as single-issue people and were careful to limit comments on diversity issues. With three or more:

You decide how much you will push diversity as a board member. You can’t make it your only issue, or you get marginalized. Spread it out among the women; each of us takes a different piece of the diversity issue. On some boards, we divide it up.

As a female director said, “Three women in the room get the board to focus on these issues quickly.” And frequently with several women on the board, because diversity is staring them in the face, men speak up first. As a focus group participant said, “You are not the person they look to for issues of diversity. Because there are more women, the men raise it. It becomes a group responsibility.”

*Three or More Women Produce Changes and Benefits for the Board*

It is the women’s increased willingness to be vocal and to raise different issues that benefits the board. A CEO observed changes as the number of women on his board went from none to one to four:

As there were more women, the first woman became more active. They were all more active as the number of women increased. It’s a group dynamic. When you bring on one of any demographic group, they’re trying to figure out how they fit. With more, that’s not an issue. They were more vocal, more willing to push their issues when more women were added to the board. More relaxed.

The same CEO believes the gender composition of the board “makes a tremendous difference.” He explained, “If it’s 50/50, you talk about all kinds of things, and it’s not just an old-boys’ network.” What is talked about is different not only in informal conversations, but, importantly, also in boardroom discussions. With three women or more, according to one woman director, “It feels more comfortable to raise certain subjects that are considered by men to be ‘softer.’”
With more women in the room, the likelihood also increases that what women say is heard. According to a woman director in a focus group, women literally speak in a “different voice.” As she said:

> We look different. We sound different. There have been studies of voice tone; much higher, you are a different voice. This is where critical mass may make a difference, because if there are five or six voices in this high register, it becomes more familiar.

Another focus group participant told of a board she served on that had four women, “two insiders, two outsiders. All respected. I was listened to more as an individual automatically. With more women present, the gender issue gets more diffused.” Another woman described a board with two outside and two inside women dividing into two camps, “often between independent board members and management – a control issue.” She said that it had “nothing to do with gender.” So gender had become a non-issue. She also said that on that board “there was a night and day difference” from her other boards with one and two women and that “the men are very collegial” on the board with four women.

The voices of three or more women are heard in another important way. Much of the work of any board happens in committees, and committee chairs are often the most powerful people on the board and those most consulted by the CEO. As numerous interviewees pointed out, with more women on a board, more women chair committees, giving women more influence.

> On my board with four women, the invisibility issue never happened. I became effective quickly. I happen to be the lead director of that board. If you look at that board, the head of the governance committee is a woman, the head of the compensation committee is a woman, the CEO is a woman, and the head of the audit committee is a guy. There is no problem with women in leadership on that board.

The presence of more women at the table also begins to change the way the men communicate and behave. Women’s tendencies to collaborate and to ask difficult questions and raise issues start to become the boardroom norm. “The men are learning to be more inclusive, asking whether anyone else has any comments, and so on,” said a female corporate secretary on a board that went from two, to three, and now four women directors. One of the women directors said:

> I’ve been on two boards with four women. The dynamic changes because you’re, in most cases, a third or more of the board. In some board settings with fewer women, trying to get a word in edgewise, you have to work at it because everyone is trying to position themselves. It is hard to have a discussion as opposed to debating different points of view; it becomes a competition rather than a discussion. When the board has more women, the competition to get your voice heard is over, because it’s like all of us sitting around. It’s a supportive dynamic: more consensus, less combative, more collaborative. A dynamic shift occurs. You
can see the guys decompress from their normal very-aggressive style. They become working members like everyone else.

A few of our respondents mused about whether critical mass is a percentage or a number. After saying that three women on a board “starts to look like a normal setting,” one woman thought the percentage might matter more than the absolute number. On most boards today, three women constitute a significant percentage because a typical board has between nine and 12 directors, and board size has been going down. But overall, the pattern of results suggests that it is having three or more women on a board rather than a certain percentage that makes the difference.

A woman director who serves on several boards and who started her interview saying she did not think numbers mattered began to question her own view as she described her experience on a board with more than four women. “On this board, from day one it was so special. Amazing! Actually that board has the most women. It is very much a team. Professionalism – everyone did their homework and everyone is supportive of each other but very challenging – a lot of dialogue and constructive criticism.” She ended up saying: “Numbers do matter. It is probably different if there are more than two.” She prefers at least three. Another woman who replaced a third woman on a board did not think it “made a difference having me come on. They already had a good, open dynamic. Maybe because there had already been three women.”

One focus-group participant described the atmosphere on a board with four women:

A bunch of us came in. There was one woman, then two women, then an Hispanic man, then a fourth woman. The dynamic changed to be much more collaborative with the management team. It felt like people were people; you weren’t treated like a woman. You get more of the expertise of the directors, compared to a board that rubber-stamps what management says. It’s a value to the shareholders.

A woman CEO mentioned a “total and positive change in board dynamics when women were added.” She noted that men on this board, which has three women outside directors, have commented: “How terrific the discussions and richness of outcomes have been, the difference the women directors are making. It is night and day compared to how board meetings used to be. There is a higher level of understanding of the business.” She now has a “powerhouse board” that helps her think through issues.

A woman corporate secretary also reported on the kind of difference three or more women make in interacting with staff:

The women are incredibly humanizing. They treat staffers better. They are less hierarchical. They are affirming of staff. They compliment them on reports – in meetings and outside. They are also critical but are much more likely to find time to be positive and personal. Thanking people publicly. That makes the board less remote and intimidating to staff. People talk differently now that there are more women. I did not notice this when there were two women. It is happening more
now. At audit committee meetings, there are now several top executives who are women. So with the women on the audit committee, there are a lot of women in the room. It is much more conversational and less hierarchical and, as a result, all the directors get better information.

Finally in reviewing all the comments about boards with three or more women, we were struck by the significance not only of what was said but also of what was not said. Although we had heard examples of exclusion, of categorizing or stereotyping on boards with two women, we did not hear such things about boards with three or more women. We heard that when boards have three women, they are more likely to have reached a critical mass or tipping point where both men and women are freed to behave differently, where gender recedes from importance, and where women’s contributions are more likely to be felt in ways that benefit boards and the companies they govern.

**What Difference do Numbers Make?**

<table>
<thead>
<tr>
<th>One woman</th>
<th>Two women</th>
<th>Three or more women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Possible impact but real risks of tokenism</td>
<td>Situation often improves but tokenism can still exist</td>
<td>Critical Mass</td>
</tr>
<tr>
<td>Hypervisibility: being in the spotlight</td>
<td>Increased feelings of inclusion and comfort</td>
<td>Normalization – gender is no longer a barrier to acceptance and communication</td>
</tr>
<tr>
<td>Invisibility: being ignored, dismissed, not taken seriously, or otherwise excluded</td>
<td>Validation, reinforcement, and having a strategy partner</td>
<td>Women more comfortable being themselves and associating with one another</td>
</tr>
<tr>
<td>Being stereotyped and also viewed as representing all women: not seen as individuals</td>
<td>Decrease in stereotyping</td>
<td>More supportive atmosphere</td>
</tr>
<tr>
<td>Needing to work very hard to be heard, included, and have an impact</td>
<td>Larger impact on the board</td>
<td>Women not seen as representing all women</td>
</tr>
<tr>
<td><strong>But:</strong></td>
<td></td>
<td>Women freer to raise issues, be more active</td>
</tr>
<tr>
<td>Women may still be stereotyped</td>
<td></td>
<td>Women more likely to be heard</td>
</tr>
<tr>
<td>Women still having to work to be heard</td>
<td></td>
<td>Noticeable impact on content and dynamics in the boardroom; increased collaboration and inclusiveness</td>
</tr>
<tr>
<td>Women keeping their distance from each other – concerned about being seen as conspirators</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
BEYOND THE NUMBERS

The interviews provided insights on topics that are not central to the research question but extend our understanding of challenges surrounding women on corporate boards. These topics include perspectives on the impact of race or ethnicity, the sensitivity of gender issues, and approaches to increasing the representation of women on corporate boards.

Women of Color

In answer to our question of whether the racial or ethnic composition of boards had anything to do with their experience on the boards or with the way the boards and their members functioned, both women directors and CEOs emphasized the value of racial diversity. They gave examples of contributions that people of color – male and female – made because of their unique perspectives. These contributions were similar to those of white women: attention to the community and to the experiences of employees of color; and ideas for new markets, which were emphasized particularly in relation to Hispanic directors. One white female director said:

Our own board has racial diversity, and I know it makes a difference. People raise issues that come from a completely different perspective. Conservative people focus on bottom-line issues, financial issues, and integrity issues that are obviously the board’s responsibility. People with different perspectives bring up customer perspectives, employee perspectives. So I support diversity on the board not just for the moral issue, but because a more diverse board is good for the company.

We also heard that board directorship has not come without its challenges to many women of color (and to men of color for that matter). Although the women of color we interviewed had been successful on their boards, the combination of differing from the majority in both gender and race sometimes seemed to present an extra barrier. One African-American woman said flatly, “There are informal groups in any board. I’m not included in those.” Another said:

Some people do have a pecking order in terms of how they listen and how they respond, treating women and people of color as less important. When I make a point in any situation, if someone is insulting, I do not respond in kind in the public forum. I speak to the individual in private and say, “I noticed I brought up that issue and you seemed to have some feelings about it.” I do it so that the person recognizes that there is an adult process for dealing with differences of opinion.

Another African-American woman, the only person of color on her boards, said that some of her fellow directors have not had experience with diverse people and, “Some of their actions were not appropriate.” She recounted one experience on a board where she
was not the only woman but was the only woman of color. “The lead director was used to things being the way they were.” She reported that the lead director

decided to assign the committees himself. He talked with the other board members about their assignments, but not with me. He just assigned me to a particular committee without asking. I told him I didn’t agree and told him I wanted to change and why, and he changed the assignment.

The same director also reported observing different standards applied to prospective white and African-American board members, though perhaps not “consciously.” She said:

In conversations about prospective board members, they had a number of candidates: an African-American woman, a white woman and a white man. For the white man and white woman, looking at their level of experience, people would say, “Oh, this would be a great board member.” Looking at the African-American woman, who had identical experience but in a different company, they’d say, “I don’t know if this would be such a good addition to the board.” I’ve seen this all my life.

Most of the comments about particular challenges facing women of color came from women of color, although some white respondents had also noticed the presence of racial dynamics. One white woman described a board where, “A woman of color was added to the board and things changed in a very subtle way. I’ve become more of the in-crowd because she’s less so.” The interviewee attributed this change to the fact that this particular woman of color “pushed issues that are perceived by others as not important for the company by the guys,” and said, “It’s not because of her color. She’s a CEO. Guys have a hard time accepting the voice of a female CEO who says, ‘Here’s the answer.’ It’s not color.” Of course in this instance, in spite of the white director’s interpretation that it is not about color, it is impossible to know what part is played by gender and what part by race. But it is interesting to note that we so often heard that women are not recruited onto boards or thought credible because they are not CEOs, yet here was a CEO who was not fully accepted by her peers on the board.

A white woman director, discussing the “subtle” differential treatment of a “minority male” board member, said that she was “not aware that women of color are perceived or treated differently than white women,” but that she has “had the discussion with another woman, and that woman said that people of color have a different issue all the time.” Our interviewee then added, “I think it is important that I am not as sensitive to that and would not necessarily have agreed.” Her comment suggests that some white women may not see the subtle differences in treatment that women of color recognize, just as some men don’t necessarily notice the differential treatment of women that women recognize.

Several white women discussed overall diversity issues. “Boards are so white,” said a woman who has never sat on a board with more than one person of color. One white
woman director serves on three boards, none with any Hispanics, which she terms “a big issue given the population in this country.”

Both women of color and white women reported sometimes relating more closely to male directors of color and finding mutual support with them, since they all are outsiders. We also heard a few examples of minority men being treated as outsiders. A woman reported on an experience with a board search for a financial expert where, “We brought in an Hispanic man, and there was resistance. I had the same sort of push-back with the minority candidate for audit chair. Those days are not gone.” A white woman told of a “minority male” who “has a lot of expertise, but the other guys don’t seek it out,” even though, she added, “he asks great questions.” An African-American woman in a focus group said:

Issues of acceptance and integrating into the culture for minority males and females are similar to those for women in general – getting your voice heard, getting credibility at the table. The minority man related more to me than to the guys, even thought he has a senior position in a large company. He would come to us, me in particular, for an interpretation of what was going on. As minorities, we use each other as interpreters before we go to our white colleagues. Same dynamic when I joined after a minority man. I would turn to him as my interpreter. We talk together on the corporate jet, like the washroom dynamics we talked about.

Another African-American woman, describing her good relationship with an African-American man on her board said that, when she has a “disconnect” with the CEO, she “checks” with the African-American man. One CEO reported observing that a minority male director supports the comments of the woman on his board.

Overall comments from both women of color and white directors have led us to conclude that in many instances, women of color can face an even more challenging board dynamic than white women.

Sensitivity of Gender Issues

Gender issues are sensitive and politically charged. Politics and society influence what people say about gender issues in general and undoubtedly affected what our interviewees said about women on boards. A few people questioned the wisdom of conducting this study at all, saying that if we found that women cause more change if there are three or more of them on the board, all-male boards might use this argument as an excuse not to add a first woman to their ranks.

Over the last several decades, feminist messages have influenced media and educational institutions. As a result of greater awareness, people are considerably less likely than in the past to make blatantly sexist statements. People tread carefully in discussions of how demographic groups might differ from each other and craft their statements cautiously so as not to be deemed prejudiced. An easy way out of this bog is to embrace a color-and
gender-blind stance that focuses on individual merit as the only legitimate factor affecting judgments of qualifications or performance.

An individualistic gender-blind rhetoric is incompatible with the idea that women and men are different or that having more women on a board makes a difference. The reluctance to portray women and men as different and ambivalence about talking about gender in the boardroom seems to have influenced the consciousness of some of our respondents. One female board member who had also been a CEO expressed the difficulty directly, saying that she used to “fight the thought that women thought and managed differently,” but that eventually she came to the conclusion that, “It is true that women have different experiences and are sensitive to nuances, and this is important to the company.”

Indeed, a few female directors and male CEOs stated explicitly their support for a gender-blind view of individual members of their boards. For example, a male CEO responded to our question about the contribution or impact the women made on his board by saying, “I actually don’t think of women versus men any differently.”

This type of statement sometimes came out when we directly asked the central questions of our study, namely, whether the gender composition of the board had any effect on women’s board experiences or the way a board functioned and what difference it made how many women were on the board. However, as can be seen in Table 1, when directly questioned, over half the women directors and CEOs said that gender composition did matter. Most of the others who did not emphatically state that gender mattered gave ambivalent or contradictory responses or had already provided examples of gender composition mattering, such as women raising different types of issues, making the board more comfortable for other women, and providing women with a sounding board.

We did not include in this table data from the focus group discussion because focus group discussions can involve a group dynamic such that directors whose views differed from the more vocal majority may have not expressed their ambivalence. At the same time that we are mindful of this methodological challenge, we need to note that no one in the two focus group meetings voiced an opinion that could be interpreted as mixed or negating the influence of gender. And there was strong vocal support for the idea that gender made a difference.

Table 1. Responses to “Does the gender composition of the board make a difference?”

<table>
<thead>
<tr>
<th></th>
<th>Yes, gender composition makes a difference</th>
<th>Mixed or conflicting answer</th>
<th>No, gender composition makes no difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women Directors</td>
<td>19</td>
<td>12</td>
<td>6</td>
</tr>
<tr>
<td>Interviewed Individually</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CEOs Interviewed</td>
<td>8</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Individually</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Percentage</td>
<td>55%</td>
<td>31%</td>
<td>14%</td>
</tr>
</tbody>
</table>
The following comments capture the mixed or conflicting answers to the question of whether gender composition makes a difference to the board:

Hard to say. Gender composition is less important than the mindset of the people. I never heard anyone more eloquent on diversity than a particular white man. But the men generally come from different places. It depends on your background. The woman on one of my boards today has a lot of business background and tracks with business people. But the questions she asks are from a different perspective. She looks at business implications related to how to talk to union reps and how to treat people.

This woman also said that “women are from Venus and men are from Mars,” that she loved it when a second woman joined the board, and that it made “a huge difference” on how many women were on the board. Another woman said she did not believe that gender composition had anything to do with her experience, contradicting her own earlier comment that having another woman helps and that women reach out to and help each other.

A number of women directors struggled with the concept of women’s presence on boards making a difference. One said:

It makes no difference to corporate governance – well, I’m not sure. As I have said, women care about or are more ready to express issues of diversity and social issues. They ask about the impact of layoffs on the community and individual employees. There are more women chairing committees when there are three on a board.

Only a few women said unequivocally that the gender composition of the board makes no difference. One of them said that she perceives the other women on boards as board members only, not as women. However she also said that, “Another female director and I make sure to go to the bathroom together so that they will not start the meeting before we return. They wouldn’t do that if both of us are out of the room.”

Eight of the 12 CEOs said unequivocally that gender composition makes a difference. Answering a direct question, only one said that it makes no difference, but she had said earlier that women have better listening skills and “find a way to make sure you can hear their comments.” A few others grappled with the question and gave conflicting or mixed answers. A male CEO said he did not see “any difference in the workings of the boards with no women or with one or two” but then said that “women have a unique talent of asking tough questions. They will raise a question the men have not thought about.”

These mixed and conflicting statements highlight the paradox between the rhetoric of gender-blindness and observations that gender does make a difference on a board.
Increasing the Representation of Women on Corporate Boards

Attitudes about gender difference or gender-blindness ultimately have an impact on approaches to increasing the representation of women on corporate boards. Almost everyone we interviewed spoke eloquently of the importance of diversity and the need to broaden the views on corporate boards. Their comments on the requirement to diversify boards showed that most had considered this challenge, but their differing perspectives indicate the sensitivity, or touchiness, of the issue. For some it involves questions of the legitimacy of recruiting for diversity and whether diversity requires compromising desirable standards. For others it signals a welcome break from traditional board recruiting practices.

A male CEO pointed out that, among the officers of his company, his female and minority officers are on major boards, whereas, “White males would not be asked. People notice this. No one thinks decisions to put women and minorities on boards are driven by raw merit.” Although not many of our respondents expressed this sentiment explicitly, the fact remains that few Fortune 1000 CEOs are women or ethnic minorities; therefore diversifying the board requires reaching into lower levels of corporate management ranks or leaving the Fortune 1000 to find CEOs. A woman director with over 30 years of experience on boards explained the situation in this way:

> You bring on bright women and African-Americans who are experts in their fields, and you make a bet that they will learn. They’ll have expertise in non-profits, people management issues, human resources, organizational change issues, marketing, etc. *These people wouldn’t be asked without pressure to have demographic diversity.* Most of them find ways of making valuable contributions, but they are not the go-to people, and *white men with these backgrounds would not be invited onto these boards.*

These comments raise questions about whether different backgrounds and qualifications are necessarily lesser qualifications and produce board members of “lesser merit,” whether the CEO requirement is synonymous with a requirement of merit, and whether pure merit is always the recruiting standard for white males.

**The CEO “Requirement/Qualification”**

Boards of Fortune 1000 firms traditionally prefer to fill vacancies with CEOs of other Fortune 1000 firms. One male CEO explained why at least some board members need to be CEOs:

> The reason people would like to have a CEO is because you just about have to be in the seat to understand the pressures, the issues, the dynamics of what it takes to run a bigger organization. If you have a more limited seat, it’s not that you can’t be good, but you can’t totally relate to what the person is going through.
Interestingly however, this same CEO went on to say, “The one woman I’ve got on my board has the experience level from her family-owned business and the other board she’s on. You can get the experience from being on other boards, also.”

Some participants, on the other hand, articulated good reasons why not all board members should be CEOs. A number argued that CEOs tend to hold narrow views, focusing on short-term financial outcomes to the exclusion of issues that might enhance corporate performance in the long term. One woman director said: “Trying to get more CEOs is detrimental. There is a need for a broader understanding of the world.” Another claimed that CEOs “come at organizational issues from a very ivory-tower perspective.”

A male CEO explained the value of broadening the board beyond “the typical collection of CEOs”:

> We try to get different people from different sectors on the board to represent different constituencies including education, high net worth, business CEO, global experience, marketing, different things. You don’t have the good-old-boy network – cigars and brandy, language. I think things have progressed a lot further than people realize. It leads to better board dynamics. It leads to more responsible decision-making because you’re getting all the right kind of views on the issues, whether business or human resources, all sorts of things that need it.

Other CEOs and corporate secretaries weighed in on the value of reaching beyond CEOs for board candidates. Some saw CEOs as sometimes more willing to smooth over tough issues in lieu of processing them fully. One corporate secretary noted that CEOs tend to behave in an “I-can-fix-it” role, whereas women pay attention to doing the right thing. They are not so into using relationships to get things done as the male CEO board members. They are more likely to go by the book. In the post Sarbanes-Oxley world, this is a good thing for corporate boards.

Another corporate secretary said, “The women have tended to be less dismissive of shareholder activists. They want to know: Is there something we should be looking at? The more traditional CEO types have been more dismissive. The women’s approach has served the company well.” A male CEO was quite blunt about the need to limit the number of CEOs on corporate boards:

> What you want to avoid is one hand washing the other; the CEO deciding how much to pay the board members and how nice a hotel they’ll stay in, and the
board reciprocating in terms of the CEO’s salary. “I’m on your board; I’ll let you be on my board.”

The focus on CEO experience in the recruitment of women and minority board members obscures the reality that not all white men on corporate boards are *Fortune* 1000 CEOs either. A male CEO explained:

> In a perfect world, a CEO is going to generally be a director who can deal with the issues you have to deal with and can understand your issues better than someone who is not a CEO. But it doesn’t have to be that way. *It’s not that way for men, even.*

**Perceptions that a Double Standard Operates in Recruitment and Evaluation of Board Members**

The male directors who are not CEOs, however, are not likely to be as closely scrutinized as the women and minorities whose qualifications are called into question. Recruiting processes that seem to favor men add to the sense that there may be more concern about qualifications and notions of merit when considering women than when considering men. We heard from interviewees that, in spite of the increasing reliance on nominating committees and search firms in searches for the expertise the board needs, relationships – largely among men – still play a significant role in many board nominations.

One woman director on prominent *Fortune* 500 boards said:

> You do see on some boards a natural affinity – some from playing sports or male networking. You see it when you are reviewing potential directors, linkages that are not logical. People will speak up for others. There seems to be a closer affinity among the men.

Another woman explained that, “Men advocate for other men. ‘I play golf with so and so, and he’d be a great board member.’”

A male CEO reported that male CEOs are “still putting on boards those they know and are comfortable with. If the board will let them get away with packing it with their friends, they will. Women are perceived as more outsiders, not the typical CEO playing golf on a weekend and socializing together outside the office. Sometimes the CEO will use a search firm and say, ‘Here are the five people I want you to go after.’” In a *New York Times* article, “A Path to a Seat on the Board? Try the Fairway” (3/11/06), the head of an investment bank is quoted as saying, “A CEO wants a guy with shared experience and values, a guy, say, who gives him putts within three feet.”

A female CEO expressed her frustration about not being called on to serve on boards, in spite of the rhetoric that nominating committees favor CEOs.

www.wcwonline.org
My pet thing is that people are still saying they cannot find qualified women board members. I will tell you that we have had one of the most successful companies on the planet in the last five years. There were only about 25 or 30 women chairmen of NYSE companies out of 2,600 or 2,700. I have never gotten a cold call from any of the search firms looking for a board member.

Where women board candidates are involved, both men and women seemed concerned about merit and avoiding mistakes. Women are sensitive about the credentials of potential women candidates because, when a woman does not deliver on a board, that can hurt other women and deter boards from adding more women. This is one aspect of tokenism, where individual women are viewed as representing all women.

When men fail to measure up to expectations, however, no one claims that other men should be precluded from boards. A male CEO, a believer in recruiting for diversity, said: “Sometimes when you work the diversity issue, you get someone of unique value that you would not have gotten the old way; or you can make a flaming mistake not doing it the old way.” Perhaps what this means is that, even though many mistakes have been made “doing it the old way,” they are not as obvious as when a woman or minority is involved.

Most women who serve on boards are highly conscious of a pervasive skepticism about their credentials, even with high-level corporate experience or the knowledge, skills, and abilities needed to contribute to board discussions. The women we interviewed knew they had to build credibility with their boards:

You find a moment when you have a pow! moment, you can make a powerful point that no one else is making, and you make it articulately. You say it loudly and articulately enough to get their attention. Then you suddenly have credibility.

— Woman director

That comment was made in one of our focus groups, and other participants picked up on it quickly. Almost everyone in the room had had a pow! moment and agreed it was key to developing credibility on a board. A male CEO verified that, “For women and minorities, picking spots to make your impact is important – timing and issues. It is not as critical for white males.”

Implications for Increasing the Number of Women on Corporate Boards:
Finding Qualified Women
It is important to point out that no one suggested adding unqualified women to boards. Although most women won’t be Fortune 1000 CEOs, our respondents, both women and men, were adamant that women should not be brought on as tokens because they are women. A woman director said, “You have to base getting women on their professional
expertise and what they can bring or they will be seen as a token.” One woman was clear about this, saying, “When called by a search firm, I always ask the reasons why a board wants me. If they say they want someone to diversify the board, I turn them down.”

A number of respondents advocated that qualified women are available:

The criteria for recruiting board members need to be broadened. There are a lot of competent women out there. Women may not be CEOs but as CFOs, senior officers and the like, many women have the relevant experience. (Woman director.)

Boards have to look as broadly as possible. There are fabulous women in corporate American who could make a big contribution. You do not need to be a CEO. Women don’t get there. Why wouldn’t you get more women? Look at the talents you don’t have and go and find them. You should target people with the leadership capacities to be a CEO some day – top executives. (Woman director.)

The good news is that, although boards may have to reach deeper into senior management to obtain more women, women who have succeeded in business in America are eminently qualified to contribute to boards. In fact, to reach the executive level, in most cases the women believe they have had to outperform their male counterparts. Women with skills and knowledge in finance, regulatory issues, governance, global marketing, and running complex organizations can also be found beyond the Fortune 1000. Most of the successful women directors we interviewed – many of them on multiple boards – came from major corporations, but some were lawyers, nonprofit executives, consultants, or academics. The CEOs we interviewed spoke highly of these women.

Boards must look beyond the obvious Fortune 1000 CEO candidate pool to increase their gender diversity. New processes must be established to identify highly qualified women with the skills to serve. And it is obvious that being gender-blind is not a reality for most people in most situations in any case. (For a discussion of how true gender-blindness has been achieved in symphony orchestra auditions behind screens, see Gladwell’s Blink.) Nay-sayers may argue that boards should simply look for the most qualified members. But the nay-sayers’ insistence on “merit” overlooks the fact that their definition equates merit with the characteristics of many white male board members and overlooks the fact that diverse perspectives add value to corporate governance and should be incorporated into the definition of merit.

According to our respondents, the business case for board diversity is too clear to ignore. Given a strong business case for board diversity, the recruitment and selection process must be adjusted to generate a more diverse set of board candidates. As one woman said, nominating committees can consider skill sets and demonstrated accomplishments to identify qualified candidates who are not Fortune 1000 CEOs. She described how this process can be put into action:
We had a skills inventory – what skills do people bring to the board, and what skills does the board need? We needed a sitting CFO of a Fortune 500 company, and we interviewed a number of women and a Hispanic man, who ended up on the board. Everyone is competent and qualified and fits into the skills matrix. No one is brought on as a token.

One male CEO explained how his board added multiple women in this way. “One of the rules we developed was that when you’re recruiting, you have to have one legitimate female candidate and one legitimate minority candidate. Once we started that, people found lots of qualified candidates.”

A strong selection process helps women to succeed from the beginning because only highly qualified women are brought onto the board. As one woman explained, “The boards I’m on wouldn’t recruit anyone who needed grooming. They do very thorough research – two to three search firms are used.” Later in the interview she said, “I recruited all the women myself. None of them had an initial period of hesitance. They were all accepted from the beginning because they had high business skills.”

The current generation of women directors is a good source for identifying more women:

Just as nominating committees take recommendations from the men on the board, they should take recommendations from the women. They don’t necessarily think to do this. This is a good, rich source of new directors – they know lots of women. It is important to have women on the nominating committee. (Woman director.)

A senior board recruiter at a major search firm confirmed that, “Women chairs of nominating committees are more interested in diversity of all kinds” than are male chairs.

In summary, the focus on “traditional” notions and practices in recruiting board members does not serve the business needs of corporations. Finding qualified women requires abandoning traditional methods of identifying board members and acknowledging that achieving a truly diverse board is a legitimate goal. However, until a board has recruited a critical mass of women, enlightened male directors can play an important role in supporting the women directors and making sure they are fully included and heard.
**What Men Can Do to Support and Find Women Directors**

Be sure that a woman’s comments are heard; if the conversation goes on as though the woman has not spoken, reinforce what she has said and give her credit for it.

If you notice a woman being ignored or slighted, let her know you see what is happening and then make it clear to others that you don’t view this as acceptable board behavior.

Be aware of informal occasions (golf for example) where women directors are not present and board business is discussed.

Find time and ways to get to know the women informally to the same extent that you get to know the other men.

Don’t expect women to raise gender and diversity issues by themselves; be alert to those issues and take initiative to raise them also.

Don’t get suspicious that women are conspiring when women are seen talking or sitting together.

Put women on nominating committees.

Ask women, not only those on the nominating committee, to suggest women board candidates.

Point out to the board that having one or two women is not enough.

Insist that search firms and nominating committees provide diverse slates of board candidates.
CONCLUSIONS AND IMPLICATIONS FOR ACTION

Most people we interviewed said that having more women on corporate boards benefits board governance and a corporation’s business. In their view, women bring a new set of issues into the boardroom, including a focus on customers, employees, big-picture thinking, and company reputation that have important implications for developing and implementing an effective business strategy. Women bring to the boardroom a more collaborative process, which can facilitate sharing information and developing superior solutions. Women ask tough questions that men are less likely to ask, forcing management to articulate the logic behind their proposals more fully, and allowing for superior board decisions. As a woman in a focus group said, summing up what had been discussed for an hour and a half, “We’ve all said that it’s a much better outcome when there are diverse members. No clear way shareholders can evaluate that, but opportunities like this to talk about it validate that.”

The results of the study show that even one woman can make a positive contribution, that having two women is generally an improvement, but that corporations with three or more women on their boards tend to benefit most from women’s contributions. Three women normalizes women directors’ presence, allowing women to speak and contribute more freely and men to listen with more open minds.

Having Three Women is Not the “Answer” to All Problems
Board governance is complex, and boards have undergone many changes in recent years. No one who took part in our study claimed that board governance in the United States has improved solely because of adding women. Many participants noted great changes on boards since the passage of Sarbanes-Oxley and other efforts to reform governance. They made comments like:

- “Overlaying the whole issue of gender and diversity has been the change in governance.”
- “There is a different dynamic and more willingness of all the board to raise questions.”
- “There is more transparency since SOX, and the board is better informed.”

Although SOX has produced many changes, it is unlikely to have changed the dynamics surrounding men and women in groups. It would not have affected how the behavior of a board varies with one, two, or three women.

We are not asserting that three women automatically and magically change any board or make a difference in every situation, or that three women are sufficient in the boardroom. It is important to keep in mind that not all women make excellent board members, any more than all men do. Not all men are stars and, when there are more women on a board, not all women have to be stars, either. Less rides on the behavior and contribution of any one or two women.
Critical Mass Is Important and Numbers Do Matter

The interviews and focus groups demonstrated that those who had been on boards with more than two women had a strong sense that three was often a crucial number for significant change. Our findings corroborate the literature on social influence and tokenism and support the concept of critical mass in enabling change. We found that having three or more women on a board can create a tipping point where women are no longer seen as outsiders and are able to influence the content and process of board discussions more substantially, with positive effects on corporate governance.

With all the comments on the limitation of having only one or two women and references to the value of three, we believe that actual numbers do matter. One woman director’s comments capture this well:

If there is only one woman, and that woman is a more reticent sort, she may be less willing to speak up and in some way less effective; in addition, the rest of the board (all male) tend to view her as symbolic of all women. If you add one more woman, you start to adjust that balance. If the two women work well together, you can adjust it hugely. If there are at least three women, the likelihood is very good that at least two will work well together and can have impact beyond their numbers.

The study shows that, with three or more women, a board is much more likely to experience the positive effects and contributions to good governance that women can bring into the boardroom than with fewer women directors. Women’s contributions help boards fulfill responsibilities to multiple stakeholders and help create a boardroom dynamic in which board members work together collaboratively while encouraging tough questions to be asked.

Boards Need to be Gender-conscious

In order to achieve a critical mass, nominating committees should not try to be gender-blind when filling board vacancies or rest on their laurels when they can point to one or two women on their board. People who claim gender-blindness may appear to be driven to seek “merit,” but they often overlook the availability of highly qualified female candidates who are not plentiful in the traditional feeder pool of Fortune 1000 CEOs. Gender-blindness also means being blind to the value of board diversity in and of itself for bringing various perspectives to the table, bringing knowledge about key constituencies, and enhancing the quality of discussion. To gain these advantages and improve governance, companies must establish a recruiting approach that acknowledges the value of diversity and deliberately seeks to build diversity into the board.
Appendix A

RESEARCH METHODS

Participants in the Study
We interviewed 50 women who sit on one or more Fortune 1000 boards – 37 women individually and 13 additional women in focus groups. We conducted key informant interviews with 12 CEOs and seven corporate secretaries of Fortune 1000 companies plus two female executive-search firm professionals involved in searches for directors of corporate boards. In total, we interviewed 71 people.

The 50 women directors who participated in the study had served on a total of 175 Fortune 1000 boards, an average of 3.5 boards per director. (We did not tally their service on smaller for-profit or nonprofit boards.) The range was membership on one board to 10 boards, with all but a small number serving on more than one board.

The number of women on the boards on which our participants served ranged from one, where the interviewee was the only woman, to six. The sample encompassed considerable diversity with respect to experiences serving on boards with differing numbers of other women directors. Thirty-five women had been the “lone woman,” 45 had been one of two women, 25 had served as one of three women, and 23 had served with four or more women. Viewed from the perspective of all the boards on which they served, on 70 they were the only woman, on 96 they were one of two women, on 36 boards they were one of three women, and on 27 boards they were one of four or more women. Additionally, many women had experienced an increase in the number of women on their boards while they served. On 22 boards they saw an increase from one to two women, and on 24 they experienced an increase from one or two women to three or more women directors.

The earliest service as a member of a Fortune 1000 board began in 1974; however only half dozen women had joined boards in the mid- to late-1970s. A little more than half (26 directors) first joined a Fortune 1000 board during the 1990s; the rest were divided between the 1980s and the current decade. All were active as directors within the last few years, and all served on boards as independent, outside directors, not as inside corporate employees.

Approximately 75 percent of the women had high-level corporate experience, a few as a CEO; the others had experience as attorneys, nonprofit executives, academics, and consultants. Of the 50 women, 11 were African-American, two were Latina, one was Asian American, and the others were white.
Table A.1. Race and ethnicity of the women directors participating in the study.

<table>
<thead>
<tr>
<th></th>
<th>White</th>
<th>African American</th>
<th>Latina</th>
<th>Asian American</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women directors</td>
<td>36</td>
<td>11</td>
<td>2</td>
<td>1</td>
<td>50</td>
</tr>
</tbody>
</table>

Among key informants interviewed, three of the CEOs were white females, eight were white men, and one was a man of color; one corporate secretary was a woman of color and one was a white man; the other five were white women.

Key informants also had experience with differing numbers of women on corporate boards. One CEO had only one woman on the board; six had two women, and five had three or more. Nine had been on their boards when the number of women increased. Four corporate secretaries had experience with three or more women on their boards, although in one case the third was an inside member. In another, three served together for only a short time. Three corporate secretaries had not experienced more than two women on their boards.

Eighty-four percent of the CEOs and corporate secretaries worked in Fortune 500 companies. Because we did not ask the women directors to name the boards on which they served, we cannot rank the corporations they served. By examining public records, however, we found them, too, mostly in the Fortune 500 rankings.

Recruitment

We examined lists of women serving on the boards of the companies researched by the members of ION – the network of executive women's organizations that publish annual reports on women on boards in their areas. We talked with women we knew and leaders in the ION member organizations, who recommended women, and some of those women suggested others. We also gleaned names from published articles about boards and women leaders. Eventually we identified 96 women directors as potential participants.

Consulting publicly available documents, we recorded the number and identity of Fortune 1000 boards on which these women served, the number of women directors on each board, the region of the country they lived in, the women’s race and ethnicity, and the names of the people who referred them. Rather than drawing a representative sample from the total population of women Fortune 1000 directors, we selected a “purposive” sample of 77 women from this list of 96 directors with the goal of achieving diversity of industry, geography, and race/ethnicity and service on one or more Fortune 1000 boards with only one, with two, and with three or more women.

We wrote to these women, (mentioning the name of the person who had referred them) to invite them to participate in a study of women’s experiences and impact on Fortune 1000 boards of directors. The letter described the study and listed its funders and supporters and the members of its advisory group. The letter explained the extent of the time commitment. It also emphasized that all information would be confidential. Interviews
would not be audio-taped, and we would not disclose the names of participants or their companies in any reports and publications. Telephone calls followed to set the dates and times of interviews. E-mails or phone calls confirmed the details of focus groups.

**Key informants.** With suggestions from some women we interviewed and permission to use their names as references, we generated a list of 22 CEOs and 10 corporate secretaries.

**Participation/refusal rates.** Of the 77 women directors invited to participate, 72 percent accepted the invitation but, because of scheduling conflicts only 65 percent of the target group participated. Participation rates varied across racial and ethnic groups –
- 73 percent of the invited African-American directors participated.
- 50 percent of the Latina directors participated.
- 50 percent of the Asian American directors participated.
- 66 percent of the white directors participated.

We interviewed 12, or 55 percent, of the 22 CEOs invited to participate, and seven, or 70 percent, of the 10 corporate secretaries.

We believe that at least three factors led to achieving these high participation rates.
1. The invitation letters mentioned the names of the person referring them.
2. The topic and the focus of the study interested the people we invited.
3. The promise of confidentiality made them feel safe to talk about their board experiences.

**Conducting the research**

**The interview protocol.** We employed a semi-structured interview with the women directors and the key informants, a format that provides both structure and flexibility to an interview. The interview begins with a focused set of questions and planned probes that can be followed up with other questions formulated on the spot that are tailored to elicit in depth information. There is further flexibility to skip questions that an interviewee has already answered in connection with another question. Directors were first asked for factual information on each of the *Fortune* 1000 boards they served: when they joined each board, how many women were on the board when they first joined, whether they were an independent director, the maximum number of women during their tenure on the board, and the number of women of color.

The first topic was the women directors’ views of how they were perceived and treated on each board. Then we asked about how they performed on the board and, if applicable, how other women performed; and finally their perceptions of the impact of the gender and racial/ethnic composition of all these boards on their experience and/or on board processes. We followed these main questions with planned follow-up questions. Interviews with CEOs and corporate secretaries examined the same topics. Our questionnaires appear in Appendix B. The interviews with the women from major national search firms explored their particular perspective on women on boards.
Pilot testing. We tested the interview questions with two women directors and one male CEO, who gave helpful suggestions on revising the questionnaires, and we received useful feedback from our advisory group. The pilot interviews and feedback highlighted the limitations imposed by directors’ need for confidentiality. Consequently we eliminated questions that approached the specific content of board conversations.

Because most women sat on several boards and the boards differed in the number of women directors, which was directly relevant to our main research question, we needed to keep information about each board separate while not requiring interviewees to name the boards. We did so by asking participants to assign a pseudonym to each company on whose board they served. The interviewer recorded the pseudonyms, and during the interviews, the directors described their experiences on particular boards using the pseudonyms.

Data collection
Focus groups. We conducted two 90-minute focus group discussions. Six women directors participated in the focus group in Boston and seven in Chicago. The focus groups were facilitated by Kramer and Erkut in Boston and by Kramer and Konrad in Chicago and, with the permission of participants, were tape recorded. One of the facilitators also took notes. The facilitators used the tape and the notes to create abridged transcripts shortly afterward. The same topics covered in the individual interviews were discussed, following a focus-group guide; however the discussion in each group was somewhat different because of issues brought up by participants and the interactions within each group. Because the group discussions included people with similar experiences (such as service on Fortune 1000 boards), the focus groups lent themselves to discussions where the participants voiced personal experiences and perceptions, which might trigger thoughts, memories, and reactions from others. These conversations provided personal information and rich examples.

Individual interviews. The majority of CEOs, corporate secretaries, and search firm professionals were interviewed on the telephone by one of the three principal researchers. Twenty-seven percent of the individually interviewed women directors were interviewed face-to-face. Interviews with the directors generally lasted between 60 and 90 minutes. The key informant interviews were shorter, averaging 30 to 40 minutes. As promised, the interviews were not audiotaped. The interviewer took extensive notes, which she transcribed immediately afterward.

Analyzing and Reporting Results
Coding. We coded responses according to these major topics: the treatment of women on boards, the performance of women on boards, and the impact of gender and racial composition of boards. Within each topic, we followed a grounded-theory methodology (Glaser, 1978, 1992, 1995, 1998; Glaser & Strauss, 1967), to develop a coding scheme for analyzing the responses to questions that explored that particular topic. What most differentiates grounded theory from other qualitative research strategies is that it allows the data to speak for themselves without being obscured or prejudged by answers.
developed from other research. The aim, as clarified by Glaser, is to discover the theory implicit in the data.

Two researchers independently read all the interviews and focus group reports to derive coding categories. The researchers then compared their results and found that their categories and subcategories were substantially parallel. The third researcher also reviewed the codes and the interview and focus group reports and confirmed the appropriateness of the categories. Two researchers then reviewed the data and placed participant comments in the relevant coding categories. The two researchers agreed in 93.5% of their major coding categories. Disagreements were resolved with input from the third researcher.

*Credibility of the results.* If respondents think they cannot trust that their answers will be kept confidential, they do not divulge confidential information. By promising anonymity, we laid the groundwork for obtaining valid answers.

All research, whether quantitative or qualitative, has pitfalls that can interfere with the credibility of results. Our rationale for using qualitative research methodology was to understand the nuances of boardroom behavior and the characteristics of individual experiences on boards which are best examined through asking questions and following them up with further questions. We believe that our semi-structured interview protocol did produce nuanced descriptions and explanations of board experiences.

While the major strength of self-reporting is that each interviewee is an expert on her subjective experience, yielding first-hand, in-depth information, there are potential problems with research that relies on people’s own reports rather than the observations of the researcher. One potential problem is that in interviews, some people can give answers that are based not on their own perceptions but on what they think interviewers want to hear. For example, on the topic of women on corporate boards, the respondent might think the “politically correct” or socially desirable answer is either that women’s presence on a board is a positive development or that gender does not matter. Also, a self-serving bias can render information questionable. A director might say that one woman on a board is sufficient to make a positive contribution, perhaps because she is a lone woman on one or more boards and does not want to appear ineffective.

In both of these illustrations, the *appearance* of social desirability or a self-serving bias does not mean that all such responses are invalid; some people’s authentic views may well be those that they expressed.

To handle these potential problems we varied the interview questions, sometimes asking for experiences on specific boards without asking how many women were on the board. We waited until the end of the interviews to pose direct questions about the impact of the gender composition of the boards. Also, the interviews were long enough and covered sufficient territory that it was possible to look for consistency and inconsistency in the responses.
In summary, if different sources of information reveal patterns and themes and converge on key conclusions, then researchers can have greater confidence in the validity of their information. For this reason we interviewed a wide variety of women directors, conducted two focus groups and interviewed key male and female informants. Therefore we were able to amass a combination of sources of information and to discover repeated themes. Our analyses illuminate lessons learned from the experiences and perceptions of a significant number of highly credible participants in corporate governance at the top 1000 companies in the United States.
QUESTIONNAIRES AND FOCUS GROUP GUIDE

Questionnaire for women directors

We have chosen to interview you because you serve on Fortune 1000 board(s) and we have tried to gather relevant information about you. Before we begin we need to verify some information.

I. First, to assure that our study includes the views of a diverse set of women, we need to ask about race or ethnicity. What words do you use to describe your race or ethnicity?

II. Next I want to be sure how many Fortune 1000 boards you‘ve served on and how many women were on those boards during your tenure. How many Fortune 1000 boards have you served on? Please assign each one a pseudonym.

<table>
<thead>
<tr>
<th>PSEUDONYM</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>What year did you join this board?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>When you first joined, how many women were on the board, including yourself?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>What was the maximum number of women on the board during your tenure?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>How many women of color served on that board?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Were you an independent (vs. inside) director?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>How many of the other women were independent directors?</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

III. Now I’d like to get your views of your board experiences. First I would like you to think of the Fortune 1000 board you served on for the longest period of time and use that for a reference point in our discussion.

A.1. Is that board A, B, etc.?

A.2. How would you describe the way you were perceived and/or treated on that board? Were there any particular incidents or experiences that exemplified this? {If applicable}: How many women were on the board at that time?

{If applicable}: Did the way you were perceived or treated change in any way when more women were added to the board?

A.3. {If applicable}: How would that compare to how you were perceived or treated on other Fortune 1000 boards? Were there any specific incidents that illustrated this?
B.1. To what degree do you believe your competencies and experience have been valued and utilized on the Fortune 1000 board(s) you’ve served on and {if applicable} has there been any difference in this on the different boards? Can you give examples?

C.1. To what degree do you believe you have been included in the board’s deliberations of important decisions, either in formal meetings or in off-line conversations? {If applicable}: Please compare and contrast your different boards. Do any specific examples come to mind that illustrate your point?

D.1. Do you think there were any differences in the way women were perceived and treated on the Fortune 1000 board(s) you served on compared to the way the men were perceived and treated? Can you give examples?

E.1. {If applicable}: Were women of color perceived or treated differently than the white women on the Fortune 1000 boards you’ve served on?

IV. We just talked about how people treated you or behaved toward you. Now I’d like to focus on how you performed and {if applicable} how other women performed on the board(s).

A.1. What do you see as your contribution or impact on the board you served on the longest? For example, what decisions were affected by your contribution?

A.2. {If applicable}: What do you see as your contributions to the other Fortune 1000 boards?

B.1. How long did it take you to feel comfortable on the board(s)? Think about what happened to make you feel more comfortable or anything you did to help others feel comfortable.

C.1. On the board(s), did you offer opinions on controversial subjects? Can you give examples? How long had you been on the board(s) when you did this?

C.2: Were there other women in the group when you brought up this controversial issue? Did they support you? Was there a difference in the way the men and women reacted to your idea?

D.1. Did you take any action on the board(s) to promote women’s careers, promote the value of diversity, or support work-life balance? If so, what was it? How long had you been on the board when you did that?

E.1. {If applicable}: What was the nature of your relationship with the other women on the board/these boards? {If applicable}: What was your relationship with the women of color on the board(s)? What was your relationship with the men of color?
F.1. {If applicable}: Did you notice any differences between how you as a woman and the other women acted and how the men acted? Did women bring up different issues than the men?

V. Now I’d like to ask you to reflect on the composition of the board(s).

A.1. Do you believe that the gender composition of the board(s) had anything to do with your experience on the board(s) or with the way the board(s) and its/their members functioned? If so, in what ways?

A.2: Think about times when you were the only woman, then compare those experiences to times when there were two women on the board. Were there any differences? Were there any differences between situations when there were only two women and when there were three or more?

B.1. {If applicable}: When other women were added during your tenure, did it make a difference to you or the other members of the board? Did you see any changes as a result of adding more women?

C.1. What, if any, difference did it make how many women were on the board? How did it affect committee assignments and committee leadership roles? {If applicable}: Does it matter if some of the women are inside directors?

D.1. Do you believe that the racial or ethnic composition of the board(s) had anything to do with your experience on the board(s) or with the way the board(s) and its/their members functioned? If so, in what ways?

VI. I’ve asked all the questions on my interview guide about Fortune 1000 boards. Is there anything else I should know about your experiences as a Fortune 1000 director?
Kramer, Konrad, and Erkut

Questionnaire for CEOs and Corporate Secretaries

I. First I want to get some information about your board.

<table>
<thead>
<tr>
<th>When did you become CEO, chair, or corporate secretary of board?</th>
</tr>
</thead>
<tbody>
<tr>
<td>When you became CEO, chair, or corporate secretary, how many women</td>
</tr>
<tr>
<td>were on the board?</td>
</tr>
<tr>
<td>What was the maximum number of women on the board during your tenure?</td>
</tr>
<tr>
<td>How many of the women were independent directors?</td>
</tr>
</tbody>
</table>

II. I’d like to hear your views on how the women directors on your board performed.

A.1. What do you see as the contribution or impact that women made on your board? For example, what decisions were affected by their contributions? How many women were on the board when this happened? {If applicable}: Did you notice any changes in the nature of the women’s contributions after the number of women directors increased?

B.1. Did the women offer opinions on controversial subjects? Can you give examples? How long had the women been on the board when she/they offered opinions, and how many women were on the board at that point?

B.2. {If applicable}: Was there a difference in the way the men and women reacted to the woman’s comments on controversial subjects? Did the other woman (women) support her?

B.3. {If applicable}: Did you notice any change in the women’s willingness to offer controversial opinions after the number of women directors increased?

C.1. Did the women take action to promote women’s careers, promote the value of diversity, or support work-life balance in your organization? If so, what did they do? How long had the woman/women been on the board when they did that? How many women were on the board at that point?

D.1. Did you notice differences between how the women directors acted and how the men acted? Did the women bring up different issues than the men? {If applicable}: Was this before or after more women were added to the board?

D.2. {If applicable}: Did you notice a difference in the way the women directors acted after their number increased?

E.1. {If applicable}: What would you say was the relationship between the women on the board?

III. We’ve talked about how the women directors performed on your board. Next I’d like to focus on how the women directors were perceived and treated.
A.1. Overall how would you say the women were perceived or treated by the other directors on your board? Do you think there were differences in the way women are/were perceived and treated on your board and the way men are/were perceived and treated? Were there any specific incidents or comments that illustrated this?

A.2. {If applicable}: Did you notice differences in the way the women were perceived and treated on your board after their number increased?

B.1. Were there any women of color on the board? {If applicable}: Were there differences in the way women of color were perceived and treated compared to the way white women were perceived and treated?

C.1. What competencies and experiences did the women bring to your board? How did the board utilize the women’s competencies and experiences? Can you give examples? {If applicable}: Was this before or after more women were added to the board?

D.1. How well were the women included in the board’s deliberations of important decisions, either in formal meetings or in off-line conversations? Do any specific examples come to mind that illustrate your point? {If applicable}: Was this before or after more women were added to the board?

IV. Now I’d like to ask you to reflect on the composition of your board.

A1. Do you believe that the gender composition of the board had anything to do with the experience of the women on the board or with the ways the board and its members functioned? If so, in what ways?

B.1. {If applicable}: When women were added did it make a difference to them or other members of the board? Did you see any changes as a result? Were there any differences in the board dynamics or environment between when there was only one woman and there were two, or between when there were two women and when there were three or more?

C.1. What, if any, difference did it make how many women were on the board? How did it affect committee assignments and committee leadership roles?

D.1. Do you believe that the racial or ethnic composition of your board had anything to do with the way the board and its members functioned? If so, in what ways?
V. I have now asked all the questions on my interview guide.

A.1. Is there anything else I should know about your experiences with women directors on your board?

B.1. Do these questions cause you to reflect on your experiences on other boards? Are there any comments you would like to make about the effects of the composition of other boards?
Focus Group Guide

I. Introductory information from them.

Self introductions:

Could each of you please briefly introduce yourself by telling us your name, what you are currently doing in your career, and the number of Fortune 1000 boards on which you serve or have served. Also tell us the number of other for-profit boards you serve or have served.

For our study, our target group is Fortune 1000 boards. However we know some of you may want to answer our questions by comparing experiences from non-Fortune 1000 boards. Please feel to do this, as long as you make it clear you are talking about non-Fortune 1000 boards.

II. First we’d like to get your views of your board experiences in different situations.

A.1. When you think of the different boards on which you have been the only woman, how would you characterize your experience or the way you were perceived or treated? What words or phrases come to mind?

Can you give some examples or situations that demonstrate what you’ve said?

How did your experience or treatment compare to the way men were treated?

A.2. When you think of boards on which you have been the only woman, how would you characterize your actions or behavior compared to how you generally act in business situations or compared to how the men acted?

Can you elaborate on this?

B.1. Now think of those boards on which there were two women (it may be that a board on which you originally served alone later added a woman). Again how would you characterize your experience or the way you were perceived or treated? You might want to mention whether you were the first or second woman on that board.

Can you give examples or situations?

B.2. How would you characterize your actions or behavior on the board with two women?

Examples or situations?

C.1. What about boards where there were three or more women?
How would you characterize your experience? Were you the first, second, or third woman?
Examples or situations?

C.2. How would you characterize your actions or behavior?
Examples or situations?

III. Let’s discuss any changes in the number of women on the boards during your tenure.

Did the change make any difference to you or the other members of the board?
Did you see any changes as a result?
If there were changes, what were they?

IV. Let’s discuss your relationship with the other women on the boards where you were not the only woman.

What was the nature of your relationship with the woman on a board where there were only two women?

What was the nature of your relationship on a board where there were three or more women?

V. Now we’d like you to reflect on whether the gender composition of the boards had anything to do with your experience on the boards or with the way the boards and their members functioned. (We also want you to keep in mind any ways that racial/ethnic composition affected the boards.)

A. First, let’s discuss ways in which the gender composition affected how you and other women were perceived or treated. Please give us examples where you can. (Please consider whether it mattered if any of the women were inside board members.) Get participants’ thoughts first and then, where necessary, use the following probes (and get examples):

How did the composition affect the degree to which your competencies and experience were valued and utilized?

How did it affect how much you felt included in the board’s deliberations of important decisions, in either formal meetings or off-line conversations?

How did it affect the way you were perceived and treated, compared to the way the men were perceived and treated?
Critical Mass on Corporate Boards

How did it affect the way other women on the board were perceived or treated?

How were women of color perceived or treated compared to the way white women were perceived and treated, if applicable?

B. Now we’d like to discuss ways in which the gender composition affected how you or other women performed as board members. (Please consider any impact of race or ethnicity and whether it mattered if any of the women were inside board members.) Get participants’ thoughts first and then, where necessary, use the following probes (and get examples):

In what way did gender composition affect how long it took you to feel comfortable, or what happened to make you feel comfortable?

How did gender composition affect what you did to help others on the board feel comfortable with you?

How did the gender composition affect your contribution to or impact on the board?

How did it affect whether and when you offered opinions on controversial subjects?

In what ways did it affect whether or when you took any action to promote women’s careers, promote the value of diversity, or support work-life balance in the company?

In what ways did it seem to affect the behavior or actions of other women on the board?

How did the racial or ethnic composition affect how you and other women behaved or acted?

VI. As you reflect on what has been said and on your experiences, what if any difference do you think it made how many women were on the board? Particularly what difference did it or does it make for corporate governance?

VII. Are there any other comments anyone would like to make?
Appendix C

References


Lyne, B. Women at the top: Role models or relics? The New York Times (September. 27, 1992), p. 27.


