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Board composition in the 'Big Four' British clearing banks, 1970-2005: A prosopographic and theoretical analysis

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ABSTRACT

Covering a period characterised by a series of dramatic changes for Britain's 'Big Four' clearing banks – Barclays, Lloyds, NatWest, and Midland – this article is based on a database composed of the directors of these influential institutions. The first research question examined the nature of any changes that occurred at board level, employing a prosopographic approach that provided extensive insights into the principal characteristics of the group as it evolved over time. The second analysed these changes, using board capital theory to assess the extent to which the balance between 'insiders' and 'outsiders' changed markedly over this period. The research showed that while the composition of boards did change, we find that the introduction of more 'outsiders' masks their occupations as bankers. This suggests that the transition from insider-dominated to outsider-dominated boards hardly changed the types of people who held these positions.

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Introduction

The late twentieth and early twenty-first centuries proved to be a period of sustained market and regulatory disruption for Britain's 'Big Four' clearing banks – Barclays, Lloyds, NatWest, and Midland. Authoritative contemporary commentators (Channon, 1977, 1986; Mullineux, 1987; Rogers, 1999) were also highly critical of the ability of their boards of directors to make appropriate decisions on how to invest the substantial financial resources at their disposal. Indeed, both Midland and NatWest made disastrous mistakes, resulting in acquisition by banks based outside London (respectively, Hong Kong and Shanghai Bank acquired Midland in 1992, and Royal Bank of Scotland took ownership of NatWest in 2000).

When making these accusations, however, contemporaries ignored the major changes taking place at board level across all four banks. Indeed, there is evidence of a significant transformation in the composition of boards. Superficially, this reflected a change away from

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the traditional conservative bankers of the past, whose progression up the organisation was primarily driven by seniority or nepotism, to a new generation that potentially offered fresh perspectives derived from their more diverse experiences and backgrounds. This transition prompted our first research question: how did the characteristics of bank board members change during the period 1970-2005? To unravel this issue, we used a prosopographic analysis – a method that focuses on individuals' characteristics such as career background, education, gender, etc.– to document the changes to board composition over a thirty-five-year period for each bank.

Our second question focuses on the nature of the changes at board level: how did the changes in board composition affect the quality of the human resources available to the banks? We use board capital theory (Hillman et al., 2000) to assess this issue, thereby developing a deeper understanding of the prosopographic analysis results. Apart from providing a more nuanced understanding of bank board composition, answers to these questions illuminated a series of related issues, including the increased professionalisation of British management and the impact of corporate governance reforms.

To conduct our analysis, we created a database of the directors for each bank at five-year intervals from 1970 through to 2005. The starting point was chosen for two reasons: the 1967 Companies Act compelled banks to disclose their accounts accurately, and by 1970 most were beginning to comply (Ackrill & Hannah, 2001); and because the environment in which British clearing banks operated was about to change markedly. The endpoint precedes the 2007-08 global financial crash when some bank boards were disrupted extensively because of state intervention. Evidence was collected from bank annual reports, while biographical information has been used to supplement the raw data. While there have been some classification problems, especially in terms of pre-university educational background and university level qualifications, this work generated a unique dataset to examine whether there were substantive changes to the 'Big Four' boards of directors.

The article starts by providing some context for our analysis, outlining the major developments in banking that materially affected the environment in which the 'Big Four' operated. This is followed by an assessment of the evolving British corporate governance context, especially given successive Companies Acts and the Cadbury Report published in 1991. The prosopographic approach is then discussed along with board capital theory as our primary analytical tools. The novelty of this approach is that board capital theory, to our knowledge, has never been applied to British banks; neither have social scientists conducted a longitudinal study of board composition using this framework (Bosboom et al., 2019; Hillman & Dalziel, 2003). This approach provides the basis for an extensive analysis of our original data. We conclude by returning to the core research questions and presenting original insights that illuminate our understanding of who ran the major clearing banks over these highly challenging decades.

Our paper makes several contributions. We make an empirical contribution through our prosopographic analysis which documents the composition of the 'Big Four' banks' boards. We build on this contribution with our novel adaptation of board capital theory to analyse the substance behind these changes and how they affected the quality of the human resources available to the boards in the form of personal capital. This shows the replacement of 'insiders' with 'outsiders' during the 1990s at all the banks studied. Finally, we highlight the potential of board capital theory to business historians, as well as developing it by adapting the categories to better understand the phenomena being studied.

The British banking context

A long succession of mergers, acquisitions and failures that stretched back to the 1820s (Garnett et al., 2015) meant that by the 1970s British banking was dominated by a small number of large retail banks – Barclays, Lloyds, NatWest, and Midland – commonly referred to as the 'Big Four.' These firms had operated as a cartel since the 1940s in a regulatory structure that was more concerned with stability than dynamism (Arch, 2021; Capie & Billings, 2004; Channon, 1977; Turner, 2014). This cozy environment relied on intensive communication between the managements of the 'Big Four,' facilitated and orchestrated by the Bank of England (which had been nationalised in 1946) and the Treasury to ensure that monetary policy was coordinated. A change of government from Labour to Conservative in 1970 meant that the Bank of England was anxious to stimulate more competition in banking, publishing *Competition and Credit Control* (CCC) as an instrument to break up the long-running cartel arrangements (Braggion & Ongena, 2019; Capie, 2010).

In 1967, Wilson's Labour government passed the 1967 Companies Act, compelling banks, and all other registered companies, to disclose their accounts much more accurately (Ackrill & Hannah, 2001). International events such as the collapse of the Bretton Woods system of currency convertibility also prompted further changes to the global banking system in the early 1970s (Schenk, 2010), while domestic competition intensified as foreign banks started to move into the City of London's vibrant financial community. Although the City experienced a Secondary Banking Crisis (1973-75), the Bank of England and the 'Big Four' effected a collective recovery package that restored stability (Capie, 2010), demonstrating the inherent strengths in British banking at that time.

Another consequence of the Secondary Banking Crisis was the Bank of England's decision that the banking sector needed to be better supervised (Johnston, 2025; Turner, 2014). This resulted in the 1979 Banking Act which imposed new reporting requirements on all banks. A succession of Companies Acts (1981, 1985, and 1989) further increased transparency in financial reporting for all firms, including banks, sweeping away any vestiges of earlier patterns of earnings management within companies. These changes raise the question of exactly who became the directors of the affected companies, and whether the legal changes significantly influenced the types of people who entered these roles.

These regulatory developments coincided with the liberalisation tendencies of a Conservative government that came to power in 1979, the most prominent manifestation of which was the so-called 'Big Bang' (scheduled for 1986) in the City of London's financial markets. Apart from eradicating some restrictive practices and opening a wider range of City activities to foreign institutions, 'Big Bang' allowed retail banking companies to partner with investment traders in ways that had previously been prohibited. To prepare for the change, the 'Big Four' jockeyed for position, investing significant sums in the purchase of various (usually much smaller) investment trading houses and investing in new computer-driven trading rooms. These acquisitions forced even more transparency into the finance industry and pushed the big retail banks into unfamiliar business territory. Specifically, their acquisitions brought them into direct contact with merchant banks, brokers, and jobbers with contrasting organisational cultures and much different attitudes towards risk, reward, and remuneration (Augar, 2000, 2018; Rogers, 1999). However, the stock market crash of 1987 and economic downturn of the early 1990s persuaded NatWest, Lloyds and Midland to curtail their investment bank ambitions. Only Barclays continued its pursuit of establishing a leading investment bank, despite later incurring losses in Russian markets and the internal turmoil that the strategy created (Augar, 2018).

This new regulatory environment prompted radical changes in British banking (Johnston, 2025). In addition, the 1986 Building Societies Act allowed these cash-rich institutions to demutualize and enter both the personal banking market and related financial sectors such as insurance and credit cards that had formerly been dominated by the 'Big Four.' Significant concentration among building societies meant that by the 1990s firms such as Abbey National, Halifax, Woolwich, and Alliance & Leicester posed a real threat to the established retail banks (Turner, 2014). Although Nationwide remained a mutual society, its national retail network represented another rival on the high streets of British towns. This increasingly competitive situation was exacerbated further by the increased presence of foreign banks: though these largely American and Japanese institutions failed to penetrate the retail market, by 1989 they controlled 60% of the corporate debt market (Rogers, 1999). In addition, companies that have been termed 'non-banks' – credit card companies, automobile and domestic appliance manufacturers, and major retailers – developed a range of their own financial services that eroded the traditional markets of the commercial banks (Channon, 1986).

These changes highlight how over the course of the 1970s and 1980s not only did competition intensify, but also how traditional banking market divisions had mostly disappeared (Channon, 1977, 1986). Moreover, customer preferences and expectations continued to evolve, driving product and service developments as new technology started to make an impact (Batiz-Lazo, 2018). Responding to these competitive pressures, the 'Big Four' embarked on a range of strategic responses which frequently stretched both their financial resources and managerial expertise. Rogers (1999) provides an extensive analysis for each bank, stressing that the common denominator was a drive for size and diversity, with at times calamitous consequences. We have already noted their moves into investment banking, which, apart from rarely making returns commensurate with the substantial purchase prices, created significant internal friction based on the deep cultural differences between different types of banker (Vander Weyer, 2000). Our observations raise the second research question relating to the nature of the perceived changes in board composition that the previously mentioned legal changes created; whatever changes may have occurred, they do not appear to have resulted in significantly better performance or fewer strategic missteps. We plan to return to bank performance in a future paper.

Geographical dispersion further exacerbated these internal tensions. While Barclays had been operating internationally since the 1920s, mainly in British Empire countries, by the 1990s it had acquired retail banks in mainland Europe. The others followed similar strategies: Lloyds expanded its longstanding presence in Latin America, as well as purchasing banks in New Zealand and the USA; NatWest established branches in several European countries and the USA; and Midland bought the US-based Crocker National Bank in 1981. However, the $1 billion loss that Midland recorded when this US subsidiary was sold in 1987 revealed a key feature of many of the banks' overseas ambitions, namely, failure (Rogers, 1999). Midland never recovered from this misguided venture, ultimately succumbing in 1992 to the aggressive acquisition strategy of the Hongkong and Shanghai Banking Corporation (HSBC). Indeed, by 2000 almost all foreign ventures purchased by the 'Big Four' had either been severely reduced, sold, or closed. This strategy resulted in substantial losses, imposing considerable organisational challenges on banks that, apart from Barclays and to a lesser extent Lloyds, had mostly operated in the distinct UK context until the 1970s. These geographic and product diversifications proved to be beyond the capabilities of boards that lacked either the expertise to manage them effectively or to hold management accountable for their decisions.

Having identified several strategic errors committed by the 'Big Four' after 1970, it is important to balance this view by highlighting that the banks were not averse to innovation, especially technological innovation. Midland opened its First Direct subsidiary in 1989 that operated solely through telephone banking, demonstrating how technology could be effectively exploited. This stimulated the rapid development of similar low-cost delivery systems, with call centres springing up in many regions to accommodate a new type of customer interface. Although the introduction of automated teller machines (ATMs) in the late 1960s significantly improved customers' access to cash (Bátiz-Lazo, 2009, 2018; Bátiz-Lazo & Wardley, 2005), the advent of telephone banking precipitated a wholesale move to close many branches to reduce costs at a time when bank profits were being pressured by the strategic errors already recounted. As more consumers gained access to internet-enabled computers during the 1990s, the 'Big Four' extended the practice of remote banking by investing significantly in online systems to cheapen the costs of doing business. Although many consumers complained about this anonymous form of banking, with rural communities especially affected by branch closures (Bátiz-Lazo 2018), for the 'Big Four' these savings provided some compensation for the losses recorded by poor strategic decision-making in other areas. Crucially, shareholders were mollified by this willingness to innovate within the tightly regulated and competitive British market (Arch, 2021).

Despite these technological innovations, by the 1990s contemporaries questioned the quality of decision-making at the 'Big Four' (Channon, 1986; Rogers, 1999). Although the competitive environment had changed markedly, undermining the market dominance they had enjoyed up to 1970, the 'Big is Beautiful' strategy (Rogers, 1999, p. 32) clearly failed to generate the returns anticipated by senior management. In the depressed British economic environment of the early 1990s, the 'Big Four' also had to make large provisions for bad debts that had arisen from over-lending during the late 1980s boom. As noted earlier, in 1992 Midland succumbed to its poor financial state and was acquired by HSBC (Roberts & Kynaston, 2015; Stonham, 1994a, Stonham, 1994b). The remainder of the decade was one of steady recovery under the control of HSBC and the gradual phasing out of any Midland branding by 1998 (Roberts & Kynaston, 2015).

At Lloyds, traditionally regarded as the best managed of the 'Big Four' under CEO Brian Pitman, the board would appear to have lost its earlier dynamism. Lloyds had shorn itself of its overseas activities, particularly those in South America that would have benefitted from the region's economic recovery in the 1990s. While the bank pursued a cost-cutting program of closing branches and offshoring its call centres, after purchasing the building societies Cheltenham & Gloucester and the TSB, applying such cost cutting made future targets wary of Lloyds' approaches (Howcroft, 2005). Similarly, although an online bank (Evolve) and investment vehicle (Create) were created, both proved to be notable and costly failures. This gave the impression of a bank in a post growth state, with the purchase in 1999 of Scottish Widows, a life assurance and pension provider, doing little to excite observers (Fallon, 2015). There also appeared to be little scope for strategic renewal as Pitman, having resigned as CEO in 1997, became the bank's Chairman, overshadowing new CEO Peter Ellwood and frustrating his efforts to pursue a fresh strategic direction (Fallon, 2015).

Barclays endured its own management turmoil during the 1990s, having appointed its first CEO, Martin Taylor, in 1994. The poor relationship between Taylor and Barclays' Chairman, Andrew Buxton, meant that Taylor was unable to rely on Buxton for oversight or strategic guidance (Augar, 2018). In 1998, Barclays made substantial losses in Russian markets due to unauthorised trading. This pitted Taylor, who wanted to sell the investment bank, against the majority of the board that did not, resulting in his resignation. While Barclays fared better under CEO Matthew Barrett, it was Barrett's strategy of increasing the bank's leverage to purchase assets, growing the investment bank, and encouraging the up-selling and cross selling of products, such as payment protection insurance, that planted the seeds of several crises at Barclays in the early 2010s (Augar, 2018; Jones, 2024).

NatWest's investment bank, County NatWest, became embroiled in what the press called the Blue Arrow Scandal in 1987 in which the bank was accused of misleading investors (Rogers, 1999). The Blue Arrow Scandal occurred when the recruitment firm Blue Arrow attempted to issue over £800 million in new stock to fund a takeover of rival Manpower Inc. Struggling to find buyers amongst its current shareholders, it tasked County NatWest to find buyers for approximately 50% of the stock, taking a portion of the unsold stock themselves in the meantime to hide the failed share offering. As a direct result, County NatWest suffered a substantial loss when trying to offload these Blue Arrow shares, instead deciding to distribute them among its own subsidiary companies. The stock market crash later that year exposed the deception, leading to four executives being convicted of fraud by the Serious Fraud Office. Though the convictions were later overturned, this incident was one among many that appeared to demonstrate inherent weaknesses in British corporate governance regulations (Boyd, 1996), a point examined in the next section.

Addressing these weaknesses precipitated some radical changes that would affect the 'Big Four' significantly. For NatWest specifically, it marked the first step in a poor decade that culminated in its acquisition by the Royal Bank of Scotland (RBS) in 2000, again highlighting the board's inability to cope with the challenges of that era. Indeed, the 'Big Four' often faced criticism, with Rogers (1999, p. 37) concluding that: 'It is not clear that banks have the skills to develop, let alone implement, these new strategies,' pointing especially to poor risk management, weak auditing and a lack of other organisational controls required in that sector.

Corporate governance and board capital theory

In the same year that HSBC acquired Midland, the Committee on the Financial Aspects of Corporate Governance produced its report (The Committee on the Financial Aspects of Corporate Governance, 1992). Known as the 'Cadbury Report' after its chair, Sir Adrian Cadbury, this document initiated what became a regular series of reviews of how British companies should be governed, building on earlier attempts to improve corporate governance through Companies Acts (Johnston, 2025). The Blue Arrow Scandal had played its part in persuading the Financial Reporting Council to commission the Cadbury Report (Spira & Slinn, 2013), because it revealed some dubious practices that were attributable to the behaviour of allegedly aberrant directors. Other high-profile corporate scandals involving firms such as Guinness, Polly Peck, and the Bank of Credit and Commerce International, prompted similar conclusions, while the massive fraud at Ferranti International was mainly attributed to weak governance (Billings et al., 2016).

To fully understand how the 1990s corporate governance regulations impacted the 'Big Four,' it is crucial to examine other features of the era that affected their performance. While the 'Big Four' indulged in substantial spending sprees on new businesses, domestically they withdrew from the corporate director networks that up to the 1970s they had dominated (Buchnea et al., 2020; Wilson et al., 2018). By 2000, the 'Big Four' were represented on less than half of the boards for which they had provided directors in the 1970s and (apart from Lloyds) they had slipped significantly down the list of the Top 25 most connected firms (Buchnea et al., 2020). These downward trends could well have been influential because an essential element of board capital theory is the ability of companies to recruit fresh management talent from connected enterprises. Carpenter and Westphal (2001) have highlighted the crucial importance of external network ties to the effective elaboration of corporate strategies in US firms, bringing into question the wisdom behind the retreat from corporate networking by the 'Big Four' and the financial sector more generally. Although refinements to corporate governance regulations certainly provided some justification for this trend, the banks' withdrawal from British corporate networks may have contributed to the governance challenges faced by 'Big Four' boards from the 1990s (Buchnea et al., 2020).

Another key feature of this era was the inability of institutional investors to influence corporate decision-making in any meaningful way through board representation (Tilba & McNulty, 2013). Institutional investors had largely replaced individuals as the principal owners of equity in British-registered companies by the 1990s (Buchnea et al., 2020). Although the Companies Act 1948 sought to give shareholders greater powers to remove directors, it did not as such address corporate governance; that was being done behind the scenes by the Bank of England from 1971 until the Cadbury Report was published (Johnston, 2025). Nevertheless, the much-vaunted shift of power into the hands of institutional investors never happened, largely because of the passive ways in which these funds operated (Tilba & Wilson, 2017). Even though the 1992 Cadbury Report urged boards to fulfil their fiduciary duty by being more accountable to shareholders, a change that we would expect to affect board appointments, this has rarely been implemented over the last three decades. In effect, most boards and executives were left to run companies while institutional investors merely waited for returns on their investments or for a takeover to come along. Continued control by executives also manifested through the activity and decisions of remuneration committees which fuelled executive pay to an extent that many regarded as profligate, especially as it failed to take account of corporate performance (Haldane, 2010; Pepper, 2024).

Conscious of the litany of corporate scandals frequently featuring in newspaper and television headlines, the Cadbury Committee on the Financial Aspects of Corporate Governance started work in the summer of 1991 (Spira & Slinn, 2013). The Cadbury Report was published in December 1992, offering a Code of Best Practice that challenged the status quo. Perhaps the most important feature of this Code was separating the roles of chairman and chief executive to ensure a balance of power and authority in the board, along with the inclusion of at least three independent non-executive directors (NEDs) who would be free from any material interest that could compromise their judgement. These NEDs would also control the audit committee, while the overall board needed to report on the effectiveness of the company's system of internal control and its compliance with the Code. Finally, the Code encouraged shareholders to use their voting rights to support its principles and encourage best practice by the board. Although the phrase 'comply or explain' was not specifically used in the Cadbury Report, this later became one of the accepted dimensions of British corporate governance codes as they evolved from the 1990s.

Even though the Cadbury Report challenged current governance practices, Conyon and Mallin (1997) discovered just five years later that there was substantial compliance with the Code. A succession of further reviews – the Greenbury Code (1995), Hampel Code (1998), and Higgs Code (2003) – also tightened up on various aspects of board structure, director tenure and roles, as well as remuneration and shareholders' voting rights (Cheffins & Reddy, 2022). While these refinements did not eliminate all corporate scandals and governance weaknesses, at the very least they highlighted the increasing focus on how boards and individual directors ought to operate, institutionalising the 'comply or explain' motif mentioned earlier. Indeed, this regulation was incorporated into the Combined Code of Corporate Governance introduced in 2003, as well as developing the concept of board independence which has become a lynchpin in enhancing this body's capabilities.

In theory, independent directors bring an unbiased, external perspective to the decision-making process which is essential for effective oversight. It had long been clear that boards, and more specifically board capabilities, represent a significant resource within organisations (Johnston, 2025; Pfeffer & Salancik, 1978); potentially possessing the knowledge, experience, and acumen to make informed decisions regarding the strategic allocation and utilisation of a company's financial, intellectual, and human resources (Aguilera, 2005; Hendry et al., 2010; Roberts et al., 2005). The board members' detachment from management should ensure that they could ask critical questions, challenge assumptions, and make executives accountable. This not only promoted transparency but also helped in identifying risks and opportunities that might otherwise be overlooked. Greater board independence should also equip firms better to make sound strategic choices, mitigate potential conflicts of interest, and build trust with shareholders and other stakeholders. Above all, the Code and its successors emphasised how the board plays a pivotal role in firm governance, representing an important mechanism of oversight and decision-making. With specific regard to our two research questions, we need firstly to understand what effect, if any, did the various legal changes have on the people recruited to the boards of the 'Big Four' banks. Secondly, considering the questionable performance and strategic decision making of the 'Big Four' banks during the period being studied, we examined how these changes affected the resources available to the board.

Data collection and methods

The first stage of our data collection involved a prosopographic approach to collecting various types of biographical data, with the aim of generating insights into patterns of relationships and activities. As Fellman (2014) demonstrated, prosopography is an approach to collecting data rather than a methodology, employed as a means of generalising about a large amount of information. Following Fellman's (2014) pioneering approach in examining the managing directors of large Finnish industrial firms, others have employed a prosopographic approach: Araujo et al. (2024) used the technique to study how the profiles of Swiss banking elites have changed between the late nineteenth century and the early twenty-first century; Adams et al. (2024) examined the leading executives of Britain's largest publicly listed companies between 1900 and 2009; and Kansikas and Gustafsson (2024) analysed the infiltration of Freemasons into the Finnish business elite. Each of these works achieved its aim of not only evaluating changes across the identified group but also provided a deeper understanding of topics such as managerial recruitment and the professionalisation of management from a historical perspective.

With this prosopographic approach in mind, we embarked on a data collection exercise that initially involved accessing annual reports of the 'Big Four' banks from 1970 to 2005 at five-year intervals. As the annual reports are published at a one-year offset – namely, the annual report for 2005 appeared in 2006 – this means that our data represent directors on these boards between 1971 and 2006 at five-year intervals as the directors listed in the report were directors at the time of publication. We chose to collect our data this way because five-year intervals provide an easily identifiable set of data to gather and for others to follow. The annual reports came from the banks' websites, *via* the banks' corporate archives departments, or downloaded from Companies House. In the case of Midland and NatWest, which were taken over by competitors during this period, our analysis focused on the top board level of the acquiring company as they were ultimately responsible for strategic direction. Since HSBC acquired Midland in 1992, we have used the HSBC annual reports from 1995 onwards to identify the top-level directors. We treated NatWest similarly after it was purchased by RBS in 2000, using RBS's reports from 2000 onwards to identify the main board members.

A particular problem that emerged from the data gathering was the realisation that the information provided by annual reports on individuals changed over time, and especially in terms of revealing educational and career backgrounds. While it was generally possible to ascertain the educational institutions that directors attended from university level upwards, it was far more difficult to find information on the subjects studied and increasingly difficult in more recent years to find information on directors' secondary level education. While career backgrounds were normally available, with more recent annual reports providing additional information, for some directors no information at all was available in the databases we checked. While it is likely that these individuals had limited experience outside of their bank, and hence had a lower public profile, we decided against speculation and categorised them as 'unknown' (see Table 1). These issues posed a challenge in researching an individual's biography, forcing us to resort to using *Who's Who* and BoardEx to generate a richer dataset, including education, career data, awards, memberships, and professional qualifications.

The data were combined into a spreadsheet, with each bank having its own tab to avoid confusion. Inputting this data resulted in a total of 738 entries across the four banks, although it should be noted that these are not all unique entries as board members with longer tenures appear at multiple points and some also appear for different banks. The data were separated into seven columns: director's name; his or her role in that bank; educational and professional qualifications and memberships; where the director was educated at all levels for which data were available; honours and [London] club memberships; work experience; and a persistent link to the data if it was collected from *Who's Who*. We then used career and professional qualifications data to assess where the expertise of directors rested based on the industry(ies) in which the director had the most experience, including professional qualifications and awards.

Having conducted this prosopographic exercise, we decided to utilise board capital theory (Hillman & Dalziel, 2003) to identify specific changes across the population of bank directors. As Bosboom et al. (2019) stress, board capital theory assumes that a board is more

Table 1. Categories of director types (adapted from Hillman et al., 2000, p. 240 and Bosboom et al., 2019, pp. 125-26).

Director category	Types of resources provided (not exhaustive)	Types of directors in category
Insider directors	Expertise on the firm itself, its current and past strategies, its history, and corporate culture. Specific knowledge related to the industry the firm operates in such as legal requirements.	Directors who have predominantly spent their careers within the firm on whose board they sit.
Outsider directors	Expertise on best practice elsewhere in the industry and industry trends. Specific knowledge related to activities that the firm does not currently do but could expand into within the same industry. Best practice from other organisations.	Directors who have predominantly spent their careers in firms outside of the current bank but within the same or connected industries such as insurance or merchant banking.
Business experts	Expertise on competition and the industrial landscape from other industries. Provide alternative viewpoints for internal and external problems. Insider knowledge about firms in other industries as well as expertise as to how those industries operate. Best practice from other organisations. Legitimacy.	Directors who have predominantly spent their careers outside of the financial industry. Current and former board members at firms operating in industries outside of the financial industry.
Support specialists	Specialist expertise in law, economics, accounting, IT, or other technical areas. Provide channels of communication to large and powerful suppliers or government agencies. Legitimacy.	People with substantial technical training such as: lawyers, accountants, IT, or public relations experts, etc. Academics with relevant expertise such as economics or business. Experts in appropriate regulation.
Community influencers	Provide non-business perspectives on issues. Expertise on, and influence with, powerful community groups. Representation of specific interests outside of directly commercial ones. Legitimacy.	People with no obvious relevant experience in business but who have valuable network connections, or a public profile connected to important social issues such as political leaders. Academics with non-relevant degrees such as art, classics etc. Members of the clergy. Members of social or community organisations.
Unknown	N/A	For directors where we could not access enough information to make a judgement.

than the sum of its individual directors, and that the composition and quality of the board, in terms of the capital each director brings, significantly influence the board's ability to fulfil its roles and responsibilities. Essentially, board capital research focuses on two dimensions – human capital and relational capital – which together provide directors with the knowledge and ability to contribute to and influence strategic decisions (Bosboom et al., 2019). Human capital relates to individual characteristics such as skills and expertise, educational backgrounds, knowledge of the industry, governance expertise, reputation, and diversity. Relational capital refers to the directors' social connections and networks of ties to other individuals and organisations (Bosboom et al., 2019; Carpenter & Westphal, 2001; Zahra & Pearce, 1989). Crucially, boards ought to comprise both 'outside' and 'inside' directors because while the latter may have important operational knowledge of the organisation, they ought to be challenged by the former's potential to inject fresh ideas and approaches into the organisation resulting from their prior experience and expertise (Bosboom et al., 2019).

Directors were sorted into a series of categories, allowing for a detailed analysis of their links with the bank on whose board they sat, as well as their previous business experience. We focused on those who were sitting on the board of directors at the time the annual report was published, and did not differentiate between NEDs and other types of directors. Indeed, differentiating between NEDs and the other directors would negate the purpose of using board capital theory as it would, in some ways, exclude resources to which the board had access. In practice, while NEDs and other board members are expected to, and likely do, contribute differently to their firms, thereby affecting how their capital is deployed, such an analysis would require a different data set than was available to us. In addition, as it is unclear how much power the boards have over the strategic direction of an individual bank, it is logical to focus on those appointed to board positions and the resources available to them as they must ensure that management has sufficient oversight when enacting the firm's strategy.

This analysis allowed us to categorise each board member using Bosboom et al.'s (2019) typography of directors, adapted from Hillman et al.'s (2000) original typography. Our work develops board capital theory further because, unlike Hillman et al. (2000) and Bosboom et al. (2019), we have designated 'outside director' as its own type rather than as a meta-category that contains three other types: business experts, specialist skills, and community influencers. We did this to distinguish between directors with banking experience within the firm for which they worked as directors and those with experience from other banks or the wider financial industry. While these 'outside directors' did not have the same level of organisational knowledge as 'insiders,' they should not be compared to other categories such as 'business experts,' as their experience from the wider financial industry would likely be more relevant than experience from other industries. Given the nature of the banking industry, while both types may provide oversight, it is reasonable to assume that 'outside directors' and 'business experts' would contribute to the board differently: 'outside directors' provided knowledge of best practice within the banking industry and experience in related financial products, while 'business experts' channelled insights from other industries which are often strategically important for the banks as investment opportunities or as buyers of their services. Likewise, 'support specialists' and 'community influencers' bring different resources to the board compared to 'outsiders.' These five types are described in Table 1. Using these classifications, we created graphs to show several dimensions of board membership that we then analysed.

Board changes in the 'Big Four'

While existing studies using board capital theory focus on linking it to variables such as strategic renewal or performance, little attention has been paid to how board composition evolved over time (Bosboom et al., 2019). This highlights the need to include important contextual factors such as the withdrawal of financial institutions from UK corporate networks (Buchnea et al., 2020), the disengagement of institutional shareholders from their investee companies (Tilba & McNulty, 2013; Tilba & Wilson, 2017), and the increased emphasis on board independence in the corporate governance code. In short, context matters in this analysis, providing some mitigation when assessing the ways in which 'Big Four' boards evolved over this highly challenging period.

The first trend was a significant reduction in the size of the boards. This is revealed in Table 2, which highlights how by 2005 the average number of directors per board had fallen to just 15, compared to 27 in 1970. It is a matter of some conjecture whether the large boards of the 1970s contributed to poor governance and decision-making, an issue to which we return below. Figure 1 makes clear that female representation on 'Big Four' boards remained token at best, with Barclays and Lloyds being the worst performers and the other two employing no more than one woman each until the 2000s. Moreover, none of these women was a banker; each had been brought onto the board for either her non-financial business experience or community activities. For example, Mary Baker joined the Barclays board of directors in 1983. While having experience as a director at Thames Television, her position on the board was justified in the 1985 annual report using her work with the National Association for the Welfare of Children in Hospital and her role as President of Women in Management. Similarly, NatWest's first female director was Baroness Janet Young, appointed in 1987, whose primary experience was in the House of Lords. This appears to indicate that she was appointed more for her social status and relational capital than business expertise.

These examples highlight the continued presence of a 'glass ceiling' when it comes to women advancing to board positions, particularly from within the industry, an issue being addressed through recent regulatory and financial services initiatives. Some notable examples of these include: the Women in Finance Charter, which was launched by the Treasury in 2016;[1] the 30% Club,[2] a campaign that aims to achieve at least 30% female representation on FTSE 100 boards; and the Women in Banking and Finance (WIBF)[3] initiative that provides women with support and networking opportunities. In addition, there are development programs for women at all stages of their careers in the financial sector, such as the Diversity Project,[4] which is supported by key players in the investment and savings industry. There are also the Financial Conduct Authority's initiatives that were implemented to promote diversity and inclusion both within its own organisation and across the financial services sector (FCA 2023).

Figure 2 illustrates the elitist nature of director recruitment, in that more than one-half of bank directors attended either Oxford or Cambridge universities (classified as 'Oxbridge'), while at least up to the 1990s a minimum of one-third of directors could claim that affiliation. Figure 3 breaks down the proportion of directors who attended Oxbridge by bank. At NatWest, this proportion increased over the first half of our period, reaching 45% by 1990, while at Barclays the pattern persisted into the twenty-first century. In 2001, 38% of Barclays directors had been educated at Oxbridge institutions, demonstrating how the two largest banks by assets sustained their recruitment patterns. Although this article is not primarily concerned with an analysis of the British business elite, bank directors were part of this group, and an Oxbridge education continues to be a sign of elite status (Reeves & Friedman, 2024). Our data reinforce the views of several commentators (e.g. Stanworth and Giddens 1974; Scott, 1997) by showing that up to the 1990s recruitment trends appear to reflect a continued preference for people with similar backgrounds. Cassis (1997, p. 186) provided extensive insights into the composition of the British business elite, noting how 'City [of London] bankers have from an early stage been integrated into the upper classes and moved in the same circles as the political elite.' This analysis was further developed by Maclean et al. (2006, 2010, 2017), highlighting themes related to the exercise of power and recruitment into the elite. At this stage, however, our research focuses primarily on the composition of bank boards, rather than their position in a business social hierarchy that was changing very slowly over this period.

Table 2. Big Four bank directors by type, 1971-2006.

Barclays	1971	1976	1981	1986	1991	1996	2001	2006
Insider Directors	20	21	19	17	7	3	2	2
Outsider Directors	3	4	2	1	2	3	4	7
Business Experts	4	2	5	5	6	5	5	6
Support Specialists	0	0	0	3	2	2	1	3
Community Influencers	1	2	2	3	2	3	1	0
Unknown	2	2	0	1	0	0	0	0
Total	30	31	28	30	19	16	13	18

Midland/HSBC	1971	1976	1981	1986	1991	1996	2001	2006
Insider Directors	5	5	7	4	1	6	4	3
Outsider Directors	1	1	1	1	4	2	4	3
Business Experts	5	10	8	4	6	9	11	7
Support Specialists	3	5	5	4	4	4	4	6
Community Influencers	5	5	4	2	3	0	1	1
Unknown	3	2	1	1	1	0	0	0
Total	22	28	26	16	19	21	24	20

Lloyds	1971	1976	1981	1986	1991	1996	2001	2006
Insider Directors	4	4	5	6	10	6	3	0
Outsider Directors	3	4	3	1	3	6	4	5
Business Experts	10	14	10	10	7	1	9	5
Support Specialists	5	3	2	3	2	2	1	6
Community Influencers	8	6	3	2	2	0	1	0
Unknown	2	2	0	1	0	0	0	0
Total	32	33	23	23	24	15	18	16

NatWest/RBS	1971	1976	1981	1986	1991	1996	2001	2006
Insider Directors	5	11	11	11	6	6	2	0
Outsider Directors	5	5	5	5	2	1	7	9
Business Experts	6	6	7	6	5	6	2	2
Support Specialists	3	3	3	4	4	3	5	3
Community Influencers	6	5	4	5	2	4	2	1
Unknown	0	3	2	0	0	0	0	0
Total	25	33	32	31	19	20	18	15

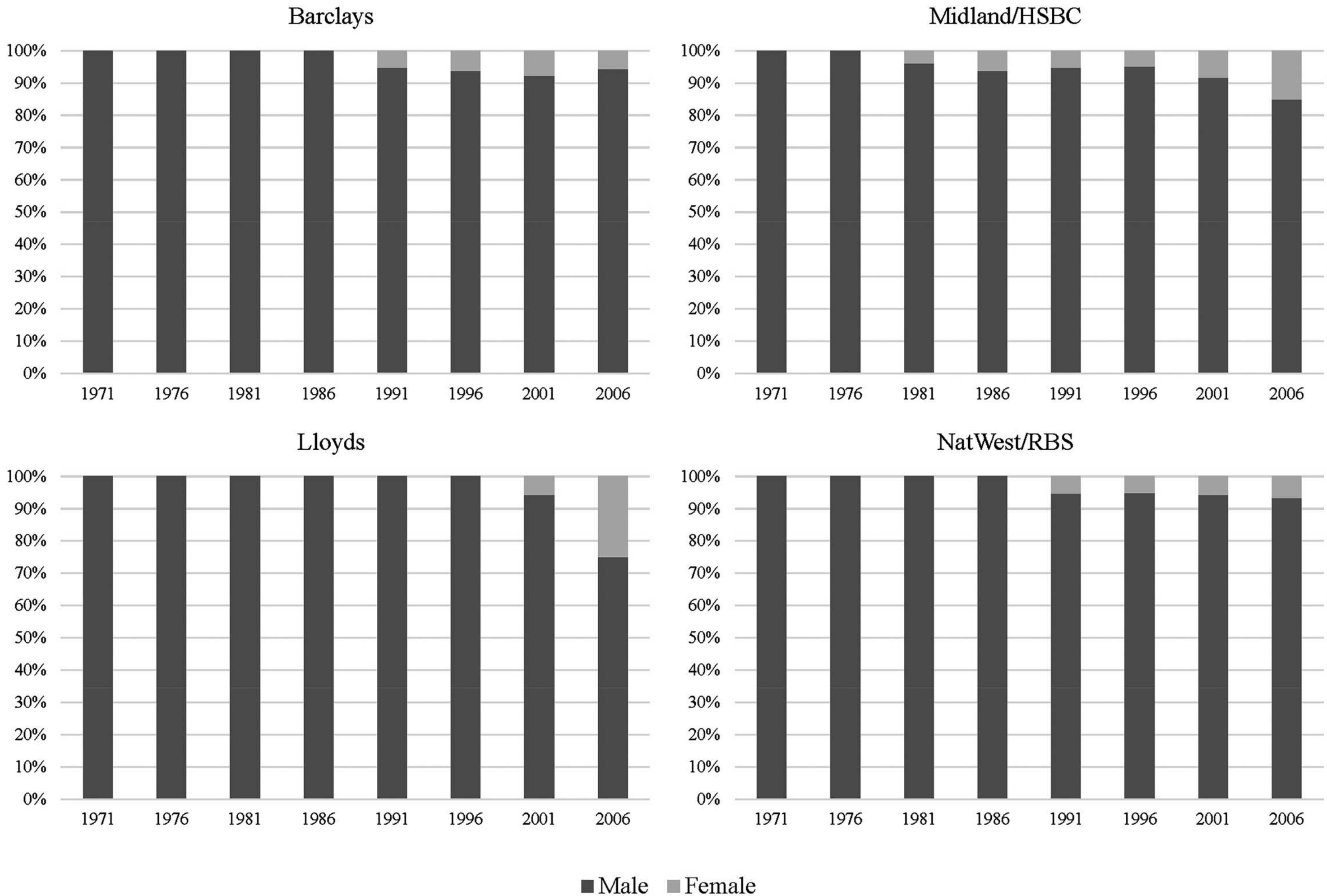


Figure 1. Male and Female directors as a proportion of each bank, 1971-2006.

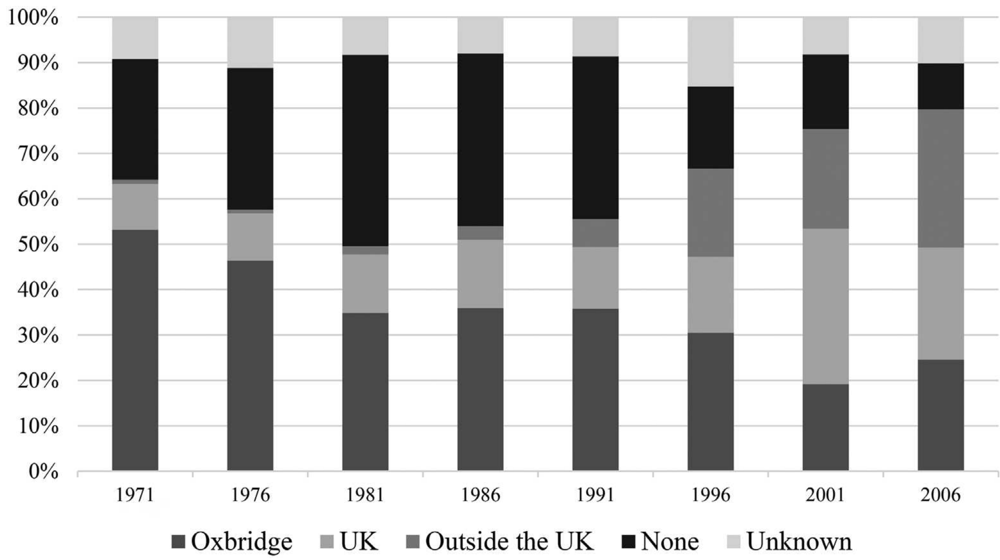


Figure 2. Director university education location across the 'Big Four' banks, 1971-2006.

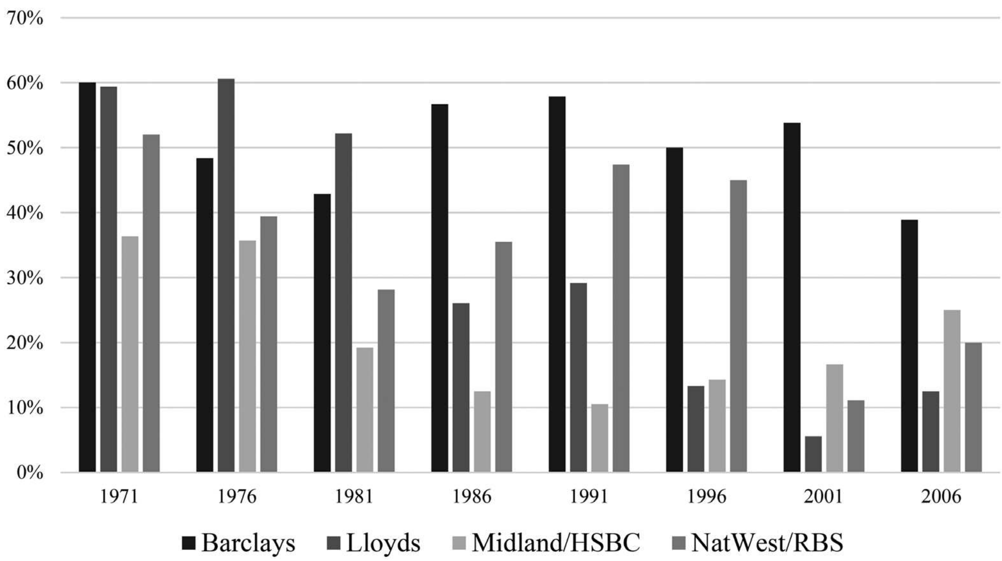


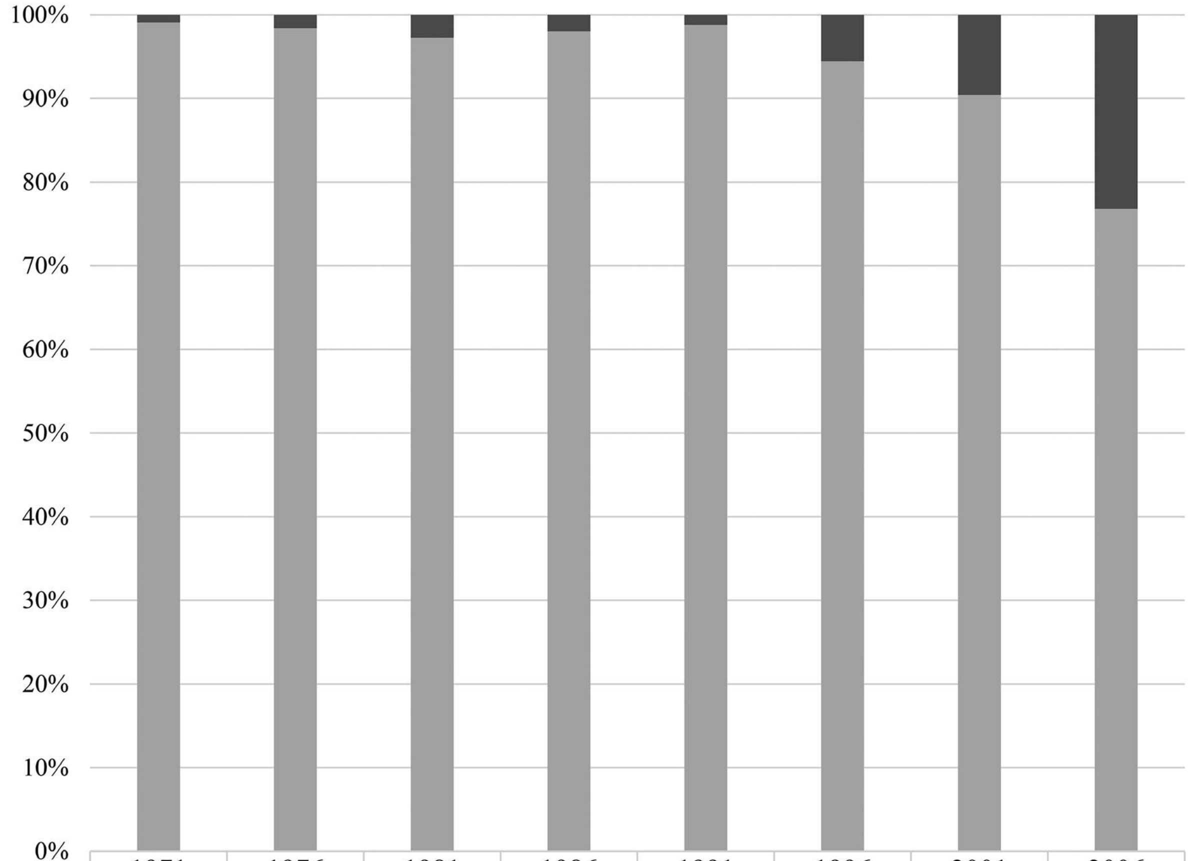
Figure 3. Percentage of Oxbridge educated directors at each bank, 1971-2006.

Looking more generally at the proportion of directors with any university education, we detected a steady increase from the 1980s, while the proportion of directors educated outside the UK increased faster than that of either Oxbridge or non-Oxbridge UK universities. Interestingly, a steady decrease in the number of directors with no university education at all occurred after 1981. The proportion of UK eighteen-year-olds attending university increased during the period. This might explain some of the change, but the greater proportion of university educated directors may also be reflective of changing hiring practices and career advancement pathways. A surge in directors who attended a university outside of the UK supports the assumption that it was hiring practices which drove this change, rather than an increase in UK-based graduates from which the banks could draw. Perhaps the 'Big Four' poached directors from foreign banks entering the UK market. Given the lack of access to relevant documentation, we can merely note that they recruited people with overseas degrees who might be more familiar with foreign competitors' strategies, behaviours, and practices. On the other hand, as the available data fail to provide enough information on what subject directors studied at university, it is impossible to draw any firm conclusions on the relevance of that academic work to the roles they would play in the banks.

Having noted this deficiency in the data, it is possible to identify those directors who experienced any form of management education. Figure 4 provides data on the small proportion of graduates who either held an MBA, DBA, or undertook an executive management course such as Harvard's Advanced Management Program (AMP). The data on non-MBAs in Figure 4 also include all other directors who do not appear to have studied an MBA, DBA or AMP, regardless of the subjects studied or whether they had attended university. Although we suspect that the number of directors who held management education credentials may be undercounted, because such information was not always included in the databases consulted, the available data do allow us to identify trends over time.

Given the considerable surge in registrations at UK business schools from the 1980s, albeit from a very small base – the number of business schools more than trebled during this decade (Workman, 2004) – the growing popularity of the MBA in select parts of the British business community meant that at some point these graduates would appear in our data. The United Kingdom adopted university-based management education later than some competitor nations such as the United States of America. There had been numerous attempts over the course of the twentieth century to improve management performance, with the 1940s marking a considerable increase in interest (Keeble, 1992; Larson, 2003; Williams, 2010). The formation of university-level management programs in the 1960s offered the promise that British managers might catch up with their Continental and North American colleagues. Establishing the London and Manchester Business Schools in 1965 (Wilson, 1992) precipitated a thirty-year wave of expansion in the sector, resulting in a large increase in overall MBA student numbers in the UK (Armstrong, 2005).

As universities developed business and management studies programs, their graduates often entered companies at a modest organisational level, especially until the early 1980s. Cassis (1997) notes that only a small fraction of business leaders had been to a business school by the 1990s. Because British managers as a group possessed a wide range of personal and social backgrounds, formal and informal training, and worked across all business sectors, limited progress occurred in efforts to 'professionalize' management in the UK during this period (Larson, 2017, 2020; Wilson & Thomson, 2006). The result was that these graduates were preparing themselves, but not yet ready for, boardroom positions in the 'Big Four' banks up to the 1990s. These factors partly explain bank director recruitment patterns during the 1970s and 1980s. Initially appearing in small numbers (see Figure 4), the proportion of management education graduates on the boards increased from roughly 5.5% to 23% in ten years between 1996 and 2006. While there has been considerable debate across business and academia about the relevance of what business schools offered (Byrt, 1989; Clarke, 2008; Mintzberg, 2004; Stoten, 2018), Figure 4 demonstrates that not only were the 'Big Four' slow to accept management education credentials as a key recruitment criterion, but they also did not recruit people with such qualifications from abroad in great numbers, a practice that was similar to other leading British firms during the twentieth century (Aldous & Turner, 2025).



	1971	1976	1981	1986	1991	1996	2001	2006
Directors with MBAs	1	2	3	2	1	4	7	16
Directors without MBAs	108	123	106	98	80	68	66	53

Figure 4. Proportion and numbers of directors who held management education qualifications across the 'Big Four' banks.

Having described the limited expansion of the educational backgrounds of bank directors, another key dimension of the human and relational capacities of bank directors was their career tracks. With specific regard to board capital theory, we need to understand the extent to which boards were dominated by either 'insiders' (those trained long-term in that bank) or 'outsiders' (directors who came onto the boards from other sectors or other organisations in the finance industry). This exercise resulted in the data presented in Table 2 for each bank. The categories used correspond to Table 1, differentiating between a series of experiences within the firm for the 'insider' to those who were recruited from a diverse range of backgrounds. It is important to bear in mind that the 'outsiders' actually came from other banking backgrounds, significantly qualifying any claim that the 'Big Four' boards had been meaningfully transformed over our period.

Notable examples of typical 'outsiders' include Fred Goodwin at RBS and Bob Diamond at Barclays. Goodwin had worked himself up the hierarchy at accounting firm Touche Ross, impressing many with his thorough approach to auditing mergers and acquisitions (Fraser, 2014). He had also earned a less than complimentary reputation as a person, and it was for this reason that by the time Clydesdale Bank had recruited him as deputy chief executive in 1995, he was already known as 'Fred the Shred' for his willingness to humiliate colleagues in public. A year later, Clydesdale made him chief executive, confirming his reputation as one of the most ambitious and capable businessmen in Scotland. By 1998, he had moved to the much larger Royal Bank of Scotland (RBS) as finance director where he advanced to chief executive in 2000. This provided him with the authority to pursue the acquisition of NatWest, which by then was reeling from a series of mistaken strategies.

Similarly, Bob Diamond began his career outside of the 'Big Four,' entering the banking sector in the USA at Morgan Stanley, progressing to Managing Director and Head of Fixed Income Trading. In 1992, Diamond joined Credit Suisse First Boston, filling roles as chairman, chief executive and president. In 1996, Diamond joined Barclays and was appointed as the chief executive of its corporate and investment banking and wealth management divisions, eventually gaining a place on the board of directors.

While Goodwin and Diamond may be two particularly notable examples of the 'outsider,' their career paths become increasingly typical as our study progresses. Rather than spending the majority of their career at one bank and working their way up in the manner of someone like Lloyds' notable chief executive Sir Brian Pitman, directors increasingly started their careers at other banks, working their way towards senior management for some time before switching to one of the 'Big Four' and attaining a director role, executive or otherwise. While Goodwin and Diamond were executives at their respective banks, this career path was not exclusive to executives, with numerous NEDs following a similar path. Prominent examples include: Danie Cronje and Sir Robert Steel at Barclays; Colin Buchan and Charles 'Bud' Koch at RBS; Jan P. du Plessis at Lloyds; and Sir John Kemp-Welch at HSBC.

When drawing conclusions from Table 2, we must remember that the Midland and NatWest boards were subject to radical change as a result of being acquired by other banks. Midland saw its own directors removed from the board at the strategic level in the early 1990s and replaced by HSBC directors, with a proportion of the board still being 'insiders' due to their HSBC backgrounds. The NatWest experience was very different, because by 2006 the board was dominated by RBS nominees, leaving no 'insiders' having either NatWest or RBS backgrounds. Although not subject to a merger, and even though the proportion of 'insiders' increased in the 1980s at Lloyds (Figure 5), by 2006 they had disappeared, to

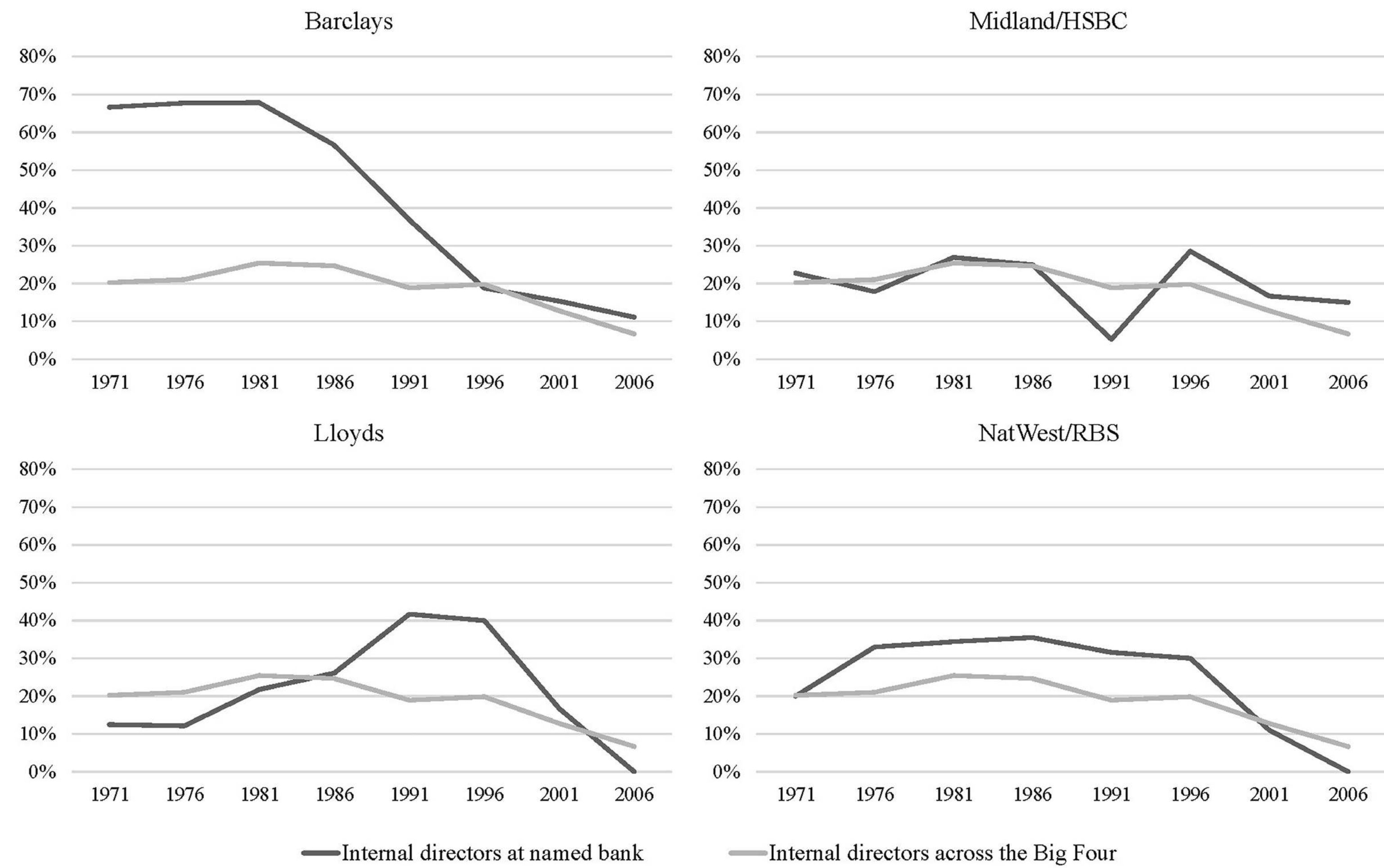


Figure 5. Insider directors as a percentage of board members in 'Big Four' banks' boards, 1971-2006.

be replaced by a combination of 'outsiders' (31.25%) and 'business experts' (31.25%). Barclays provides the starkest illustration of this trend (Figure 5), because although it was slow to reduce the proportion of 'insiders,' by 2006 this category accounted for just 11.76% of the board compared to 66.67% in 1971. Over that period, 'outsiders' increased to 41.18% and 'business experts' to 29.41%. The overall decline in 'insiders' is recorded in Figure 5, revealing how three of the four banks substantially reduced their percentage of 'insiders' at board level.

Having noted this decisive trend, we return to the careers of those 'outsiders' who came to dominate the 'Big Four' boards from the 1990s. While the number of 'outsiders' on the boards of the 'Big Four' banks fluctuated, there is a clear trend across all of them, with 'outsiders' becoming the largest single block of directors by 2006, with 24 directors coming from other companies within the financial industry. The second largest group is 'business experts' (15), while 'insiders' slipped to being the fourth largest with six directors being classed in this group. During our period, 'insiders' as a percentage of the total dropped from a peak of 39% of all directors across the 'Big Four' in 1981 to a low of 7% in 2006. At Lloyds and NatWest, they had completely disappeared by 2006. HSBC remained the exception because the proportion of 'insiders' remained stable following the completion of the takeover of Midland in 1990. The decline in the number of 'insiders' at NatWest is not linked to its takeover by RBS, because from 2000 our coding focused on the RBS board as it had become the strategic decision-making body of that bank. Consequently, this stark change is not a natural progression of an earlier trend, but a sudden change that reflects the make-up of RBS' board; by the 2000s, the bank had few or no directors who had gained their experience in either NatWest or RBS.

The tipping point across the 'Big Four' seems to be 2001, the first year when we see the culmination of this trend and the number of 'outsiders' exceeding the number of 'insiders' (see Figure 6). While the percentages highlight the trend, the numbers are perhaps even more stark (see Table 2). Although the number of 'outsiders' at the 'Big Four' remained somewhat static from 1971 to 1996, accounting for between eight percent at the lowest and 17% at its peak, thereafter they begin to dominate the boards, rising to 37% in 2006. Crucially, 'insiders' are the principal victims of board shrinkage after 1991: while accounting for between 38% of board members at the peak and 29% at its lowest between 1971 and 1996, this proportion drops significantly, accounting for only seven percent in 2006. We hypothesise that this is largely because of the influence of the Cadbury Report. The number of other types of directors remained relatively stable, with only a small increase in support specialists in 2006, suggesting that 'outsiders' mainly replaced 'insiders' after 1996.

Discussion and conclusions

Our research provides original insights into the composition of 'Big Four' boards during a time of considerable change for British banking. In particular, our prosopographic approach revealed the principal characteristics of this group as it evolved over time. It is especially notable that the boards shrank considerably in size, especially from the 1990s, at least partly to implement the Code of Best Practice introduced by the Cadbury Report and its successors. This does not appear to have encouraged the banks to alter the gender distribution of their directors. Similarly, Oxbridge-educated directors continued to feature prominently on bank

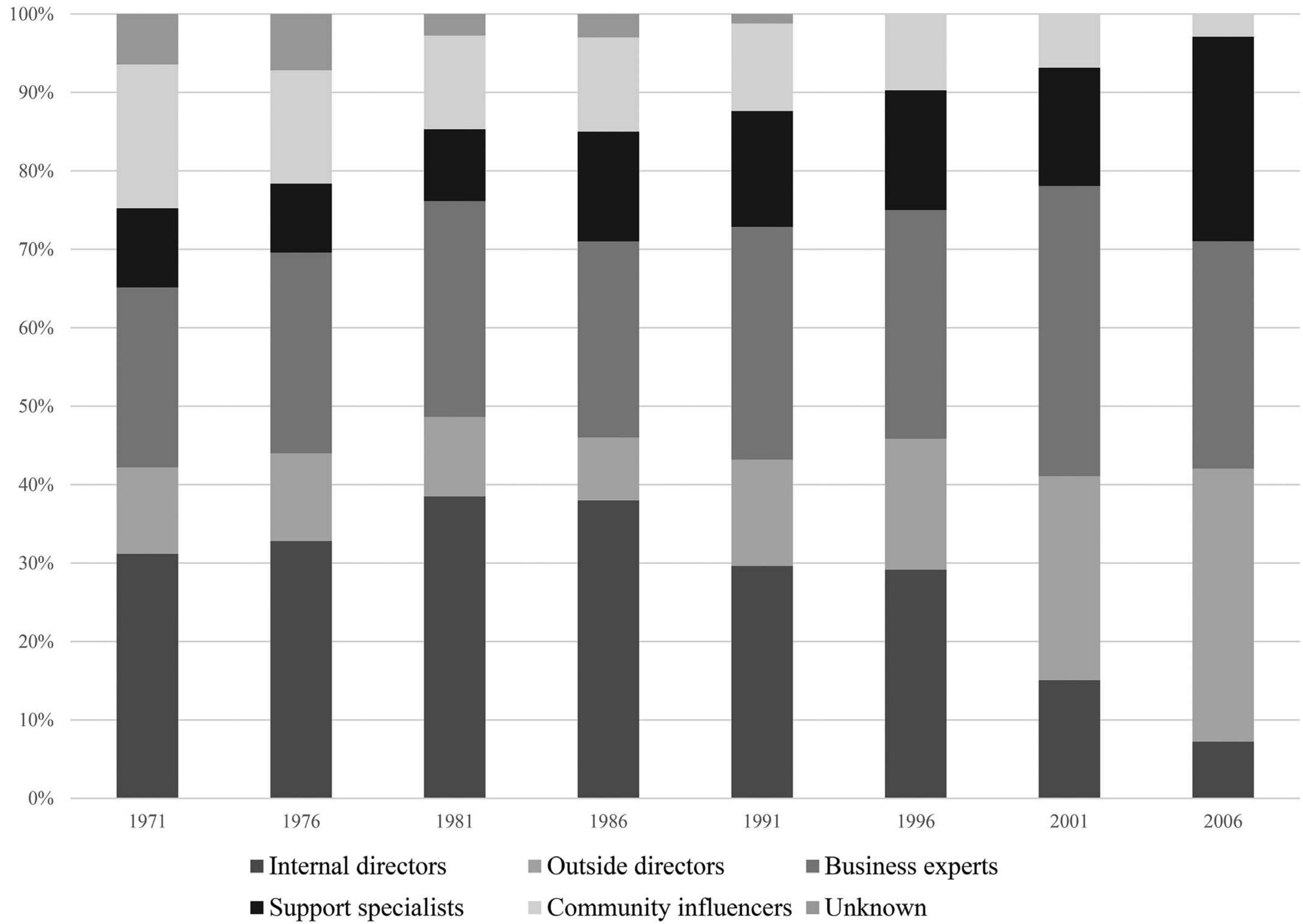


Figure 6. Board capital type of director as a percentage of the total number of directors at the 'Big Four' banks, 1971-2006.

boards, reinforcing the views of other commentators on British business leaders that a significant proportion came from a privileged group (Cassis, 1997; Scott, 1997). On the other hand, those who had experienced any form of formal management education remained very much in the minority throughout this period, reflecting a consistently negative approach within British business generally towards the burgeoning business school movement (Aldous & Turner, 2025; Wilson & Thomson, 2006). While the lack of access to internal documentation on recruitment limits our ability to draw any more definitive conclusions on the banks' attitudes towards educational qualifications, it is nevertheless possible to conclude that the prosopographic approach has been useful in highlighting these distinct trends and characteristics.

Our second research question examines the extent to which the balance between 'insiders' and 'outsiders' changed markedly over this period. Despite the expected changes arising from takeovers of Midland and NatWest to the balance of their boards, it is clear from Figure 5 that 'insiders' declined across the 'Big Four.' Our paper also contributes to board capital theory by making a distinction between 'outsiders' as a meta category containing business experts, support specialists, and community influencers, arguing that, in the case of the financial industry, it should be seen as its own distinct category instead. We argue for the relevance of this distinction as directors from within the same broad industry can offer different forms of resources than those from outside that industry. Specifically, 'outsiders' mainly provide expertise relating to best practice and other products and services that the firm could offer, whereas business experts mainly provide knowledge of industries and business outside the financial sector. This differentiation is particularly important in banking, and arguably in the service industries more generally, as knowledge of the needs of other industries is a key resource because those industries are the buyers of many of the banks' financial services.

According to board capital theorists (Bosboom et al., 2019), the increased ascendancy of 'outsiders' is regarded as a positive move, on the grounds that this group brings a wider range of experience and expertise to boards. We are contributing to the existing limited theorisation in this area by deepening these debates and providing a more nuanced and longitudinal dimension of how board capital changed in the British banking industry during the period 1970-2005. The data presented in Table 2 are especially significant, in that they reveal how in all four banks directors from a wider range of backgrounds featured increasingly on the boards, with 'insiders' becoming scarce from the 1990s. However, it is vital to remember that these 'outsiders' were recruited from the financial sector, significantly qualifying any claim that their increased presence radically changed the character of 'Big Four' boards. Our analysis concludes that rather than substantive change, continuity was the dominant feature of 'Big Four' boards, in that people from similar commercial and educational backgrounds and with comparable business experience dominated the boards throughout our period. Indeed, the biggest shift appears to be an increase in the recruitment of directors with experience from outside of the UK towards the end of our period, although many were still from the financial sector.

Given the nature of the global financial crisis that struck in 2007-08, and the role that bank strategy played in precipitating this traumatic event, it appears that these 'outsiders' failed not only to make any significant contributions to improve the governance of the banks, but their strategies in the years leading up to the crisis appear to have increased bank vulnerability to systemic threats. While board capital theory would endorse how, from the 1990s especially, the boards of all four banks were populated by directors with a much wider range of external experience, it seems that the 'outsiders' (who were mostly bankers from other financial organisations) imported a range of highly speculative strategies into the 'Big Four,' contributing significantly to the financial crisis of 2007-08. Research by Quigley et al. (2019) has shown how 'outsider' CEOs are riskier appointments, leading to greater variability in performance when compared to those recruited internally. While our data cannot confirm whether the same holds true for 'outsider' appointments at board level, it does suggest that they are no better at preventing risky strategies than 'insiders,' and indeed may have been responsible for importing questionable strategies to their new banks. Although the later parliamentary and other reports into bank failings argued that boards had been ineffective in curbing the excesses of the likes of Goodwin and others (Kerr & Robinson, 2012), it is also necessary to analyse the roles played by ill-designed international regulations and poor supervisory practices, as well as bank risk-taking. Indeed, as we noted earlier, context is key to understanding how banks were able to operate in such a speculative manner, with a specific focus on the inadequacy of corporate governance codes and their policing by regulatory authorities.

We call for further research into the direct impact of 'outsiders' on the 'Big Four's' strategies. Given the limited access to archival material, however, this work will have to wait at least another decade before historians are allowed to peruse sources such as board minutes and other internal documents. At the same time, the question of why these changes in board composition happened is still relevant, because from the early 1990s especially contemporary authorities were paying much closer attention to board composition and director behaviour after the litany of corporate scandals that had scarred the reputation of large-scale British business. These corporate governance changes were clearly a major influence on boards, as Conyon and Mallin (1997) revealed.

Similarly, the failed strategies of the 'Big Four' in the 1970s and 1980s could or would have influenced recruitment strategies, because it was apparent that these businesses performed poorly when being managed by boards that were dominated by 'insiders.' However, further research is required to unravel this conundrum, because it is difficult to be precise about the exact criteria applied to the banks' recruitment practices. Similarly, how these boards worked in practice and how this was influenced by the make-up of the boards is something that our data do not allow us to analyse. Future research could build on our findings to interrogate, firstly, how board capital affects the strategic decision making of the banks, and, secondly, how this relates to the banks' performance during the 2007-08 financial crisis. Nevertheless, we conclude by noting that these changes failed to inject the 'Big Four' boards with the kind of talent that would have eradicated the mistakes that bankers since the 1970s had made, while from the 1990s the much-changed boards played a major part in precipitating one of capitalism's worst crises.

Notes

1. Women in Finance Charter https://www.ukfinance.org.uk/about-us/our-commitments/women-finance-charter Accessed 29 May 2024.
2. The 30% Club https://30percentclub.org Accessed 29 May 2024.
3. Women in Banking and Finance (WIBF) https://www.wibf.org.uk Accessed 29 May 2024.
4. The Diversity Project https://diversityproject.com Accessed 29 May 2024.

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