

Boardroom Assault

by Elizabeth Ghaffari, President/CEO of Technology Place Inc.
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Every time I open a newspaper and read about another women's group "storming" some new Bastille, I ask myself, "Are they helping or harming the effort to advance women to leadership in today's economic marketplace?" A June 10, 2010 article in Bloomberg BusinessWeek reports the latest version of anonymous members of a feminist group, La Barbe, disguised in beards and storming board meetings in France to advocate on behalf of passage of a 40% dictum to add women directors to corporate boards.

The answer is that such clowning around probably sets the movement to advance women to leadership back about 30 years. The demonstrating women allege their behavior is justified because "things are going too slowly" to satisfy them. Apparently they believe that the intransience of male-dominated boardrooms will be overcome by women dressing up like clowns, stomping into annual meetings, hiding behind masks and beards, demanding that their confrontational behavior be rewarded with a nomination to lead France's top corporations. So, two idiocies make for a brilliant outcome?

Women, just like men, have several options when they encounter corporate behavior they don't like. If women are not satisfied that LVMH Moet Hennessey's choice of directors accurately reflects the consumer marketplace, they can stop buying the company's products. We certainly did that to every Nabisco brand as long as it was owned by R.J. Reynolds Tobacco Company. Perhaps the women in beards feel they simply couldn't do without LVMH purses, shoes and perfumes. A second option is that the women could sell the company's shares. That is happening to a number of financial institutions today, too. A third option is to invest in the company shares sufficiently to be in a position to nominate one or more women directors to stand for election. This requires an understanding of the nominating and governance requirements of the companies in which one owns shares. A fourth option is to become more affirmatively involved in proxy analyses where diversity considerations could be more specifically incorporated as part of the governance evaluations of companies, based on the independence and credentials of directors standing for election. Organizations like The Corporate Library and the Council of Institutional Investors certainly are excellent examples of vocal, albeit respectful, board assessment entities.

All are difficult options, but all of those choices reflect some semblance of respect for business and the challenges facing boards and their directors. All of these options earn respect in the marketplace because they genuinely attempt to implement productive changes in governance.

The little girl tactics demonstrated in French proxy meetings are an embarrassment to talented women who are seriously considering a career that includes a public company board role. Screaming zealots who hide, but shrilly cry for attention, make a mockery of the courageous women who accept the challenge and face the requirements of public disclosure and transparency in pursuit of the best corporate governance practices possible. Women who do serve on boards know that trust, integrity and credibility are at the heart of an invitation to join their colleagues in strategic boardroom deliberations.

Those who prance and preen for the entertainment world, the mass media, demonstrate no respect for the institution of governance or those who work to improve it. Therefore, they deserve no respect in return.

For a moment, let us assume that the shoe was on the other foot and that successful women-led businesses numbered more than the few that they do today. What if men dressed in costumes and stormed the doors of women-owned businesses, demanding to be placed on their boards of directors? It's not a pretty sight by any stretch of the imagination. Wouldn't we women look on the perpetrators as fools?

The quota enacted by Norway distorted that director candidacy marketplace just as a French counterpart would. Do we really believe that Norway's 70 women directors holding 300 board seats (an average of 4.8 seats per woman) means better governance? Shouldn't we all be working harder and more effectively to educate and train more talented women to comprehend public company governance and how to build a board-worthy career?

If the "storming bearded ladies" were so confident that they are board-ready, why don't they take off their masks, stand and deliver the evidence, their credentials, and their competencies to serve at the strategic helm of these companies? Why not, instead of hiding behind phony disguises, present their slate of viable candidates within the proxy process? Or why aren't these women building businesses and boards of directors, equal opportunity ones at that, to show us what diverse boards look like and how they truly succeed, rather than simply showing us that they know only how to rant, rave, scream and shout. . . just like little girls?

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