



THE SUNDAY TIMES

Women take one step forward and one back

Sunday 12 September 2004

by Louise Armitstead

It has been a thoroughly confusing week for theories about how women are doing in business. Louise Armitstead reports.

A FIVE-LINE STATEMENT popped onto the news bulletin section of Tesco's website last Wednesday. It said that Karen Cook would be joining the board of the supermarket chain in October.

The rudimentary description of Cook's professional life sketched the outline of an impressive and powerful businesswoman. As well as holding her current position as managing director of investment banking at Goldman Sachs for five years, Cook had once been the co-head of corporate finance at Schroders and, in 1997, became the first female director of Dixons. But -even better -she is married and has six children.

It is an impressive track record by any standards. But now her appointment to the board of Tesco, one of Britain's most respected companies, has catapulted Cook out of City circles and into wider fame.

Almost overnight a new business superwoman was born. Parallels were drawn with Nicola Horlick, also nicknamed Superwoman, who juggled her job as founder and chief executive of SG Asset Management Group with being a wife and mother of six children, one of whom tragically died of leukaemia at the age of 12. Horlick's cult status was confirmed by top sales of her book *You Can Have it*

All, and her appearance on billboards across the country advertising her company's investment products.

Cook, 51, who is married to Patrick Drayton, a banker at Citigroup and the government's adviser on Eurotunnel, is far quieter than Horlick. Despite her success, she shuns publicity. She will also want to avoid too close a comparison with Horlick, whose departure from SG last year led to a swift decline in her influence. But as the City's latest heroine, Cook will inherit the obligatory position of role model for working mothers and feminists. Others will seize on her as living proof that there are no glass ceilings in the City and that it has equal opportunities.

Just as praise for Cook poured out in the City, a few miles away an altogether different view of women in business was being revealed in grisly detail to an employment tribunal in East Croydon. Here the case continues in which Stephanie Villalba, once a senior banker at Merrill Lynch, is seeking a record £7.5m from her former employers for sexual discrimination, bullying and unequal pay.

Merrill Lynch has put forward 22 bankers, led by Raymundo Yu, global head of private clients, who all backed its claim that Villalba was "out of her depth" and "did not have the leadership skills or other qualities necessary" for her job as a market executive.

It was a week that epitomised the confusion among theorists on women in business. While some argue they are held back by male chauvinism, others say executive positions are dominated by men because most women choose to give up work in favour of family interests.

On the one hand, laws to protect the rights of women are pouring out of Westminster and Brussels. On the other, there has been a proliferation of cases in which senior male City executives have been

exposed as unimaginably crass. In July, a Merrill Lynch lawyer was awarded £1m after a colleague made lewd comments about her cleavage and invited others to do the same. There is no doubt that many companies are concerned that they have so few women in senior positions.

A recent study by Moloney Search, the headhunter, showed that demand in Britain's boardrooms for female directors is at an all-time high. Moloney has set up a special service, Diverse Board Appointments, to cater for the demand.

Meanwhile, new research at Exeter University has found that more women than ever before are being appointed to executive roles. But Professor Alex Haslam and Michelle Ryan of Exeter's psychology department said rather than glass ceilings, women in business need to beware of "glass cliffs".

"We were responding to the fact that companies with women on their boards appeared to be doing worse than those run by just men," said Haslam. "Rather than finding women were a bad influence, we found they were generally appointed to companies that were already failing. Boards tend to appoint them when things are going wrong. They get a woman in to silence the reformists; the business fails anyway.

We also found that, psychologically, people are more likely to turn to women in a crisis."

Villalba certainly fits Haslam's theory. As for Cook, it can hardly be said that she has been parachuted into a failing company -Tesco is a stock-market darling - but she does fit part of the theory.

"Successful women relish the challenge given to them," said Haslam. "They also don't like to draw attention to their femininity and want to get on with the job without any fuss."