

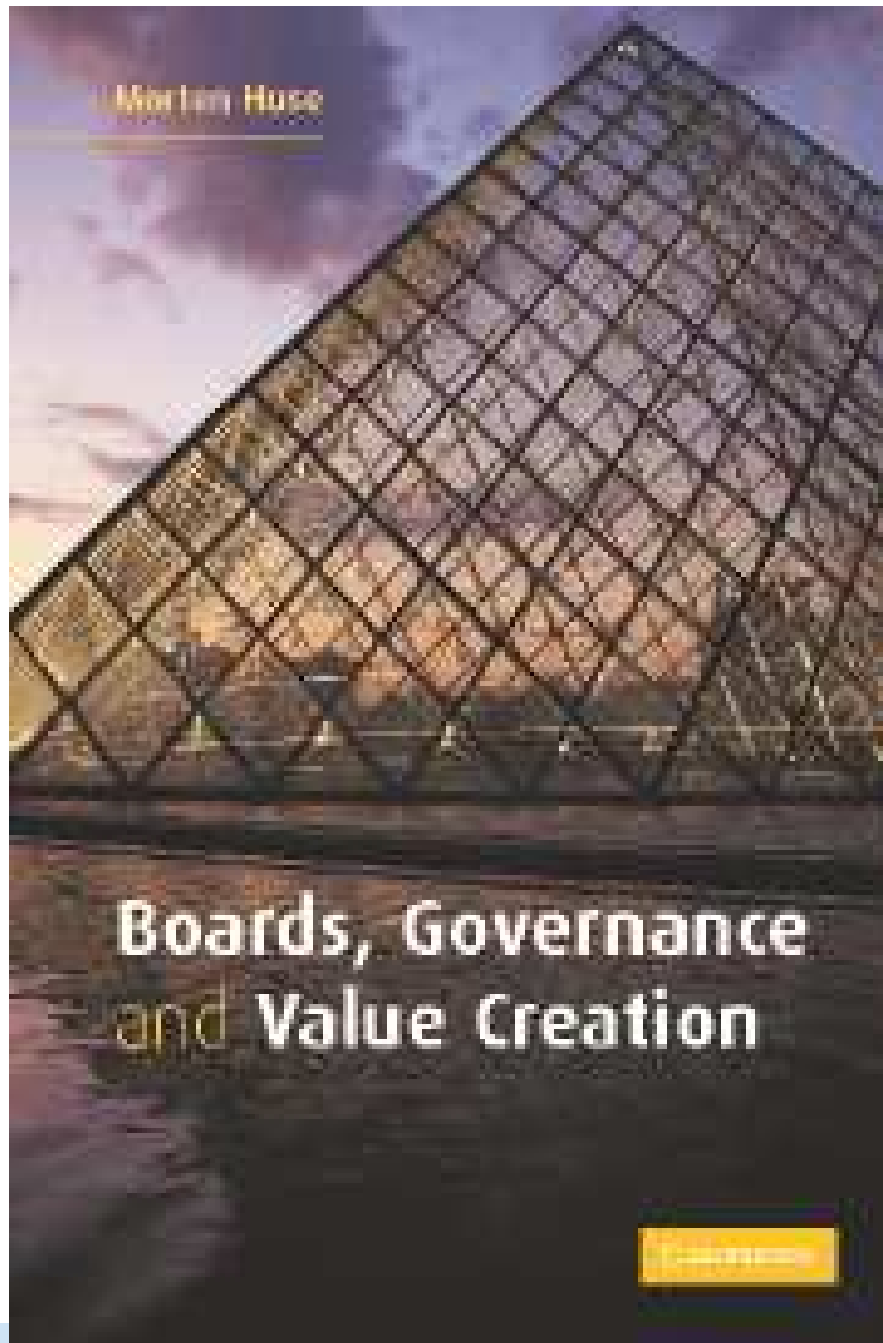
Balanced gender representation on company boards

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TYNGDEN DU TRENGER

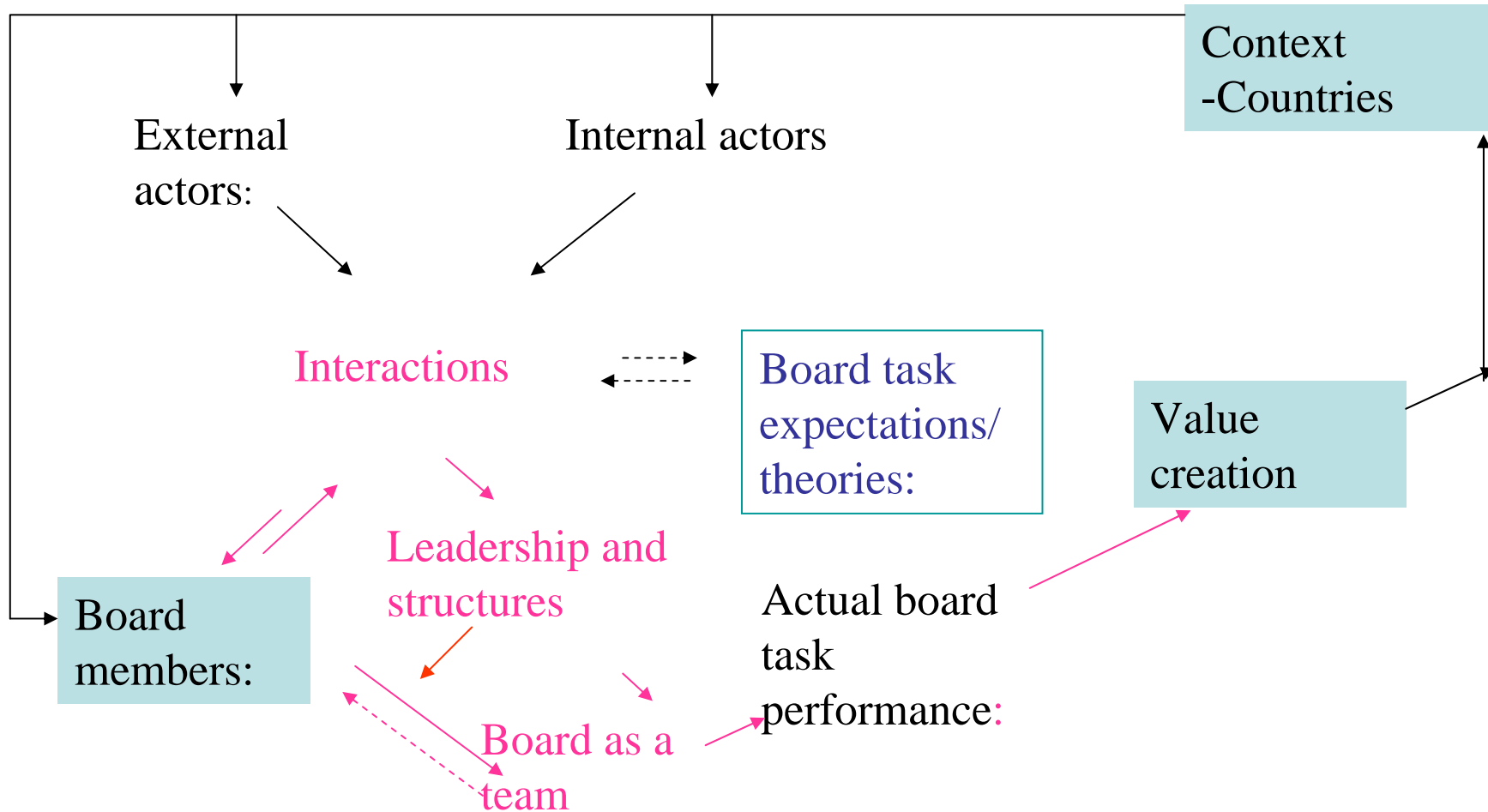
BI



The Human Side of Corporate Governance

- Present and reintroduce Boards and Governance from a strategic and entrepreneurial management perspective
- Presents a coherent and unifying framework for explaining and understanding boards • Communicates actionable research and knowledge about boards, governance and value creation • Features a variety of in-depth case studies
- Target groups
 - Research based monography – benchmark and reference for scholars
 - Textbook in corporate governance, strategy, CSR
 - Input to debate and reflection for practitioners

A corporate board is more than its members



Why balanced gender perspective?

- Societal case arguments

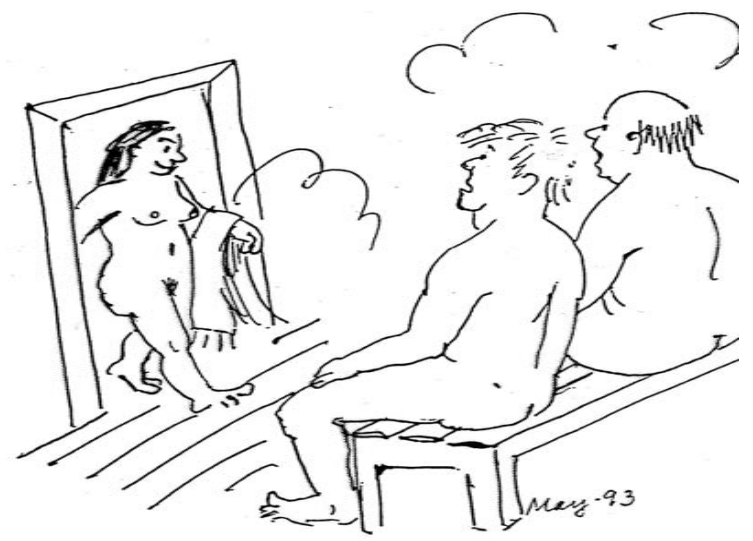
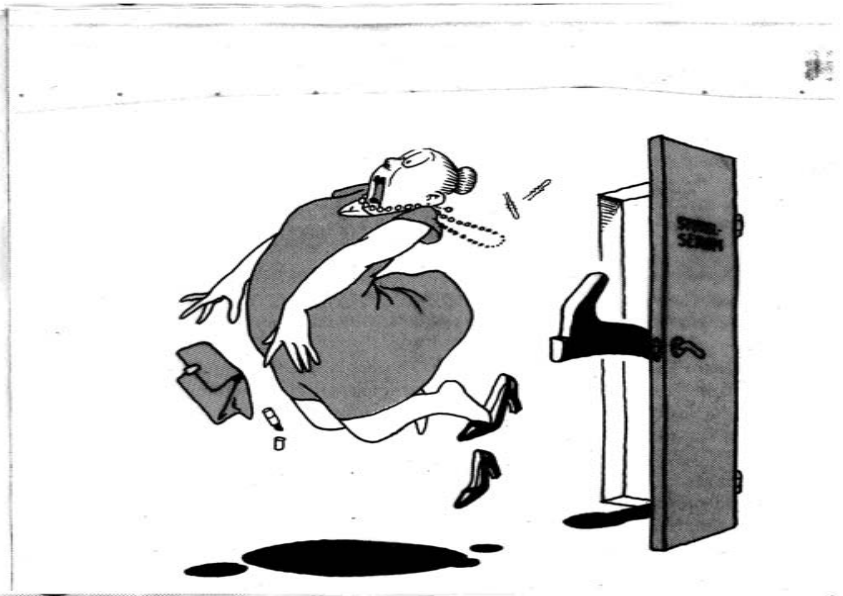
- Justice
- Democracy
- Participation
- Gender equality
- Conventions
 - UN
 - Human Rights
 - EU/EEA

- Individual case arguments

- Individual development/career
- Glass ceiling arguments

- Business case arguments

- Diversity
 - Women different than men
- Larger knowledge base
 - More than 50% of the population are women
 - Use of knowledge in a small society
- Customer knowledge
 - Women are the main customers in several sectors
- Men are often too passive



"Och nästa punkt på dagordningen gäller som vanligt styrelsens obligatoriska pensionsålder. Jag förutsätter att ni alla håller med mig om att den höjs med ett år."

SKNING
Hälsöföretagets
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B

Recent developments in Europe

Difficult to compare figures

- Firm size
- Industry differences
- Governance system
- Unreliable data
- Different measures

Governance systems

- More women on supervisory than executive boards
- More women on supervisory boards than on top management teams
- Employee elected directors

- Top (15-40%)/fast increase
 - Norway
 - Sweden
 - Finland
 - Denmark
- Bottom (-7%)/stable
 - Netherlands
 - Greece
 - Spain
 - Belgium
 - Italy
 - Portugal

Is Norway setting a model?

- Scandinavia
- United Kingdom
 - (Steadily increasing during last 10 years)
- Germany, Italy, Switzerland and the Netherlands
 - (Seminars, etc)
- France
 - (2006 law was made – 20% by 2010 in firms on listed firms, but law was rejected of constitutional (1958) reasons – nobody should be excluded because of age, gender or nationality)
- Belgium
 - (2007 - 30% discussion on listed firms)
- Spain
 - (2007 gender equality plans – 40% within 8 years on listed firms)

Spain (I)

- Gender diversity has been introduced in the new code in recommendation no. 15 whereby *when women directors are few or non existent, the board should state the reason for this situation and the measures taken to correct it; in particular, the Nominations Committee should take steps to ensure that*
 - *The process of filling board vacancies has no implicit bias against women candidates*
 - *The company makes a conscious effort to include women with the target profile among the candidates for board places.* [\[i\]](#)
- [\[i\]](#) Unified Good Governance Code. (2006). Pp 18

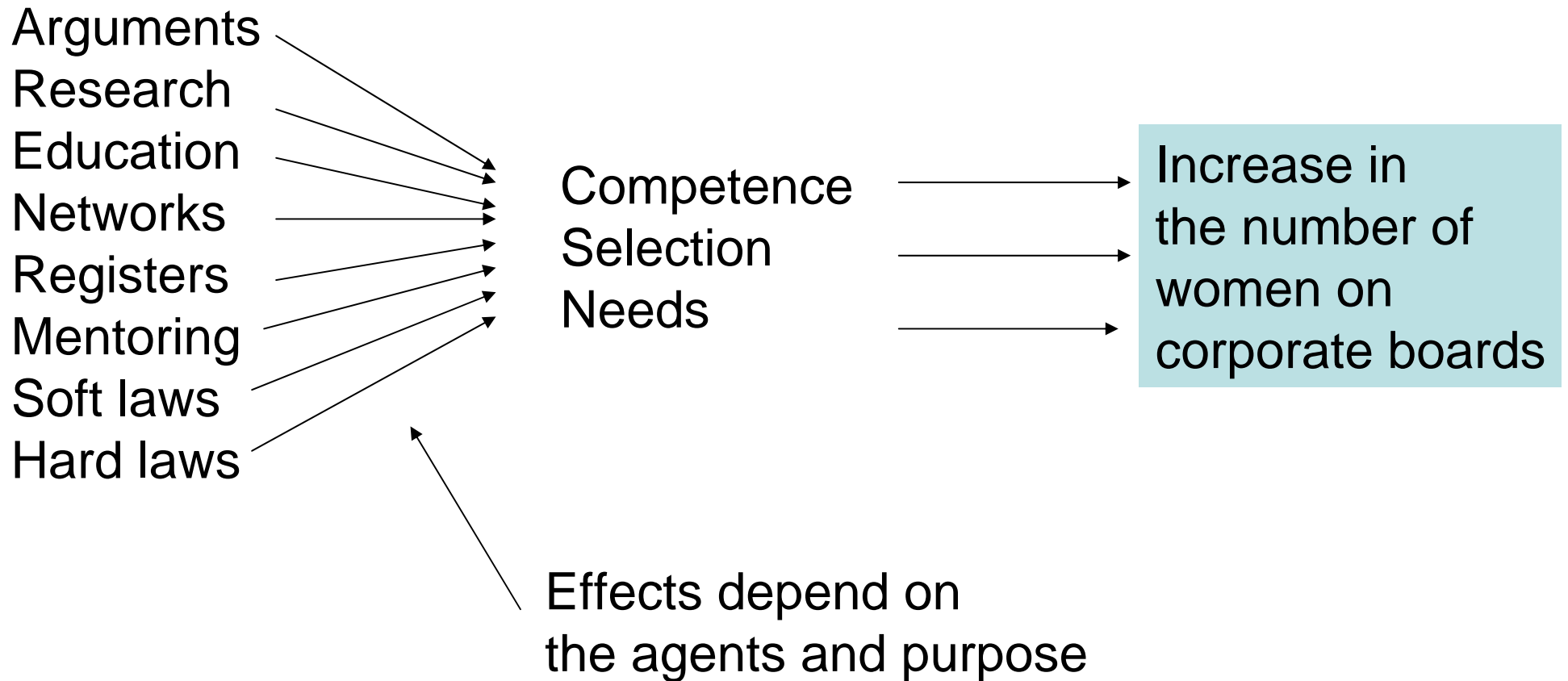
Spanish Equality Law ^[i]

- Companies with more than 250 employees must develop gender equality plans as well as specific measures to counteract work/life imbalance.
- Article 75 - *a sufficient number of women on their boards of directors to reach a balanced (40%) presence of women and men within eight years of the entry into effect of this act.*
- Article 75 recommends rather than obliges, but....
- Survey of 350 women
 - 94% believed that female employees are not treated equally in the corporate world.
 - 77% is positive in general terms.
 - 49% thought that Article 75 will cause more harm than good as women reaching the boardroom will be perceived as fulfilling a quota and thus their individual merit will be questioned

^[i] The equality Law (2007) <http://www.mtas.es/igualdad/legislacion/EqualityAct3-2007.pdf>

^[ii] Companies obliged to present unabridged financial statements of income will endeavour to include

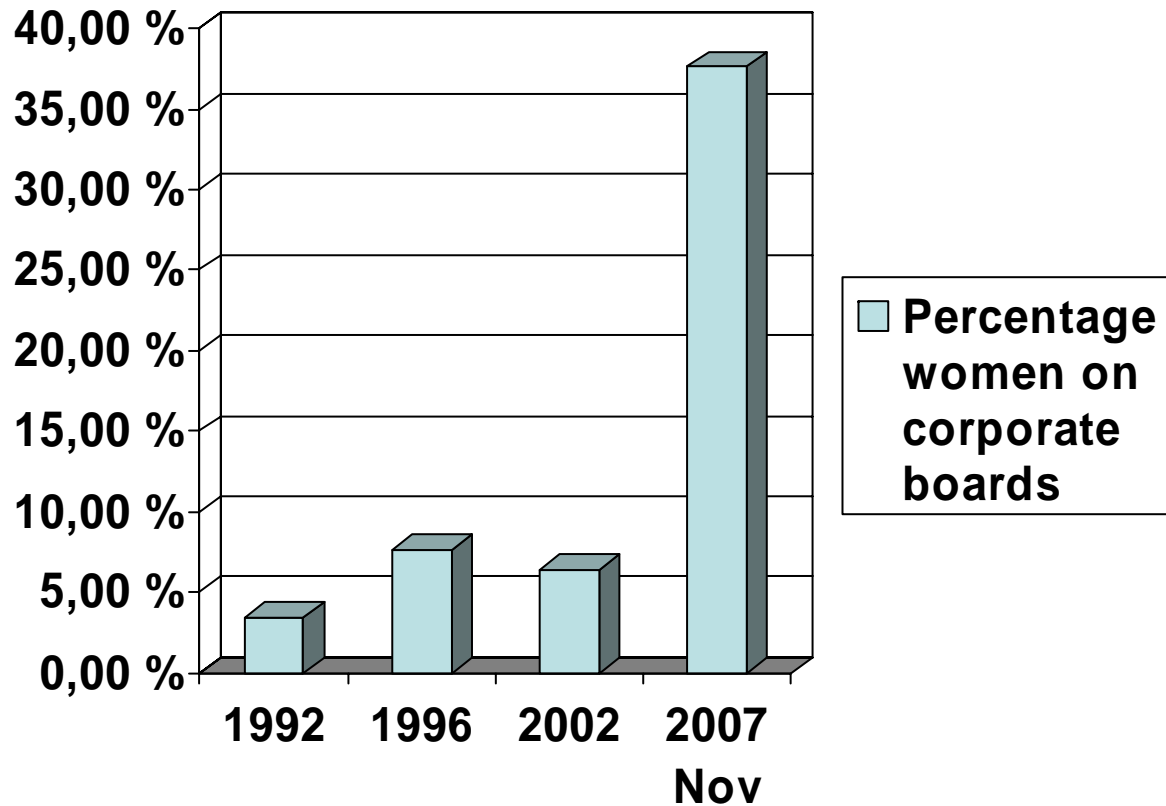
Programs



Norwegian background

- Corporate and national traditions
- Employee elected directors
- Quotas in public sector
- Different ministers and regimes
 - 1992/1996
 - (3.4%/7.6% among listed firms. Increase because of new industries on the Oslo Stock Exchange)
 - Svarstad Haugland
 - (Hearing 1999 - 25% all companies)
 - Bekkemellom
 - (Hearing 2001 - 40% in publicly tradable companies (ASA), but frozen)
 - (6.4% women in ASA in 2002)
 - Dāvøy/Gabrielsen
 - (Proposal 2002 - 40% in publicly tradable (ASA) companies)
 - (Ratified 2003 by Norwegian Parliament – Law to be implemented by 1.7.2005 if not reached)
 - Bekkemellom/Osmundsen
 - (Law was put into power 1.1.2006/1.1.2008 for enforcement)
 - November 2007 (reported by Marit Hoel CCD)
 - 420 of 1117 (37.6%) board members in ASA companies are women
 - 420 of 499 of ASA companies have women directors
 - "Battle is won"

Societal case

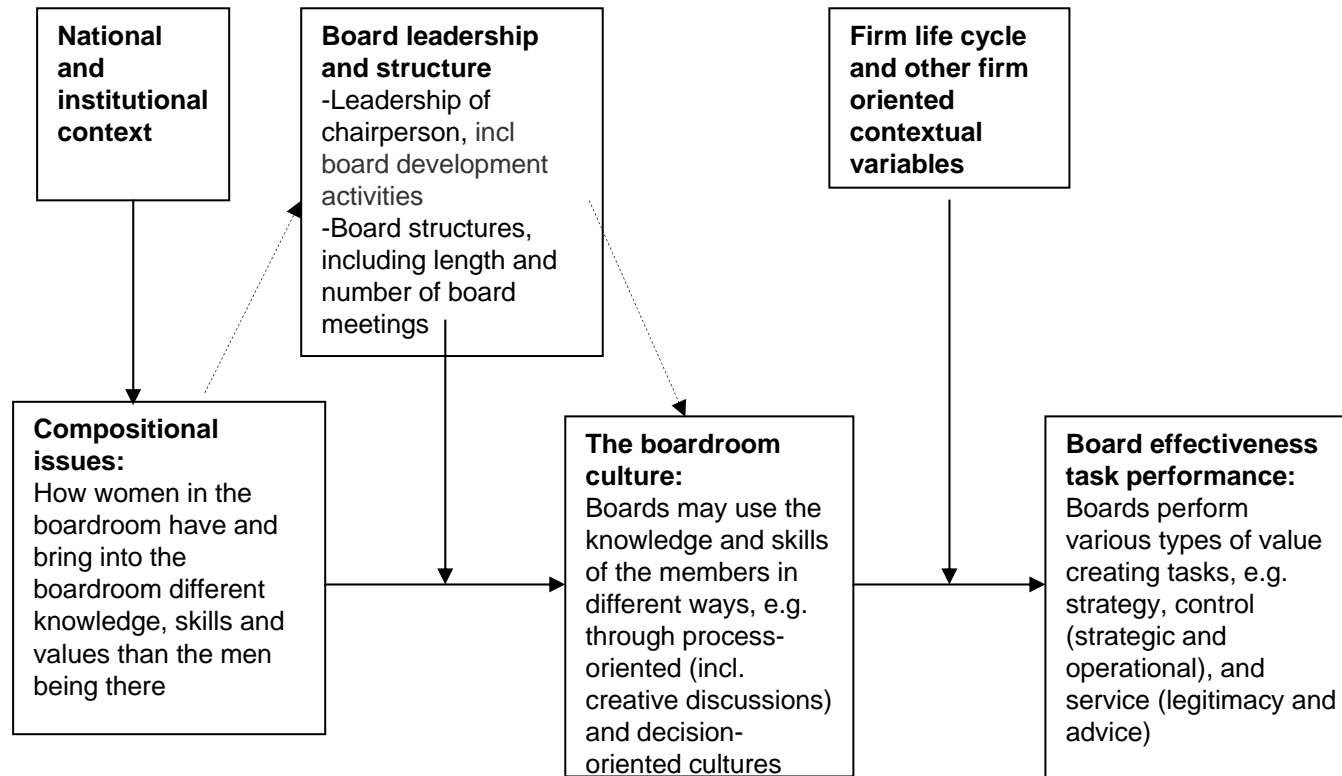


- "Battle is won"

Career and individual case

- Is the Law good for the women being elected?
 - Disputed among women

Business case – ambiguous results



It depends on the women – needs to develop the boards