When American economist Laura Tyson arrived at London Business School in 2002 to become its first female Dean, the School had no female professors and just 6 per cent of faculty members were women. The former Chair of President Bill Clinton’s Council of Economic Advisors was also a member of three corporate boards in her native America where again she found herself in a minority as a woman, amid predominantly male CEOs and board members. On gender parity it seems business schools are pretty similar to corporate boardrooms, and during her five years in London Tyson did her best to tackle both issues.

**Role model**

At the School she worked to identify female talent at junior level in the various subject area groups and to encourage the promotion of women. “I talked about the importance of gender diversity to business education and made people aware of the issue,” she says. “I also served as a role model, and you shouldn’t underestimate the importance of role models in forging changes in behaviour. Students and young faculty thought ‘there’s a female Dean who’s also been a faculty member and she’s going to help the community understand the value of diversity and lead that effort.’ I didn’t set any quotas for increasing the number of women among the students or on the faculty, but I talked about the importance of establishing goals.”

And things started to change. At the latest count in 2014, a more impressive 26 per cent of faculty members were women, and five of the School’s 39 full professors were women.

After arriving at the School Tyson organised and chaired several discussions with business leaders to share best practice about ways to identify, recruit, retain and promote female talent in global companies. And in 2006 she established The Lehman Brothers Centre for Women in Business at the School. The Centre was the first of its kind among top-ranked global business schools and supported research and seminars with the goal of increasing the representation of women in top management and board positions.

**Pale, male and stale**

Tyson’s chance to influence UK boardrooms came in 2003. Post-Enron and other corporate scandals, the UK government was looking to improve the performance of British industry, and there was a belief that stronger and more effective boards could help. In 2002, the Department of Trade and Industry set up a review led by investment banker Derek Higgs into the role and effectiveness of non-executive directors in the UK’s publicly-listed companies. The Higgs review proposed a working group to identify how companies could draw on ‘broader pools of talent’ to enhance board effectiveness, and to look at ways to bring forward more candidates from the non-commercial sector. As part of its mandate, the working group was asked to identify ways to increase the number of women on corporate boards. Patricia Hewitt, then Secretary of State for Trade and Industry, asked Tyson to chair the group. At the time women made up only 8.6 per cent of FTSE 100 boards.

“I remember one of the male members of the group said: ‘We can see what we have in the UK right now. We have boards that are pale, male and stale, and therefore we’re not getting the best talent.’ And we all said yes, that’s exactly the way it is!” says Tyson. “It was still the era of the old boy network. Board members were more often chosen on the basis of personal friendships and contacts than on a rigorous search for qualified candidates based on a detailed job description of the skills needed by the board. And we know from research that people have ‘implicit biases’ in the evaluation and selection of candidates – preferring candidates who look and act like them.”

**Diversity is good**

The Tyson Taskforce was established by the government and drew together a great group of individuals which included Chief Executive of Cobra Beer Karan Bilimoria, Chairman of Aviva Dr Pehr Gyllenhammar, Chairman of the 3i Group Baroness Sarah Hogg, Chairman of Scottish Power Charles Miller Smith, Cabinet Secretary Sir Andrew Turnbull, Chair of the Equal Opportunities Commission Julie Mellor, and Frances O’Grady of the Trades Union Congress, with other members representing executive search firms, voluntary organisations and non-executive directors.

It had just a few meetings before reporting in June 2003. Tyson wrote the report which sets out the responsibilities and personal attributes of effective board members, recommends processes for identifying and selecting outstanding board candidates from a diverse talent pool, and identifies the need for on-going training and assessment of non-executive directors.

Tyson says that when the working group met it was still quite early in discussions about the value of gender diversity on board performance. There was little discussion of quotas for the number of women on corporate boards, or even numerical targets.
or goals for female board representation. The Tyson Taskforce recommended that boards follow an objective multi-step process for choosing new board members and use search firms to help them identify outstanding female candidates. It based its recommendations on research and experience, demonstrating that diversity of perspectives on boards leads to better board decisions.

“The Tyson Taskforce Report was one of many things that occurred over a five year period that led companies to run much more serious search processes for board members than they did before, and to search for female candidates,” says Tyson.

Changing culture

Later in 2003, after the Tyson Taskforce had made its recommendations to the British government, the Norwegian government took another approach by proposing a quota of 40 per cent for female representation on the boards of companies listed on the Oslo Stock Exchange and other major companies. A few other countries have imposed quotas since then. Although Tyson acknowledges that quotas have been effective at increasing female board representation, she says she still prefers the voluntary approach.

“If you’re selected as the result of a quota there’s often a presumption that you were chosen only because of the quota. People can doubt your capabilities and you have to prove yourself to assuage these doubts, and convince the sceptics that you merit the position on the basis of your skills and experience,” says Tyson. “Several times in my career I’ve benefitted from ‘affirmative searches’ – searches that look broadly to identify female talent based on the evidence that gender diversity yields beneficial results. Affirmative searches focus on identifying and selecting talent and are motivated by voluntary targets or goals not by mandatory quotas.”

The numbers

Since Tyson’s report the UK has been making slow progress towards greater female representation on boards. By 2011 women still accounted for only 12.5 per cent of FTSE 100 board members, prompting another government review, this time by Lord Davies, into the specific issue of how to increase the number of women on the boards of British companies. He opted against a quota but instead recommended that FTSE 100 companies should aim to meet a target of 25 per cent women on boards by 2015.

According to the Female FTSE Board Report 2014, produced by the Cranfield International Centre for Women Leaders, the latest figure is 20.7 per cent and the Centre thinks the Davies target can be reached by the end of 2015.

Gender parity, however, is clearly quite a bit further off.

Professor Laura Tyson was Dean of London Business School from 2002 through 2006.