

Esade and WLW highlight the contribution of female lawyers to boards of Spanish listed companies

Twenty-two percent of the board members of Spanish listed companies are lawyers. Of a total of 98 board members, 27 (6%) are women. Most are in the energy sector (30%), followed by finance (22%) and industry (11%)

Ignacio Pascual - Diciembre 2020 -

A broad strategic outlook, empathy with shareholders, greater risk awareness and better relationship with external advisors. These are some of the skills that female lawyers can bring to a company's board of directors, according to the report *Mujeres juristas en los consejos de administración del IBEX 35* [Female lawyers on the boards of IBEX-35 companies] produced by the Esade Centre for Corporate Governance and **Women in a Legal World (WLW) in conjunction with **Alexander Hughes Iberia** with a view to addressing the advantages of diversity for boards of directors from two different angles: diversity of gender and diversity of professional or academic backgrounds amongst board members. As regards the latter, the authors of the report mention the high proportion of board members trained as lawyers – **98 members, i.e. 22% of the 443 surveyed, in 30 companies** – despite this not being a mandatory requirement for appointment. **Mario Lara, director of the Esade Centre for Corporate Governance**, believes this is due to the close links between the academic background of company managers**

and administrators and that of the legal profession, and the legal knowledge required by the regulations governing good corporate governance: “The legal background of board members contributes to strict compliance and a different perspective as regards the risk perceived by other board members. The skills and experience of lawyer members also reassure other members during decision taking”, he emphasised. When the education diversity variable is added to that of gender diversity, the report mentions that IBEX-35 companies currently have 27 female lawyers on their boards – 6% of all board members – in 21 companies. According to **Marlen Estévez, WLW president**, “board members with this background can contribute enhanced risk analysis, strategic and commercial outlooks, extensive knowledge of areas of importance for corporate governance, sustainability and the cybersecurity of the company”.

“Company boards of directors have made a determined effort to incorporate socially responsible investment criteria known as Environmental, Social and Corporate

Governance (ESG) criteria to their agendas, particularly in the post-COVID

landscape", added **Eugenia Bieto, director of Esade Women Initiative (EWI) and co-author of the report.** "It would be nonsense for environmental, social and governance policies to be discussed by teams completely lacking in diversity." "In addition, the incorporation of women onto boards of directors is closely linked to creativity and innovation, both of which are undeniably key factors for corporate growth, particularly in times of uncertainty", said Mrs. Bieto.

Asked about the profiles required by companies for their board of directors, **Ignacio Pascual, Managing Partner at Alexander Hughes Iberia and Head of Human Capital services for Iberia & LATAM,** explained that "companies are demanding executives with a high leadership level, able to cop the short term cross-cutting measures on the path of recovery, and capable of identifying future scenarios". Those future scenarios will be focused on processes of internationalization, digitization and restructuring of companies, so board of directors requires that members of the board will have legal knowledge that ensures the speed of change on a legal certainty basis", added Mr. Pascual.

Of a total of twenty-seven female lawyers, **30% work in the energy sector, followed by finance (22%) and industry**

(11%). As regards their position on the board, 74% are independent board

members and 8% are executive board members. As for their position on the board, **3%, i.e. one woman, is the board president.** As regards their previous professional experience, the report reveals that **42% of these female lawyers have prior experience in business and 24% in the public sector.** From a global viewpoint, the authors also point out that 36% of all board members who are lawyers from the political arena are women.

Training and research to bolster the presence of lawyers on boards of directors

In view of these findings, the experts from Esade and WLW conclude that to become a board member it is increasingly important to have trained as a lawyer, and so they propose a variety of actions in the spheres of training, research and management of boards of directors, and raising public awareness.

From an academic viewpoint, they emphasise the importance of incorporating specialised business subjects such as corporate governance, strategy, finance and talent management into bachelor's and master's degrees in law, and they also suggest conducting research into the contribution of lawyers to the boards of listed companies, third-sector

companies and family firms, amongst others.

As regards the in-house management of boards of directors, Alexander Hughes and the authors of the report agree on the importance of giving due consideration to the presence of lawyers on such boards, this being the best way to focus the search for new members, the design of succession plans for board members and the appointment of members of commissions. In short, the survey highlights the value of studying law for good corporate governance and the need to raise awareness of this amongst the different stakeholders involved in configuring a board.

The conclusion of the report is that “Diversity of experiences, knowledge and thinking within a board of directors is essential for the highly complex decisions that must be taken by today’s boards in an increasingly regulated environment in which, according to many studies and surveys of board

members, legislation can affect the success and future of many companies and sectors”.

About the report

[Mujeres juristas en los consejos de administración del IBEX 35](#) is a report by a mixed group consisting of members from the Esade Centre for Corporate Governance and the association Women in a Legal World, in conjunction with Alexander Hughes Iberia. Data were gathered in July 2020 from public information, apart from data about companies with insufficient public data about their board members. The first sample consisted of 34 IBEX-35 companies with a total of 443 board members. The average size of their boards was thirteen members. Twenty percent of these companies are in the energy sector, and 12% in industry. The other sectors covered were infrastructures (9%), tourism (9%), telecommunications (9%), pharma (6%), technology (6%) and finally, retail (3%).

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