

HEIDRICK & STRUGGLES, WOMEN CORPORATE DIRECTORS AND DR. BORIS GROYSBERG UNCOVER “STARTLING DIFFERENCES” IN GLOBAL BOARDROOM STUDY

Women and Men Directors Differ in Their Views on Diversity, Board Effectiveness and How to Regain Trust

CHICAGO – Sept. 6, 2011 - Globally, women and men on corporate boards appear to disagree on the importance of diversity, the need for quotas, measures of board effectiveness, the reasons why fewer women are represented on boards, and more, according to new research conducted by Heidrick & Struggles, WomenCorporateDirectors (WCD) and Dr. Boris Groysberg of the Harvard Business School.

“Women and men have differing points of view as to the reason why there are fewer women - both nominated and sitting on active corporate boards today,” said Bonnie Gwin, vice chairman and managing partner of Heidrick & Struggles’ North American Board of Directors Practice. “About one third of women directors globally believe that closed off traditional networks are the primary reason women aren’t considered for director positions, whereas men believe there are fewer women currently in executive leadership roles, creating a smaller talent pipeline for entrance into the board room.”

The study, now in its second year, includes responses from 721 male and female board members in 26 countries and provides insight into how women and men view board composition worldwide. “Not only do women and men disagree about the reasons why fewer women serve on boards and if quotas are effective, but they also hold disparate views on whether increasing the number of women in the boardroom will actually improve overall board performance,” Dr. Groysberg said.

Additional study findings are available for review upon request. A topline overview includes the following:

KEY 2011 BOARD FINDINGS

Diversity on Boards:

- **(41 percent)** of women vs. **(13 percent)** of men personally supported quotas.
- **(53 percent)** of women vs. **(18 percent)** of men thought quotas are effective for increasing board diversity.

Overall Board Effectiveness:

- **(55 percent)** of female directors vs. **(16 percent)** of male directors agreed three or more women on any board make it a more effective board.
- **(59 percent)** of women vs. **(74 percent)** of men said their board had an effective CEO succession plan.
- **(40 percent)** of women vs. **(54 percent)** of men said their board had an effective director succession plan.
- **(72 percent)** of women vs. **(85 percent)** of men agreed that their board effectively evaluates the CEO.
- **(48 percent)** of women vs. **(60 percent)** of men agreed that their board provides effective training for new directors.

Board Governance & Trust:

- There is low confidence among both female and male directors **(25 percent)** and **(17 percent)** respectively, that The Dodd-Frank bill will create better corporate governance.
- Women and men agreed - risk management is imperative, with women at **(74 percent)** and men at **(75 percent)** in 2011. An increase from 2010, women **(40 percent)** and men at **(1 percent)**.
- Slightly more than three quarters **(76 percent)** of women believe increased board diversity will be effective in rebuilding trust in boards, compared with less than half **(42 percent)** of men surveyed.
- **(70 percent)** outside U.S. directors vs. **(39 percent)** U.S. directors agreed that professional directors would be an effective way to rebuild trust in corporate boards.

One area women and men did agree – differing from last year’s findings – was the belief that risk management is essential to regain trust in boards and their directors. “Risk is an inherent part of business and both women and men board members recognize that risk management is vital to rebuilding trust,” said Susan Stautberg, president of PartnerCom and co-founder and co-chair of WCD, the only global community of women corporate directors.

Quotas continue to be a divisive topic. In 2011, there was greater support for quotas among both female and male directors (41 percent to 13 percent in 2011 versus 25 percent to 1 percent in 2010). The difference this year between female and male directors’ support was once again striking. Also significant was the finding that although the majority of female directors did not personally support quotas (59 percent), a majority (53 percent) did agree that they seem to be working. This was not true for male directors.

“This is a dramatic shift from last year’s survey (which included nearly 400 female and male directors mostly in the U.S.), where far fewer women and men supported quotas,” said Henrietta Holsman Fore, co-chair of WCD and director of Theravance, Inc. “As we’re learning from Norway and France, quotas, and even the threat of quotas, can be effective in increasing board diversity; to really work, they should be accompanied by preparatory measures, smart guidelines and implementation plans, along with databases of qualified women and corporate governance training.”

“This international boardroom data is critical – the insights we see today will no doubt have an impact on how boards collaborate and approach situations in the future,” said Ms. Gwin. “The required skills for each board member are more complex in today’s demanding business environment. Our findings overall reveal multiple shifts in perception and implications for future boardroom patterns globally.”

About Heidrick & Struggles

Heidrick & Struggles International, Inc., (Nasdaq: HSII) is the leadership advisory firm providing senior-level executive search and leadership consulting services, including succession planning, executive assessment and development, talent retention management, transition consulting for newly appointed executives, and M&A human capital integration consulting. For almost 60 years, we have focused on quality service and built strong leadership teams through our relationships with clients and individuals worldwide. Today, Heidrick & Struggles’ leadership experts operate from principal business centers in North America, Latin America, Europe and Asia Pacific. For more information about Heidrick & Struggles, please visit www.heidrick.com.

About WomenCorporateDirectors (WCD)

WomenCorporateDirectors (WCD) is the only global membership organization and community of women corporate directors, comprised of over 1000 members serving on over 1200 boards in 33 global chapters. In this new era of responsibility, WCD is committed not just to good governance, but to governance with global vision. Our mission is to support and expand the WCD community through leadership, diversity, education, and best practices in corporate governance. WCD fosters our global network by providing an intimate and trusted community to learn, brainstorm and problem-solve global issues, while also helping secure board and advisory board positions for numerous women around the world. WCD offers local, regional, national, and global forums to generate candid, thoughtful and confidential dialogue on issues facing directors and their companies, learning from each other, and in the process, helping all members navigate the challenges of conducting business in a highly competitive and volatile global economy. The WCD network provides a platform of turning ideas into action. WCD members comprise among the world’s most powerful and influential business women – the global business elite. For more information, visit www.womencorporatedirectors.com.

About Boris Groysberg

Dr. Groysberg is a Professor of Business Administration at the Harvard Business School. His research focuses on the challenges of managing human capital. In particular, his work examines how a firm can be systematic in achieving a sustainable competitive advantage by leveraging its talent at all levels of the organization from professionals to senior executives and boards.