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Gender Diversity on French Boards: Example of a Success from a Hard Law

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Introduction

In spite of recommendations given by governance codes, in France the proportion of women on boards and in top management more generally has remained low for decades. To bring about change, following the examples of Norway in 2003 and Spain in 2007, France adopted gender quotas on boards in 2011. The Copé Zimmermann law voted on and implemented in January 2011 requires listed companies and non-listed companies with revenues or total of assets over 50 million euros or employing at least 500 persons for three consecutive years, to reach a 40% gender balance on boards by 2017, with an intermediary level of 20% in 2014. Following its announcement in 2010, France's average proportion of female directors on boards of CAC40 companies increased from 10% to 15.4% during 2010 (AFEP-MEDEF 2010). After the

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General Assemblies of 2016, the 140 biggest listed companies (those with a capitalisation of more than 1 billion euros) have 36.7% of women on their board (Baromètre de la Diversité).

This chapter will begin by offering a general background of France's economic and political system around this law, as well as a description of the corporate governance structure in French companies. A discussion of the national policy, as well as figures on women representation, are given in a second section. The third section gives critical reflections on the case and the fourth section provides a short reflection from a French practitioner, female director in several French listed companies.

General Background of the Country

According to French National Institute of Statistics and Economic Studies (INSEE) in 2015, the population of France was 64.4 million inhabitants on a landmass of 552,000 km^2. France is the fourth most populous country in Europe, behind Russia, the United Kingdom and Germany. It is also the third-largest country, after Russia and Ukraine. In addition, France is one of the founding members of the European Union.

Characteristics of the Economic System

Labor Market and the Integration of Women in France

Women represent about 51% (INSEE 2016) of the population of France. The latest comparative statistics from Eurostat (European Parliament 2015) show that women have a higher level of education than men (32.8% are educated to graduate level as against 28%; the gap was similar in 2008: 26.7% compared with 22.8%) and a lower unemployment rate (9.6% versus 10.2%). Despite these good figures and a positive trend since 2008, inequalities remain in many aspects: in employment rate, part-time work, remuneration, segregation in occupation and also in the presence of women in Parliaments and senior ministers (see Table 5.1). The Global Gender Gap report 2016, published by the World Economic

Table 5.1 Statistics about women and men, in France and in European Union

	Women EU	Women France	Men France
Life expectancy in 2015[a]		85.1 years	79 years
Unemployment rate of women or men over 15 years old in 2014[b]		9.60%	10.20%
Employment rate for women or men aged 20–64 in 2015[c]	64.30%	66.20%	75.60%
Full time equivalent employment rate among women or men aged 20–64 in 2014[d]	54.50%	59.10%	71.90%
Gender pay gap in 2013[d]	16.30%	15.10%	
Gender segregation in occupation, in 2014[d]	24.40%	26.10%	
Part of women or men in the single/lower houses of the national/federal parliaments in 2015[d]	29%	26%	74%
Part of women or men among senior ministers in national/federal governments in 2015[d]	28%	48%	52%
Part of women or men aged from 15 to 67 graduated[d]	28.40%	32.80%	28%

[a]INSEE: http://www.insee.fr/fr/themes/series-longues.asp?indicateur=esperance-vie-naissance
[b]INSEE: http://www.insee.fr/fr/themes/series-longues.asp?indicateur=taux-chomage-sexe
[c]Report on Equality between women and men 2015 and Gender Equality Report: Key findings, European Commission 2015
[d]Eurostat 01/07/2016

Forum, ranks France in the 17th position over the 144 surveyed countries, with a 0.755 parity score.

France relies on several legislative texts and policy instruments to implement its gender equality policies in various domains. As underlined by a recent study carried out for the European Parliament (2015), gender equality policies in France have been developed since the 1970s and today they represent a consistent and comprehensive legal framework covering almost several domains of social, political and economic life. France has a long-standing tradition of legislating in favour of gender equality in the domain of employment and professional life, with the first legislation dating from 1972 and the establishment of no less than 12 laws between 1972 and 2014.

More recently, the main legislative initiatives that appeared where on the areas of, on the one hand, parity in politics and other decision-making bodies, including a series of laws strengthening gender electoral quota schemes which were adopted between 1999 and 2014. On the other hand, gender-based violence with several important laws on sexual harassment adopted in 2002, 2003 and 2012, and on sexual exploitation and domestic violence between 2005 and 2010. To the contrary, media and gender stereotypes have not yet been the target of similar legislative efforts, so constitute an emerging domain.

The most important and recent development in gender equality policy is probably the adoption of the "Law on Real Gender Equality" in 2014, which promotes an "integrated and transversal approach to gender equality". Instead of previous gender equality legislation that had been passed with specific laws for each policy domain, the 2014 Law aims at embracing all spheres of social life and various fields of gender equality policy simultaneously, with 77 dispositions.

Other Characteristics of the Economic System

The economic system in France has several distinct characteristics. First, the government had a long-standing influence on firms, as the main shareholder of many of the biggest companies. Even if this influence has been decreasing since 1987, with several waves of privatisation, during which big companies and financial companies took the place of the government, followed by foreign investors, it is still consistent today (Vie Publique 2016). Second France is well known for its elitist world based on prestigious education (Ecole Nationale de l'Administration, engineer's schools: Mines, Ponts, Centrale, ENSAE, Télécoms…, and business schools: HEC, ESSEC, ESCP and INSEAD) (Burt et al. 2000). People graduated from these schools run the biggest French firms and accumulate directorships in large public and private firms (Bertrand et al. 2004; Zenou et al. 2012). Most of them had worked in ministries for several years. And, thirdly, France is characterised by the predominance of family-owned companies, even among the 650 publicly listed companies: 70% of them are family firms (Sraer and Thesmar 2007).

France is facing a paradoxical situation. On the one hand, in view of the increasing proportion of foreign investors in French companies (in 2014 46.7% of CAC40 firms are owned by foreign investors) (Banque de France 2015), the country evolves towards Anglo-Saxon governance, with sanctions decided by the market. Since no gender quotas for boards have~~s~~ been voted for in the USA or the UK, this may not be in favour of more women on French boards. On the other side, the heavy role played by stakeholders (influence of unions and committees, role played by employees in new regulations (NRE Law), awareness of sustainable development, increase of corporate social responsibility) has a strong influence on firms' governance and brings specific constraints to managers, creating other disciplinary mechanisms. This second point probably makes women's access to boards easier since CSR promotes fairness and equality among people, including for gender criteria.

The French Corporate Governance System

French firms can choose between two forms of governance: a two-tier system with two separated actors—the executive board and the supervisory board—or a one-tier system with a Chief Executive Officer (CEO) and a board of directors, in which the CEO and the chair might be the same person. This last situation is common in France: 65% of firms have a one-tier system. The Copé Zimmermann law applies to both systems. For the two-tier system, it is the supervisory board that has to comply with the Copé Zimmermann law.

The Dominant System Is a One-Tier System: A CEO with a Board

Article L225-17 of the French Commercial Code provides that the board of directors must be made up of a minimum of three members and a maximum of 18, excluding all the directors representing the employees. In France, two types of directors elected by the employees coexist, both have the right to vote. First, according to the French law voted in on

14 June 2013 (Law on Securing Employment no. 2013-504), in firms with more than 5000 employees in France or 10,000 in the world, two board members representing the employees have to be elected or appointed if the boardroom is over 12 members, and one otherwise. These board members are not taken into account for the ratio of 40% women on boards introduced by the Copé Zimmerman law. Secondly, if the employee shareholders represent more than 3% of the share capital of the firm, they have to elect a board member among them according Article 225-23 of the French Commercial Code. This member represents the employee shareholders but he is not an employee representative. This board member is taken into account for the ratio of 40%.

Board members are elected by the shareholders during the general meeting, for a period laid down in the statutes, of at least two years and not exceeding six years. They can be re-elected and can be dismissed preterm by shareholders, during any ordinary shareholders' meeting. The chairperson is chosen among board members, without any specific requirements, and this nomination is submitted to the vote of shareholders during general meeting.

The organisation of boardrooms usually consists of committees, such as audit committee, nomination committee or any other committee that may be useful or considered relevant. In 2008, article L. 823-19 of the Commercial Code made it mandatory to establish, in entities whose securities are listed on a regulated market, an audit committee: this committee, acting exclusively under the joint responsibility of the members of the board or the supervisory board, has to monitor issues relating to the preparation or review of accounting and financial information. The French legislation does not require the setting up of other committees.

The board of directors is involved in the definition of the strategy and monitors its implementation. It has the broadest powers to act in any circumstances in the firm's name and has to monitor and supervise the CEO's actions/decisions. The number of meetings to be held by the board of directors is not governed by any regulations.

The CEO is chosen by the board members. He/she may or may not be a member of the board—and may indeed be the chairman. The duration of the term is defined in the statutes of the firm and it is possible to be re-elected. The CEO can be dismissed at any time by the board of directors. The CEO has the widest powers to act in all circumstances in the name of the company, within the limits of the corporate purpose or subject to the power that the law expressly give to the general meeting or to the board. He/she shall represent the company with regard to third parties.

The Two-Tier System, with a Supervisory Board and an Executive Board

In the one-tier system the rules relating to the supervisory board are often the same as the rules for the board of directors. Nevertheless, some differences exist. Members of the supervisory and the executive board cannot be the same and each organ has a chair, to be appointed by the members of each board. The main duty of the supervisory board is to monitor and supervise the executive board. The main difference with the board of directors is that the supervisory board is not involved in the definition of the strategy. A minimum of four meetings per year is set in the law—which recommends a total of eight should be held.

The supervisory board appoints the executive board, with at least two and no more than five members. In the law, the duration of the term of office is four years, but the statute of the firm can define a ny duration between two and six years. The executive board member can be dismissed by the shareholders or by the supervisory board if mentioned in the statutes. A chair is elected among the members of the executive board. With the exception of powers expressly assigned to general meetings of shareholders and to the supervisory board, the executive board is vested with the more comprehensive power to act in all circumstances in the name of the Company. Even though women have entered boards (see Fig. 5.1), few of them are chairwomen. In 2014, only 6% of board chairs were held by women in the largest French companies (European Commission 2014).

Board Nomination

Board nominations are less professionalised than is the case in Anglo-Saxon countries. Indeed, the influence of networks is very strong (Zenou

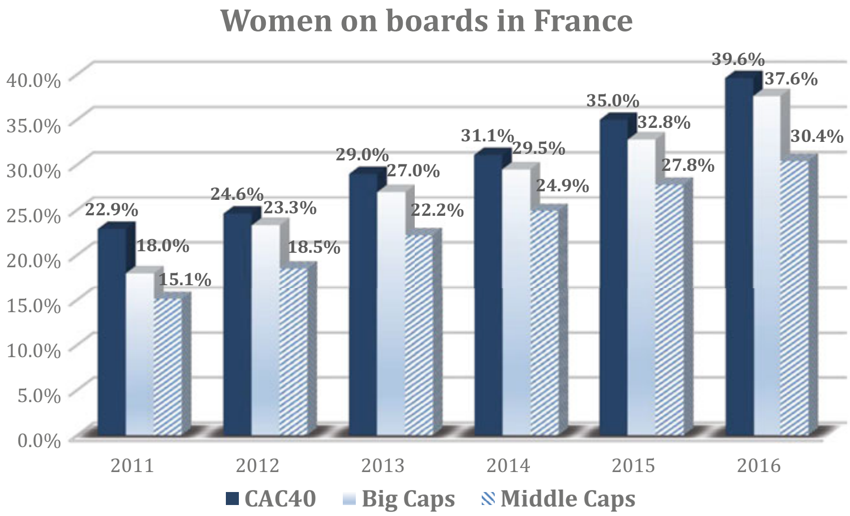

Fig. 5.1 Evolution of women representation on boards in CAC40, big caps and middle caps, from 2011 to 2016

et al. 2012), as French directors have strong interlocking links between boards (Yeo et al. 2003), and a strong influence of elites and prestige schools (Kadushin 1995; Allemand and Schatt 2010), in the explanation and origin of board membership. As Burt et al. (2000) highlight, the usual image of French business is the one of dense elite networks organised around several state-owned firms, and graduation from the most prestigious schools (Polytechnique, Ponts, Mines, Centrale, Telecoms, ENSAE, Ecole Nationale de l'Administration (ENA), or HEC are among the most famous ones). Kadushin (1995) has analysed the cohesion of the French financial elite, showing that the main predictor of a friendship between two people from this elite is that both had graduated from ENA. Pichard-Stamford (2000) notices that French corporate governance is characterised by a high density of interlocking ties between boards, higher, in particular, than occurs in its European neighbours such as Germany and the UK. Even if French Corporate Governance Codes such as the Viénot Report (1999) and the Bouton Report (2002) advocated for significant improvements with regard to board nominations, practices change relatively slowly. In companies, internal rules for board selection

Table 5.2 Summary comparison of both board systems

	One-tier system	Two-tier system
	CEO (one person)	**Management/executive board (2–5 members)**
	He can be a board member or not, and even the chairman of the board of directors	None of the members can be a member of the supervisory board
Chairman	Not relevant	A chairman is elected among the management board—No specific requirement
Appointment	He is chosen by the board members and can be dismissed at any time	Each member is appointed by the supervisory board
Tenure	In the statutes	4 years according the law or 2–6 years in the statutes
Renewal of mandate	Yes	Yes
Termination	The CEO can be dismissed at any time by the board of directors	Each member can be dismissed by the shareholders or by the supervisory board if written in the statutes
Role/mission	The CEO is vested with the more comprehensive power to act in all circumstances in the name of the company (article L 225-56-1 al. 1 Code de Commerce	The executive board is vested with the more comprehensive power to act in all circumstances in the name of the company
	Board of directors	**Supervisory board**
Members	3–18 members + Employees representatives (shareholder or not) (deliberative vote)	3–18 members + Employees representatives (shareholder or not) (advisory opinion)
Chairman	A chairman is chosen among the board members—No specific requirements	A chairman is elected among the supervisory board—No specific requirements
Tenure	Tenure: 2–6 years, written in the statutes	Tenure: written in the statutes, with a maximum of 6 years
Elected by	Each member is elected by the shareholders	Each member is elected by the shareholders
Re election	Yes, by the shareholders	Yes, by the shareholders
Termination	Each member can be dismissed by the shareholders	Each member can be dismissed by the shareholders

(*continued*)

Table 5.2 (continued)

	One-tier system	Two-tier system
Role/mission	The board in involved in the definition of the strategy and , monitors its implementation	The supervisory board is not involved in the definition of the strategy
	The board has the broadest power to act in the Firm's name	
	The board has to monitor and supervise the CEO's actions/ decisions	He has to monitor and supervise the management board
Meetings	No regulation for the number of meeting: a minimum of eight are recommended by the main governance code	At least four meeting per year regarding the commercial code (Article L225-68)
Women/men	At least, 40% of each gender	At least, 40% of each gender
	Employees representative are not taken into account for the ratio of 40%	Employees representative are not taken into account for the ratio of 40%
Committees	An audit committee is compulsory for the listed companies	An audit committee is compulsory for the listed companies

are homogeneous and specify, as previously explained, that the general meeting of shareholders appoints the directors (either in a supervisory board or board of directors), possibly on a proposal from the nominating committee. In turn, when there is a nominating committee, the latter is proposed by the board. The same administrators can be presidents in other firms, thus the dense network of board interlocks plays a significant role in board nomination (Table 5.2).

National Public Policy Regarding Women on Boards

Corporate Governance Codes

Governance codes have been developed through a private initiative supported by the Association Française des Entreprises Privées (AFEP) and by the Mouvement des Entreprises de France (MEDEF)—the French equivalent of the Confederation of British Industry for UK. MEDEF has 700,000 firms that are members. Adhering companies decided to define more precisely many good principles of governance, to live up to public and investors' expectations. The first recommendations in governance appeared in 1995 with the Viénot I report, and they have been completed in the following years (the Viénot II report in 1999; the Bouton report in 2002; and the recommendations AFEP-MEDEF in 2007 and 2008), but without mentioning the representation of women and men in boardrooms or promoting diversity. The first recommendations appear in 2010, in the code AFEP MEDEF,[1] and indicates that "each board must consider the expected balance of its composition [...], in particular in the representation between women and men [...]. To reach this balance, the goal is for each board to reach and maintain at least 20% of women within three years and at least 40% of women within six years".

Legislations

Since the recommendations suggesting an increase in the number of women on the board of directors in the governance code are relatively recent, the percentage of women remained low and the situation did not change for several years. France was one of the bad students of Europe, with only 11.95% of women in the boards of big firms (European PWN 2010). This figure leaves the country well behind leading countries such as Norway (37.9%), Sweden (27%) and Finland (20%) (European PWN 2010).

The French government has been promoting actions for professional equality for some years. The first law requiring equality between men and women at work was adopted in 1983 (Roudy Law) and this law was reinforced in 2001 with the law Génisson. These laws promote equal access to work (appointment, training, career advancement, work conditions and wages) for men and women, but nothing was said concerning boards or managing bodies.

However, the feminisation of management and governance bodies was still considered as particularly low by many business actors and by society.

In order to enhance the government actions promoting professional equality among leaders, several deputies, led by Marie-Jo Zimmermann, the president of the Gender Equality Commission at French National Assembly, proposed a draft of law on gender equality on boards in December 2009, requiring 50% of women on boards five years later. The National Assembly modified the rate to 40% and the maturity to six years. This law was adopted and implemented in 2011. Marie-Jo Zimmermann had already proposed a similar legal text in 2006 that was refused by the Institutional Council.

This law, called Copé Zimmermann, applies to all listed companies and non-listed companies with revenues or total assets over 50 million euros, or employing at least 500 persons for three consecutive years. It requires these companies to reach at least 40% of women in their board of directors by 2017, with a first step of 20% by 2014. However, the law only applies to non-executive directorship positions, and while the female proportion of non-executive directors in France is well above the EU-28 average, the proportion of female executive directors is below the EU-28 average (European Women's Lobby 2014).

In case of non-compliance with the law, the appointments of directors shall be considered as null and void. Moreover, failure to comply with the law will lead to the non-payment of the board attendance fees to the board members.

Diversity Figures Before and After the Regulation

Evolution of Board Gender Diversity in the Biggest French Companies: The CAC40

Most studies focus on the largest listed companies and, in particular, the CAC40 companies (40 highest market capitalisations). The study from the Ministère des Familles, de l'Enfance et des Droits des Femmes indicates (2010, p. 23) that the percentage of female board members in these companies increased from 8% in 2006, and 10.5% in 2009 to 15.3% in 2010. According to the European Commission, the representation of female directors in CAC40 companies reached 34.1% in 2015, placing France third in Europe in terms of the proportion of women on boards of the biggest listed firms in 2015, after Iceland (OMX10) and Norway (OBX38).

Listed Companies and Diversity

The CAC40 is not representative of all French firms. Since the Copé Zimmermann law also applies to smaller firms (the criteria are more than 50 million euros of assets or more than 500 employees), it seems interesting to study a larger sample of firms. Statistics from the Baromètre de la Diversité dans les Conseils d'Administration (Burgundy School of Business 2016) are available on Big Caps (those with more than 1 billion euros of capitalisation) and Middle Caps (capitalisation of between 150 million and 1 billion euros) since 2011. This accounts for around 250 companies.

As shown in Fig. 5.1, the proportion of women on board has doubled in the largest French companies between 2011, the year in which the Copé Zimmermann law was passed, and 2016. In middle caps, even if the level of gender diversity is lower, it has also doubled since 2011 and reached 30.4% in 2016. During all the period, we see a relationship between the size of the company and the representation of women on boards. Biggest firms are more exposed to the pressure of media, which leads them to comply with societal standards (Allemand et al. 2016).

The educational and the professional backgrounds of new women directors are similar to men's ones in the big caps (Allemand and Brullebaut 2014). No significant differences can be observed among the new appointees in terms of age, education (number of years of studies, alumni of elitist schools) and several kinds of experiences (experience as CEO, international experience). Differences consist in nationality (more women directors are foreigners) and independence (women are more independent than men in percentage).

Enabling and Hindering Forces

For private companies, the recommendations published by employers' networks (AFEP MEDEF Code) before the publication of the law were a main driver for pushing the issue of gender diversity on boards. In this respect, these recommendations pushed for gender diversity on boards more significantly than unions or syndicates, which were more focused on securing gender equality in wages than on their representation in decision-making bodies. Unions themselves show a very low representation of women in their executive boards (Damge 2015).

In the case of France, the increase of female representation was significantly pushed by a hard law, so this implementation did not have to face real opponents. Of course, as many other European countries French boardrooms were dominated by "old boys' network" usually described, which means that they traditionally were choosing male administrators as a usual norm, even though they were not declared opponent to this law.

French companies had to comply with the law, even though some criticisms had been made on the legitimacy of quotas (as outlined in the next section). The existence of a strong compulsory regulation cancelled any strong and structured hindering forces or groups that could be opponents to the increase of female representation on boards. In the public sector, several agencies and institutions controlled and published annual reports on the proportion of women on boards of public companies, and companies in which the state participates. They also checked for classical circumvention strategies such as lowering the number of board members to increase statistically the proportion of women (Damge 2015). As regards private companies, the application of these standards about female representation on boards was controlled by private structures, such as consulting companies or rating agencies, or by order of the government.

This law pushed companies to renew their board composition, and select new profiles, which needed also to be able to detect women profiles and make them visible. This is why the development of many women networks was also a useful factor to accompany the law and help its implementation. Networks such as Fédération des Femmes Administrateurs (http://www.federation-femmes-administrateurs.com) or Femmes Chefs d'Entreprise (http://www.fcefrance.com) helped women to share experiences and visions about their role as board members. Indeed, the law about gender diversity on boards needed also to change the sources by which women profiles could be identified. The traditional recruitment and influence networks were not entirely adequate to define new profiles to select on boards, and those networks also contributed to add more professionalisation and structure to profiles specifications expected by companies. Public institutions and bodies also encourage training approaches, and many training programmes emerged in French 'Grandes Ecoles', universities or professional networks, such as *Women Be European Board Ready* by ESSEC Business School, and programmes proposed by the Institut Français des Administrateurs (IFA—*French Institute of Directors*; http://www.ifa-asso.com). These programmes are intended to help participants stay at the highest level of skills in the exercise of their mandate. They include operational training and experience sharing on best practices of governance, in particular in complex and international environments. In this perspective, they had a role in promoting the law and making it more operational for companies and potential female administrators.

Critical Reflection on the Case

Statistics show that French firms have decided to enforce the law, and that most of them are even ahead of the compulsory gender diversity schedule. Big caps' response to the quota law was immediate and diversity increased each year by five points since 2011. During the period 2011–2016, the same proportion of male and female candidates has been appointed on boards of largest companies (Burgundy School of Business 2016), reflecting a significant change about gender in hiring practices, which were mostly directed towards men before the law. Other appointment criteria did not change, as shown in Allemand and Brullebaut's (2014) study: selection is as rigorous for women than for men in terms of education and experience.

However, some complaints exist from companies. Firstly, to reach the high compulsory level of the law, companies give priority to women's appointment (as previously stated, half of the new directors are women, which was not the case previously: see Burgundy School of Business (2016), for more figures), with two consequences. Some relevant male directors are not renewed at the term of their office, in order to make way for women, and male candidates are far less likely to obtain a mandate, whatever their skills and expertise are. Secondly, as expressed by Caroline Weber (2012), the CEO of Middlenext—the independent French association representing listed SMEs and midcaps, the drawbacks of quota laws are their inability to take into account firms' specificities. For example, in some specific industries, other skills and competencies may be more relevant than gender. In the automotive industry, for example, engineers are required on boards and this criterion is stronger than gender (a female engineer can be appointed but for her technical skills rather than simply because she is a woman). For Caroline Weber, firms should be differentiated by size or by types of shareholders when laws are decided in order to adapt legal documents to their specificities, with achievable goals. She states that big firms and small firms do not have the same governance issues and constraints. Still, as expressed by Agnès Touraine, President of IFA (French Institute of Directors): "Quotas are never a victory and should not be the solution. However, they are the only option when there are no signs of a willingness to change the current situation. Despite our preference for "soft law," we have to recognise that regulation can speed up progress" (Deloitte 2015).

Opponents to quota laws argue that compulsory levels of women on boards force companies to appoint directors based on their gender and not on their skills and what they can bring to the board. Some studies indicate that quota laws would lead to a reduction in the level of board human capital (Ahern and Dittmar 2012). However, the comparative study of Allemand et al. (2016) concerning France (quota law on women on boards) and Canada (comply or explain concerning diversity) concludes that hard laws lead to higher and quicker women representation on boards, and that French firms manage to find female candidates meeting usual selection criteria (experience as CEO, experience of other boards, international and finance experiences, and elitist education).

Thanks to the Copé Zimmermann law, by 2016 86% of French boards have three or more female directors. According to Torchia et al. (2011), using critical mass theory of Granovetter (1978), a minimum number of women is necessary to be able to see gender diversity effects on the organisation. This means that in future years, researchers will be able to test more efficiently the relationship between board diversity and firm performance, and more generally speaking, to study the influence of women representation on boards (decision making, supervision, etc.).

Reflections of an Actor

Viviane Neiter

Interview to *Viviane Neiter*, board member of five French listed companies (Iceram, Plant Advanced Technologies, Prodware, Spir, Vêt Affaires) and member of Governance Professionals of Canada (GPC).

Gender diversity, generally thought of as "gender balance" between male/female, has become an important topic on boards since 2010. Before that, boards were "old boys clubs" and the matter was not really debated. The promulgation of the Copé Zimmermann Act has been an opportunity to lead the way into a new way of thinking. Of course, it caused some initial trepidation, because it was left to "hard law". Several professional organisations, like MEDEF (The MEDEF "Mouvement des Entreprises de France" is the French equivalent of the Confederation of British Industry in UK—MEDEF has 700,000 firms that are members), should have initially preferred "soft law" in the form of "best practices", or "soft law". But the figures spoke for themselves: women found slow progress in the increase of their peers on boards. It was true that very few women reached the highest positions as executive heads of organisations. Even today, progress in this direction remains relatively marginal in comparison to the large number of qualified women in the labour market. Indeed, it necessitated a real paradigm shift for the companies. Fortunately, the acknowledgement and the lobbying of a long-term work and undertaking have deeply changed the mindset, the attitude and the culture. They have raised awareness among both companies and executives, too. Everyone who is honest is aware of the invaluable contribution to debates of women whose life experience and meaningful inputs give them a different understanding.

I observe that women on boards offer complementary points of view (not necessary approaches opposed to competing perspectives) on several topics that prove worthy of their consideration. Take the example of succession planning, mergers and acquisitions, human resources, sustainability, long-term issues and challenges of organising, role of social medias . . . They help deal with the global challenges facing us, such as tackling climate change. So, every board member is enriched after having listened to the different ideas. Women dare to ask questions about sensitive aspects and that is very useful for decision-making. Nevertheless, the mix means a constant exchange and the understanding of male codes. It takes much time, but that is the solution to make our demands heard. Sure, only one woman on board appears to have less direct influence over things. When two or three women serve as board members it is easier to master male codes; it's a way to rise through the ranks. At a deeper level, it may be necessary to transform masculine norms and practices that encourage old men to flout their responsibilities. Do not forget, one of the objectives of a board is to ensure the long-term existence of the company and to create value not only for shareholders, but also for stakeholders. So we can create an ecosystem in favour of innovation.

Another point is that the greater presence of women on boards has professionalised the recruitment of board members. We have intense discussions about the best way to capture diversity profile that meets the particular needs of the board and to identify the skill and experience set necessary for the board at that particular time. They are focused on sourcing qualified candidates, and the recruitment is increasingly based on merit and expected contribution, while the diversity profile is a factor.

Is there a correlation between financial performance and gender balance or is there a correlation between financial performance and board diversity? That is a question!

Trends towards the notion of greater diversity can be seen on French boards; it promotes independence of thoughts and improves board effectiveness through different perspectives and knowledge. They can be summarised in four words: male, frail, pale and stale. Understanding that each individual, each human is unique and recognising that diverse individuals bring different perspectives, I observe more respect and appreciation of differences. However, it also needs inclusion that demonstrates acceptance of differences and involves creating a sense of belonging of all. Diversity without inclusion ignores unique perspective and adds very little, if any, value.

What about diversity policy? Boards have to consider other types like competency, ability and whether the board's diversity reflects the diversity of the market the company operates within. Canadian people consider overall diversity and inclusion, age, geographic concentration, urban/rural balance and disabilities, culture and sexual orientation. In Canada, gender may include gender identification (gay, bisexual, lesbian or transsexual). In France, that's a taboo subject on board.

Finally, it must be noted that women didn't dare to be on boards. So for me, interactive workshops are necessary. The goal is to empower women to be more confident to lead and serve on boards and foster the opportunity to network from each other in small groups setting with other like-minded women. These workshops help women gain insights and learn about the skills they need to prepare for board opportunities and must be facilitated by corporate directors. Three words: Connect, promote and empower women.

For me, challenges are the definition of "diversity", determining which types of diversity are more important, at a given point in time for improving board effectiveness, and determining appropriate initiatives and measures. Moreover, senior executives are not so diverse. Can you have diversity of thought without diversity and inclusion? Does diversity of gender create diversity of thought?

To conclude, a law is necessary to make things change. Women bring new ideas to the boards and the search for women candidates contributes to improving board recruitment process. However women's mind needs to be changed to better convince them to become board members, women should be more connected, promoted and empowered.

Note

1. Code de gouvernement d'entreprise des sociétés cotées (revised in April 2010): "Chaque conseil doit s'interroger sur l'équilibre souhaitable de sa composition [...], notamment dans la représentation entre les femmes et

les hommes [. . .]. Pour parvenir à cet équilibre, l'objectif est. que chaque conseil atteigne puis maintienne un pourcentage d'au moins 20% de femmes dans un délai de trois ans et d'au moins 40% de femmes dans un délai de six ans [. . .]".

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