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Women's pathways to the boardroom

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Special issue: Women on boards

Guest editorial: Women's pathways to the boardroom

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Women's underrepresentation on corporate boards is a matter of unprecedented scrutiny and debate in both academic and practitioner circles. In Europe, we recently witnessed concerted political efforts to address this issue. Following Norway's introduction of gender board quotas in 2003, Justice Commissioner Viviane Redding proposed a similar quota of 40% women on all EU boards by 2020. While the law is still undergoing the parliamentary approval process, it has already changed the conversation by injecting a sense of urgency among corporations and policy makers. Countries such as France, Spain, Italy and Germany have introduced compulsory measures, while the UK has made significant progress with voluntary measures based on the Davies Review (Vinnicombe, Doldor, Sealy & Pryce, 2015). These changes are gradually cementing a shared appreciation for the importance of gender-balanced boards. Despite encouraging headways, figures for women on boards remain low (between 5%-24%) in countries that have not adopted compulsory measures (Vinnicombe, Singh, Burke, Bilimoria & Huse, 2008; Vinnicombe et al., 2015). In countries that have introduced compulsory measures, there has been controversy around the effect of such measures on genuinely broadening opportunities for women beyond established corporate elite circles (Seierstad & Opsahl, 2011). Therefore, it remains vital that scholars provide an in-depth understanding of what might obstruct or accelerate the shift towards more gender-balanced boards, and how women directors can thrive on boards once appointed.

Against this backdrop, our special issue aims to examine current and new factors that shape women's pathways to boards and their experiences as board directors in distinct national settings. The three papers included draw on a range of methodologies and data sources (both quantitative and qualitative methods; primary and secondary data), and focus on three country contexts with different approaches to gender diversity on boards: the USA (where no regulation is in place), France (where the threat of gender quotas was looming at the time of the study), and Iceland (where data were collected before and after the adoption of gender quotas). The three papers share a common context of the difficulty women face to break into the boardroom. How women get appointed as board directors, who they are and how they contribute on boards – these common themes across the three papers seem to indicate different and problematic findings compared to their male counterparts. In addition to documenting some of the obstacles faced by (aspiring) female directors, these papers highlight opportunities for disrupting the gender imbalance of boardrooms. Below we introduce these papers and discuss them in relation to prior research that examines how women's pathways to boardrooms are shaped by a range of national, organizational and individual factors.

Renuka Hodigere and Diana Bilimoria's paper provides an in-depth empirical study of the relative significance of human capital compared to professional network effects on appointment to corporate boards in the USA. They examined the human capital and professional networks of 494 male and female corporate directors appointed to S&P 500 list between 2005 and 2010. They found that men and women who were appointed at the same time differed significantly in terms of age, human capital and professional networks. Whilst human capital (defined as the primary job held by the individual for the ten years preceding the year from which the sample was drawn) and professional network (defined as the professional structure in which an individual is embedded from the time of the beginning of his/her college education to the time when the study was conducted) were able to predict men's odds of corporate board appointment with 89% accuracy, the same model predicted women's odds of corporate board appointment with only 28% accuracy, suggesting that criteria other than human capital and professional network characteristics are being used for the appointment of women directors.

Not surprisingly, prior studies in the field examined the role of human capital in accounting for gender inequalities on boards. For instance, Singh, Terjesen, and Vinnicombe (2008) compared the human capital male and female directors bring to boards, while de Anca and Gabaldon (2013) teased out out the role of media in the portrayal of 'typical' female directors and their contribution to boards. However, Renuka and Diana's findings challenge the assumption that human capital is a sufficient factor in getting women onto boards. These findings can be related to prior evidence showing how notions of board-relevant merit and competence are gendered in board selection processes, in a way that disadvantages women (Tienari et al., 2013; Doldor et al., 2012). The authors conclude that outside pressures are driving the appointment of women to boards, such as regulatory pressures and the public media. Furthermore, with regards to social capital, more research needs to be done to follow up this intriguing study and further explore not only the structure of male and female directors' social capital, but also how men and women actually leverage their networks in order to enter or integrate boards. Whilst networks are important for board appointments (Hawarden & Marsland, 2011), there is also evidence that men and women utilise their professional networks differently (Ibarra, 1995). The Icelandic study in this special issue picks up a similar point in showing that women are not as socially engaged as directors on a board, compared to their male counterparts. This in turn is related to the male dominance of boards and other professional networks.

Val Singh, Sebastien Point and Yves Moulin's paper explores how a threatened quota might change the gender composition of supervisory boards in top French companies between 2008 and 2011. Using a census of supervisory board membership of the top 120 companies in France, data were obtained to test hypotheses developed using institutional theory, relating to changes in the gender composition of boards and to demographic differences between new and earlier director appointees. The findings show that in response to institutional pressures, women have been appointed to a quarter of the new board positions in the two years prior to the enactment of the new law. In the larger companies (CAC40[1]) the proportion of women on boards rose from 9.3% in 2008 to 16.5% in 2011. Half of the female directors in the top 120 companies are newly appointed, compared to a fifth of the male directors. Traditionally in France a high percentage of women directors are family representatives in France (37% in 2008), but during the period studied this percentage dropped to 13%. Nearly one third of employee shareholder representative seats and employee representative seats are held by women, but the latter seats are often seen as lacking power.

These findings, albeit descriptive, are important as each country poses a different context with its own unique challenges for women on boards (Vinnicombe, et al., 2008). France has traditionally had extremely male dominated boards, with male directors coming from a particular elite male cadre. Secondly, like Hong Kong, France has a significantly high number of family members sitting on their boards. So where women are often represented on French boards they are not

1 The CAC40 is the French stock market capitalization index for the top 40 firms.

independent and probably do not have a real 'voice' on the boards. Whilst it is obvious that these new women would be younger and have less tenure than the male directors, it is less obvious and very interesting that 45% of the new women directors are foreigners, a trend not visible with the new male directors, where only 22% of them are foreign. This is a good example of how chairmen are extending the female talent pool, although a more cynical interpretation might be that women are expected to have international backgrounds to be appointed to boards, whereas men are not expected to fulfil this extra requirement!

Thoranna Jonsdottir, Val Singh, Siri Terjesen, and Susan Vinnicombe's paper looks at directors' roles and social identities on boards pre and post the financial crisis in Iceland. The study provides insights about gender composition of boards in a very unique context. Iceland nearly went bankrupt and as a result the government took over all the main banks, dissolved their boards and reconstituted them, choosing the 'best' individuals - a fascinating situation which led to the banks boards being either gender balanced or female dominated. Drawing on twenty-three interviews with Icelandic boards directors carried out before and after the 2008 crisis, the study focuses on the roles women take up on boards pre and post the crisis, comparing the boards that were originally all male dominated to a situation where a number of the boards became gender balanced. The authors analyse male and female directors' identities related to two functions of boards (namely monitoring and resource provision) and two aspects of social identity (relationship to the CEO and personal relationship to the board, as a social group). Context is also considered in terms of gender composition of the board and life stage of the board (new versus mature). Findings demonstrate that, in keeping with previous studies in the field, prior to the crisis, male directors identified more with resource provision roles, more with the CEO and more with the board as a social group than the female directors. The female directors identified more with the monitoring role. Post crisis, male directors still identified primarily with their resource provision roles, whilst the female directors identified primarily with their monitoring roles but also engaged somewhat with their resource provision roles on mature boards. However, new gender balanced boards established after the crisis evidenced more substantial changes in role identification. Both male and female directors identified with monitoring and resource provision roles and there was little identification with both social roles of relationship with the CEO and with the board. It is difficult to unpick whether the shifting identifications with various board roles were due to the age of the board, the gender composition or the context of a post crisis, as all factors seemed to act together in impacting the roles identified by the male and female directors. It is interesting however that after the crisis, on gender balanced boards, neither men nor women reported being socially engaged with the board. Instead, they seemed to be focused on the task of turning around the company. These findings are quite encouraging from the perspective of board dynamics. Scholars in the field have previously argued that non-inclusive boardroom cultures impact negatively on women's experiences on boards (Huse, Hoskisson, Zattoni, and Vigano, 2011) and that a critical mass of women directors is needed to reap the benefits of gender diversity on boards (Torchia, Calabro and Huse, 2011). Thoranna, Val and Susan's paper demonstrates how exogenous shocks such as mandatory legislation and economic crises can lead to a redefinition of the director roles and of the interactions between board members, potentially opening up the space for more gender-inclusive cultures.

These three papers, taken together, advance our knowledge of women on boards and at the same time remind us of how many research questions we have yet to answer. Over the past ten years it has become much easier to access data on women on boards and there is a great engagement by scholars in this fast moving subject, coming at it from various perspectives such as gender, corporate governance, finance and strategy. This makes for an exciting future for research in the field. In relation to the recent push for more women on boards, these studies alert us to the importance of national and political context in understanding how individual-level factors enable the progression of women on boards. As demonstrated by the first paper, human capital and social capital are not straightforward predictors of women's odds of becoming board directors. The other two studies, carried out in France and Iceland, demonstrate that macro-level enablers such as national legislation (sometimes adopted in times of crisis) might destabilize entrenched gender inequalities on boards and redefine the importance of individual and relational-level factors such as human capital and boardroom dynamics. We hope that this special issue invites those interested in increasing the share of women on boards to (re)consider how their research and practice attends to individual, organizational and country-level factors that might change the landscape of corporate boards.

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