

Diversity in Diversity Reporting: A case study

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The story:

EU-wide quotas for women on boards of private companies to increase their number to 30 percent.

The situation:

An EU proposal to increase the numbers of women in boardrooms across Europe is languishing as it continues to be blocked by countries including the UK, a source in Brussels told us in mid-September.

"For the time being there is a considerable number of member states forming a blocking minority," he said.

On Tuesday, the bloc's 28 member states met again to discuss aspects of legislation – originally proposed two years ago as an attempt to address a major lack of female representation in boardrooms across Europe.

However, the Brussels' source said "no major evolution" on furthering the proposals was underway and critics are concerned they could fall into the long grass.

The background:

On average, fewer than one in five – just 17.8 percent – of board members of the biggest publicly listed companies in the EU are women – figures from the EU Commission show.

In 2012, former EU Justice Commissioner Viviane Reding introduced contentious plans requiring publicly traded companies across the EU to fill at least 40 percent of board positions with women by 2020 – or be hit with sanctions yet to be decided.

Although the European Parliament voted in favor of the plan by a majority of 459 to 148 (with 81 abstentions) in November 2013, the Commission's proposal still needs the green light from EU Council.

The UK, Denmark, Slovakia, the Czech Republic, Germany, Estonia, Hungary, Latvia, Sweden and the Netherlands oppose mandatory quota measures on the basis they interfere with national competencies.

A statement from the 10 countries at an EU Council meeting in June said they shared the Commission's view that fair chances and opportunities for women in non-executive posts should and must be promoted.

But it added, "We do not support the adoption of legally binding provisions for women on company boards at the European level."

The British position:

Diversity inclusion specialist Charlotte Sweeney authored an independent review about women on boards for the UK government, but like many others in British business queries the value of mandatory quotas.

"Generally the feeling in the UK is very much that for any drive to increase female board members to be successful and sustainable has to be a business-led approach," said Sweeney.

"Quotas are a good starting point but think the debate needs to grow up further – I don't think there is a 'right' percentage [of women on boards] – it is about having the right skills and competencies around the board," she added. Sweeney said protected characteristics, such as age, race, religion, disability and sexual orientation, should also be better represented in efforts to make company boards more diverse.

"Women are not a homogenous group – protected characteristics have to be considered," she said. "Given the ethnic make-up of the UK, I think we have a massive underrepresentation of ethnic minorities on boards and in executive positions. It is great we have started on addressing gender but we really need to focus more widely to ensure we get more diverse boards."

Over the past three years, there has been a net increase of 50 board level women in the UK, but there are still only four female chief executives in the FTSE 100 and still two male-only boards in this select group.

"We have always been of the view that quotas should be a last resort," said a spokesman for the UK government. "A

business-led, voluntary approach - not attempts to force through change via regulation - has always been our preferred option."

"The UK continues to make good progress improving the number of women in the boardrooms of our top companies with the latest figures from the summer showing we stand at 21 percent," he added.

This figure is running close to the 25 percent target of women on FTSE 100 boards by 2015 that was set in a 2011 House of Lords report.

The German situation, and the EU:

Only five countries – Latvia, Sweden, the Netherlands, France and Finland – have at least one in four female board members in private companies.

In Germany, measures have been put in place by the coalition national government to ensure there are minimum quotas for women from 2016 in publicly traded companies among newly elected board members. The government wants to introduce a 30% quota for women in private companies from 2016 onwards but even companies owned in part by the state have failed to hit the quota's 30 percent mark. Dax companies, meanwhile, are well on their way to achieving that number by 2017, local reports show.

Still, Monika Shulz-Strelow, president of the German group Fidar (Women on Boards) said she had "expected more" from efforts at a national level and was disappointed the quota was only set at 30 percent.

"Fidar is not keen on quotas but see it as the only instrument that works for us in Germany," she said. "We still have a very conservative structure at leading level which is not very international, nor includes different backgrounds."

Shulz-Strelow said although more women meant a more diverse team, companies should stop viewing them as a minority group.

"We are not a minority," she said. "It is important for the process of change that companies really change their culture." However, Shulz-Strelow praised EU Commission president elect Jean-Claude Juncker for ensuring he had women in key positions as new commissioner roles were announced this week.

"Three [out of seven] vice president positions are now held by women," she said.

Juncker's Commission now has nine women out of a 27-strong team – delivering on his own well-publicized promise to ensure a minimum quota for women among the commissioners.

Now, eyes are on Brussels to see whether new justice commissioner, the Czech Republic's Věra Jourová, will carry on with her predecessor's commitment to a 40 percent target, given she has spoken out against mandatory quotas in the past.

Findings:

We started our reporting by going to the usual sources, the policy makers, stakeholders and advocacy groups. That led us to be able to update the situation on the push for the quotas legislatively, which has been going on for more than two years.

Then we began expanding our reporting to look at the diverse positions (official): We found that while the UK is firmly opposed, and Germany is pushing for quotas at home, it is also not a uniform push as it also opposes EU-wide legislation. We explored these positions.

During this reporting, we already encountered the view that boards of privately held companies are not representative in general, in other words, not inclusive of religious and ethnic and other minorities.

This was the touchstone to begin asking other diverse groups what they thought of the push to impose quotas for women on private boards.

First we had to identify the types of people we wanted to speak to. The list included:

Men of different ethnic and religious backgrounds

Women of different ethnic and religious backgrounds

People of both genders that were not heterosexual

We wanted to do this in both Germany and the UK.

Overall, we found that members of other minorities groups, especially those from the ethnic and religious minorities, felt left out of positions of power and influence in general, not just in the business arena but also politics and other positions of power in the government. This was particularly true in Germany, but also to a lesser degree in the UK.

Some religious (Muslims) and ethnic minorities (non-Europeans) said, yes it would be good to have quotas for women but also for minorities that were qualified to sit on boards. Some believed an initial quota for women could help other minorities later on. Others said those quotas should be inclusive from the start.

A few said they didn't care about the issue as it didn't impact them or their community, that other more pressing concerns such as education, jobs and discrimination were their priorities.

Regarding women from the majority community that were the majority religion, there was also a diversity of opinion: Some women believed that quotas were important, and not just on boards. They said they should be instituted in the government administration, in political parties (the Greens in Germany have such a quota) and in newsrooms and other places of work.

"There is no other way to change this culture that dominates here," said one German professional woman.

Other women said that they didn't believe quotas were necessary, that time would take care of the balance. They in particular believed that such quotas could be harmful to women in that women who received such positions because of a quota would always been seen as lesser to the men on the board, and be hindered at work.

Some familiar with the situation in Norway pointed out how women who won positions on boards because of a law mandating that boards become more gender diverse said those women are still looked at as having won the position because of their gender.

A few said they thought that reverse discrimination is not in the spirit of equality. The majority women in the UK were less likely to favour quotas in our informal survey. Furthermore, we noted that in most reporting on the topic, women that could be impacted by such a move were not often asked for their comment.

Working-class women from the majority community were less likely to support such quotas as "they don't impact me."

However, a few said, "Such quotas could be good to pave the way for future generations."

Regarding males, there were questions as to why such a quota was necessary. Some were down-right hostile to such a quota, seeing it as anti-merit. But a few (in Germany) thought it could be a good idea to impose such quotas temporarily as to change the culture of the boardroom saying that sometimes such cultures "don't change on their own and are entrenched without forced change."

Regarding the non-heterosexual community, there was also a diversity of opinion. While we weren't easily able to find those homosexuals that are also an ethnic or religious minority, we did find that male and females from the majority community were more likely to support quotas for women (not for themselves as non-heterosexuals) that made things "more fair." One male from this community said, "We understand what it is like to be underrepresented and at a disadvantage." A female said, "a quota is a no-brainer."

Further comments:

By deliberately looking for and talking to those underrepresented in the mainstream media on issues that impact both the majority and minority communities, we felt that we were able to broaden our reporting and bring something extra to this story – essentially diversify reporting on an issue that relates to diversity. In a nutshell, our normally two-dimensional story (those in favour, those opposed) now became multi-dimensional.

We found that it didn't take a lot of extra work to make the reporting more diverse. And with time, the rolodex of sources would grow. More importantly, we found that the story was greatly benefited. It is important to show that not all women support quotas for women on boards and not all men oppose them. And beyond that, we felt it was also important to show that officials and also members of minority religious and ethnic communities felt that such diversity on boards should also include them – a key point we would have missed if we hadn't broadened our reporting to include more diversity.