

Women in prominent board positions could help organisations improve corporate social performance, new research claims

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Credit: University of Bristol

Professor Sheila Ellwood, from the University of Bristol's Department of Accounting and Finance, studied the influence of women on the boards of directors of National Health Service Foundation Trusts. Her research found having women in the top jobs – chair and chief executive – appears to be effective in helping boards meet the organisation's social

goals.

Professor Ellwood said: "Female presence on boards positively affects the organisation's corporate social performance. Women are considered more socially oriented than men, which can result in more effective board decision-making, particularly on aspects related to social responsibility.

"This study, carried out in a context where women are well-represented on boards and where a woman often occupies one of the two most influential positions – chair or chief executive – has implications for [gender diversity](#) and gender targets on the boards of directors in business and other sectors."

The findings, highlighted in a PolicyBristol briefing, come at a time when focus is increasing on the number of women on boards. Last week, leading financial services firms agreed to sign up to a new government Charter, designed to improve gender diversity in senior positions in the sector, following a review by Jayne-Anne Gadhia, the [chief executive](#) of Virgin Money. The Davies Review in 2011 recommended FTSE 350 companies put strategies in place to improve female representation on boards to 25 per cent, and report on progress.

However, the Equality and Human Rights Commission reported last week that 45 per cent (45) of FTSE 100 companies and 61 per cent (213) of individual FTSE 350 companies have not reached the 25 per cent target. For executive roles, the position is worse, nearly three quarters of FTSE 100 companies and 90 per cent of FTSE 250 companies had no female executive directors at all on their boards. Only five per cent of FTSE 100 companies have a female CEO and three per cent have a female Chair.

"It's a disappointing result to see," said Professor Ellwood. "Our research

indicates that companies would benefit from women not only being well-represented on boards but in the top positions if they want to achieve their social targets as well as their financial goals."

The research found that once significant gender diversity has been reached, more [women](#) executive and non-executive directorships neither harms or improves financial performance or service quality.

More information: Sheila Ellwood et al. The Influence of Presence and Position of Women on the Boards of Directors: The Case of NHS Foundation Trusts, *Journal of Business Ethics* (2014). [DOI: 10.1007/s10551-014-2206-8](#)

Provided by University of Bristol

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