

Program Preps Women Lawyers for Boards

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By Kristin Gribben

In an effort to create more gender equality in the boardroom, the American Bar Association is launching an initiative to prepare retiring women lawyers for public company directorships.

Dubbed the DirectWomen initiative, the program will involve annual training seminars. A year in the making, the initiative was spearheaded by the business law section of the ABA — which is led by a female chair. A selection committee will choose 20 to 25 retiring women lawyers, most of whom will come from private practice, to attend next year's three-day development seminar, which is set for March.

DirectWomen is an attempt to cure the paucity of female representation in boardrooms across the United States. Females make up a small minority of company directors, though that is slowly changing. And retired or practicing lawyers also make up only a small piece of the directorship pie.

Over the last 10 years, the number of women in Fortune 500 boardrooms has jumped by over 50%. Yet, women still make up less than 15% of Fortune 500 boards, according to Kerry Moynihan, managing partner with start-up firm Desmond Partners, which recruits directors and provides consulting services for boards.

In some states, women directors make up an even smaller minority. A report released by University of California, Davis, earlier this year indicates that only one in 10 directors on boards of California-based companies is a woman. Over one third of the 200 largest companies domiciled in the Golden State have no women directors.

Lawyers have a lot to offer boards, argues Mary Ann Jorgenson, a partner at the law firm Squire, Sanders & Dempsey who is heading up the development training in New York this spring. Jorgenson has also served on the board of \$569 million amusement park operator Cedar Fair along with several other small-company boards.

“Lawyers know how to look for solutions and weigh risks and values,” she says.

Women lawyers also bring a diversity of opinion to the roundtable, says Amy Boss, a law professor at Temple University, who is a planning committee member for DirectWomen. Females are in command of the bulk of wealth in the country; they tend to make most of the spending decisions in their households, she says. For companies with consumer products like cosmetics, clothing and appliances, having females on the board can boost the board's strategic business oversight.

But Moynihan says creating training programs to bring more women into boards is a bit like “legislating the problem.” Training and development programs that try to get

minorities and women in the boardroom, however, are not as extreme as some tactics employed in other countries. Norway, for example, requires its public companies to have at least 40% women on the board. Spain and Sweden are considering similar laws.

Moynihan says the best candidates for board members are individuals with managerial experience in the business field. More women will join boards as the number of women executives increases, he says. But if boards continue to show preference for sitting or retired CEOs to serve as directors, the results could take decades. The number of women CEOs in large firms has remained almost stagnant. There are currently 20 women CEOs of Fortune 1000 companies, a slight increase from last year, when there were 19.

Moynihan is also skeptical about whether boards will want to recruit more lawyers. “There is something of a bias against lawyers [in the boardroom] because they haven’t had management experience of a large enterprise,” he says.

One of the missions of DirectWomen is to “expand people’s thinking of what a qualified director looks like,” Jorgenson says. “When a CEO faces a unique problem, it’s probably the first time, but lawyers have probably seen it many times.”

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