

Women on Boards:

A Conversation with Yilmaz Argüden

**Country of Origin:**

Turkey

Board experience:

Dr. Yilmaz Argüden has over 24 years of board experience in Turkey and abroad.

He currently sits on

the board of 10 public and private companies including Anadolu Efes A.S., Coca-Cola İçecek A.S., İnmet Mining Corp., Vestel Elektronik Sanayi ve Ticaret A.S., Vestel Beyaz Eşya A.S., Yazıcılar Holding A.S. He also chairs Rothschild Investment Bank in Turkey and ARGE Consulting, which is a leading management consulting firm based in Istanbul and Turkey's first signatory to the United Nations Global Compact.

An additional fact: He was selected as a Global Leader for Tomorrow by the World Economic Forum in 1999.

Something women should know

about him: *"I respect women's perceptiveness, especially on social and community issues."*

Turkey

The number:

22.2% of board seats of Turkish family held firms are held by female members of the owning family(ies) according to a 2008 study conducted on behalf of the EU Commission.

And Did You Know?

According to the 2010 WEF Gender Gap report, Turkey had the second highest percentage of women CEOs (12%) among the 34 OECD countries plus Brazil, China, and Russia.

What has been your experience sitting on boards with women directors?

When the women are selected for their skills they definitely contribute a great deal. They bring a broader perspective which increases the diversity of opinions. Without generalizing too much, women tend to be more perceptive about people assessment, social trends, and social responsibility issues.

Is there a difference in board dynamics when you have one or more women directors?

I don't see much difference in board dynamics, although I would say that when there are two or more women on the board, they seem more comfortable in raising issues and bringing different perspectives to the table. In cases where there is only one woman on the board, they do very well too, especially when they feel confident that they have the right experience.

Are companies becoming more deliberate in appointing women to their boards?

In some cases, especially in family firms, women sit on boards because they are affiliated with or represent major shareholders. In other cases they have been handpicked for their skills. I think the issue for companies is having the diversity of relevant experience. For example, in the case of a consumer products company, women directors can provide valuable, practical input because they may have a deeper understanding of what drives consumers since they make the purchasing decisions for their families. On the other hand, I sit on the board of a Canadian mining company. There are no women on the board, because there aren't that many women in the mining industry. So, despite our willingness to include that additional dimension of

diversity, we feel that relevant experience is more important.

Can you imagine yourself being the only man in a board composed of women?

Of course! Why not? There already are companies where the majority of board members are women, and I don't think it's an issue at all. And I don't think the reverse situation is an issue either.

Does diversity lead to good corporate governance practices or does good corporate governance lead to more diversity?

Generally, we tend to think of diversity in the context of gender or ethnicity. However, to build a strong team, boards also should consider diversity of skills and experience, age distribution, and tenure on the board as well. Diversity for its own sake is not an improvement in governance; what matters is the combination of complementary skills and experiences that members bring to the table to better address the challenges the company is likely to face.

What approaches would you suggest to increased female representation on boards?

I have several suggestions. Women should be a part of the search process and included as part of any list of candidates when you are getting ready to appoint new directors. In the end, you may decide not to appoint them, but if the search process only yields male candidates, you are eliminating the possibility before you even start. I also think that corporate governance codes should include disclosure of some kind of diversity and skills matrix. This is critical to building a good board.

How do you feel about quotas?

If the situation is that there are a significant number of women with the appropriate experience who cannot find board positions, then enacting a quota system or other

regulations might be useful. If this is not the case, then, in my opinion, quotas only serve to reduce the quality of the boards.

Are there any cultural obstacles to gender diversity on boards in Turkey?

Gender might be an impediment in certain companies because of cultural beliefs and traditions. Overall, though, if you look at the senior management of most Turkish companies, you will find a much better gender balance here than at the entry level. This is an indication that in Turkey, there is no glass ceiling and that there is no cultural barrier to be appointed to boards, but the barriers are at the entry level.

"I don't believe that women should be appointed to boards simply because they are women but because they bring a relevant perspective."

Yılmaz Argüden

Can you offer some practical tips for women seeking directorships?

They should aim for assuming responsibility for a company or a business unit. People who have held balance sheet responsibilities are more attractive as a board candidate. Obviously, being part of the right networks is also useful, as it increases the brand equity of the individual. ■

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