Chris Hodge

From: Colin Coulson-Thomas <colin@coulson-thomas.com>
Sent: 31 May 2011 17:34
To: Chris Hodge
Subject: Representation on FRC consultation document gender diversity on boards

My response to your May 2011 FRC consultation document: Gender Diversity on Boards is that no changes to the UK Corporate Governance Code are required on account of Lord Davies report

My argument is as follows:

The Davies report ("Women on Boards", February 2011) on women in the boardroom expresses the view that women are under represented. Maybe smart and capable women have concerns about the onerous legal duties of directors, or a low boredom threshold, or have other priorities in life.

But why stop at gender? Are certain ages, body types, sexual orientations, religions or races under represented? I'm Cornish. Are there enough Cornish people on boards?

What about social backgrounds? Social engineers could have a field day calling for special measures and quotas to get more candidates from disadvantaged backgrounds into boardrooms.

Boards could be made more representative but at what cost, and should we be focusing instead upon their effectiveness and the competence of directors?

According to my own research, and work with over 100 boards, the behaviours of directors rather than board and committee structures are the issue.

We should be looking for directorial qualities such as strategic awareness and personal qualities such as integrity in those willing to put themselves forward for board appointments.

Diversity of thinking rather than gender is an issue in some boardrooms, and would be welcome in group thinking boards where people tend to agree with whoever has spoken last or is perceived as the most important, or with whatever is thought to be the emerging consensus view. People like to "keep in" with others.

Crawlers, bootlickers and toads are not unknown in the boardroom, albeit smartly dressed and well paid ones.

Surely a willingness to question, challenge, hold colleagues to account, and provide vision, purpose, values, will and drive is more important than representative labels.

Recent financial institution failures and bailouts, and perhaps the greatest ever collective failure of corporate governance, have occurred in an age when corporate governance codes abound around the world, and corporate governance has become "big business" with corporate governance consultants, advisers and academics in abundance.

Whether this has led to beneficial changes in the boardroom in the sense of leading to the more responsible growth and development of companies is a moot point

My own view is that in relation to corporate governance codes less is more, and moving into ever more marginal areas could trigger a negative reaction and discredit the concept of codes as helpful rather than the cause of box ticking exercises, and reduce the perceived value of boards

Prof. Colin Coulson-Thomas PhD FCA FCCA FCIS etc

Author, "Developing Directors, a handbook for building an effective boardroom team" and "Winning Companies; Winning People" (both Policy Publications, 2007)

Mill Reach
Mill Lane
Water Newton
Cambridgeshire, PE8 6LY

Tel: 0718 921 950

Email: colin@coulson-thomas.com