

Balancing the Boardroom, Symposium in den Haag, Social and Economic Council (SER) November 21, 2007

“Gender quota in Norway”

The NHO’s involvement in gender policy and the Female Future project.

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The overall picture of Norway – seen from outside – is perhaps that we have come a long way when it comes to gender equality. This is perhaps correct in many ways. We had strong women movements in the 1970s and 1980s. Ms. Gro Harlem Brundtland was the first woman as prime minister in Norway in 1981. Since the middle of the 80s, Norway has had at least 40% women as ministers in the government.

When we look at the labour market, Norway is among the top nations in the world when it comes to female participation in the work life. More than 70% of all Norwegian women take part in the labour force. But our labour market is very much divided by gender. Most women work in the public sector. We have some jobs that are typically women jobs, like teachers, nurses, many women in hotels and restaurants, and some are typically men’s jobs, like taxi drivers and engineers. And we have very few women in leadership positions within the business community. If they happen to be leaders, they often are responsible for HR-management, information directors, marketing directors and support functions. Women very seldom take up executive positions as CEOs or division leaders within the companies. The situation is a little bit better in the public sector, but also in this sector with a majority of women, most men have leadership positions.

When it comes to education, the situation in Norway today is that women are in clear majority (more than 50%) at the universities and higher educational institutions. We believe this fact will have a positive effect for women in their future careers. We want to develop these competent and university educated women into leadership positions in the private sector.

Why NHO is engaged?

The NHOs engagement in order to attract more women into executive and leadership positions is based on rational arguments. We believe that the talents are equally distributed between men and women. If the society only use the 50% of the population that are men in top jobs and leadership positions, the society at large will not utilize its human potential. It will be a waste of talents and for the

business community it will hamper the overall competitiveness not to have the best people in key positions. In addition we believe it is good for the company to have people with different background and personalities with different perspectives. The diversity at work with more women in leadership positions will also have a positive effect on the internal working environment of the company and improve the company's image as a modern and future oriented enterprise. I read recently in Financial Times 29 October 2007, an article from representatives at the London Business School, referring to some studies that companies with the highest proportion of female directors are more profitable and efficient than those with the lowest. They also found that team members of both sexes with 50% men and 50% women deliver optimal performance in most areas that drive innovation. McKinsey reports that better -than- average financial performance is experienced by European companies with the highest proportion of women in leadership roles. Research at the University of Helsinki finds that companies with female chief executives or board directors achieve a 10% higher return on capital, regardless of the company in sector.

My conclusion is that there is clear evidence that a more balanced gender representation in boardrooms or leadership positions can be good for the overall performance of the companies.

In the middle of the 90s NHO took a principal decision to lift issue of the gender equality and more women as business leaders on the agenda. The NHO became more conscious about recruiting women in leadership positions within the federation, and we appointed also one woman – as part of the top management - to be responsible for NHOs efforts in bringing competent women into corporate top management positions.

Let me also tell you as an important background for our efforts in this field is that the previous government (2001-2005) – a centre-right government, took a decision in 2003, which surprised many circles, not least within the business circles, that it was its intention to obtain at least 40% women in boardrooms for large public limited companies as well as state-owned limited companies boardrooms.

Female Future

This development on a possible quotation of 40% women in the boardrooms, led to a decision by the NHO in 2003 to create a new and innovative project, called **Female Future**.

Female Future is NHO's efforts on how to bring more women into top management positions as well as into the companies' boardrooms. We disliked the proposal with women quotas; our answer was to work systematically with

changes of attitudes within the companies and within the framework of the Female Future project. But we might admit that the legal “stick” was, and still is, an important impetus for changing the attitudes and for involving ourselves in concrete action.

This lawmaking rule came into force January 1 2006, with a transition period of 2 years (from 2008) before eventually sanctions take place, which is - in the end – the dissolution of the company by force!

Although NHO started to work more systematically to recruit more women to top management positions from the middle of the 90s, this new lawmaking rule has put an extra impetus to our work in order to recruit more women into boardroom positions.

The goals for the NHO’s effort on women and management are the following:

- Firstly, facilitate that the **private sector** is viewed as an **attractive place to work by women**.
- Secondly, **increase the percentage of women in decision-making processes, in management and in boards in general**
- Thirdly, involve **managers as prime movers** in the process aimed at recruiting more women to executive positions and to board posts
- Fourthly, facilitate that executive responsibilities may be more easily combined with family responsibilities - **the balance between work and private life**

A very central element in the Female Future project is that the business leaders in the companies should be a driving force for getting more women into leadership positions. The Female Future project does not recruit women, we **recruit the companies and the CEO’s/ managing directors. And the companies must commit themselves to the programme.** The company is responsible for identifying talents and for motivating them to take on management positions and board posts at the end of a two year period. The companies sign an intention agreement which is binding for both the company and the women talents. To be selected by the CEO as a particular talented woman has a great impact and gives the individual woman a lot of self-confidence.

Important elements of the Female Future are

Tailor-made development of competence

- Topics are concentrated around management development, the role and tasks of the board of directors and network building in order to make

women more visible, creating arenas where women can meet and establish a database of competent business women.

Young Entrepreneurship in Norway

- This project is very popular in Norway and was initiated by the NHO. Managers of student enterprises in Norway are invited to participate in the Female Future programme. Half of the leaders in the student enterprises are women, and the most talented are invited into the Female Future project.

The balance between work and private life

The Female Future participants and their managers are interviewed on the balance between work and private life. This is a very important issue which are discussed in depth.

What are the reasons behind that so many women do not wish to become business leaders? What are the reasons behind the fact that women in leadership positions are holding these top positions in shorter periods than men? The Female Future is also discussing what kind of means will help the women to better combine work with family life? Mobile phones, washing help, home office, psychological support etc. The thinking behind the project is systemic – the labour market was created by men, governed by men and not suitable enough for the women's needs and interests. The project is looking both at "means" at the individual level and at the society's level/collective level asking questions like how work is organised and what the means of communications are.

I can share with you some preliminary results:

- There seems to be little or lack of support from the partner at home
- Women have demanding jobs in addition to full work at home
- Those who manage the balance between work and private life gets a "energy kick"
- If the work becomes more boring, less challenging and the feeling of not to manage or master the situation, the women choose less demanding positions, reduce the working time and focus more on the private sphere
- Most of the women have full flexibility concerning working time and home office
- It is important for the women to share they time with the families in the afternoon having dinner together.

Results of Female Future

Finally, I will share with you some key results so far from the Female Future programme:

The first phase of the Female Future Programme was carried out in four rounds from the autumn of 2003 until the spring of 2005, one national and three regional programmes.

- **Up to now 570 talents have gone through the programme. We are currently recruiting 220 more women.**
- **26 % of the participants in the national programme have been offered board positions during or after the Female Future Programmes.**
- **50% have been offered board positions in several regional projects following their participation in the FF Project. This is an extremely good score and promising for all the smaller limited companies which are in majority in Norway**

I believe NHO's efforts on this issue – to bring more women into boardrooms in the largest companies in Norway will meet the law-based quota target of 40% women. At least for NHO company members. The development has been the following for NHO companies: 2005: 18,9%, 2006: 26,5% Pr 1 July 2007: 34,1% **Now: close to 40%.**

The figures for all Public Limited Companies are the following: 12,8% in 2005, 19,3% in 2006, and 28,7% by 1 July 2007.

For all the smallest limited companies, there are no mandatory obligations, but NHO has so far made very good results in bringing more women into leadership positions and into the boardrooms in private companies. We have showed it is possible to change attitudes if you work systematically, have devoted project leaders and have the backing of the NHO's top management on this issue.