

FACTBase

Bulletin 58, March 2018

Gender in the Boardroom: Learnings from world-leader Norway

Morten Huse

Introduction

When it comes to matters relating to board quotas for women, the world has been looking to Norway since 2002. In February of that year, the Norwegian Minister of Trade and Industry announced a law that regulated gender balance on corporate boards (Machold et al. 2013, pp 1-24).

Australia is behind many of its Western European contemporaries despite significant efforts made to improve the situation, including discussions about introducing a quota regulation. While some progress has taken place, this has often been followed by periods of inaction. In 2018, Australia remains behind many comparable countries, including Germany, France, Italy, Belgium and Scandinavia. The Australian Institute of Company Directors (AICD) established a target of 30% of Women on Boards (WoB) by 2018. The AICD warns that a quota may be introduced unless there is a significant increase in the number of women occupying board positions (AICD 2017). "Quotas are not on the table for now, but clearly all options will need to be considered" (Proust 2017).

The key findings of this Bulletin are:

- Voluntary actions to get more women on boards did not work in Norway. A legal quota for gender balance was therefore implemented. Many countries have been influenced by the snowball that started rolling in Norway.
- Challenges, characteristics, and contributions of the women becoming board members vary. They are influenced both by the national context and the national public policy instruments being applied. Efforts for getting women on boards must be adapted to national discourses and contextual factors.
- Actual board behaviour influences the business case for women on boards. It is necessary to move beyond superficial accounts and take better account of 'who the women are'.
- Quotas are not enough for achieving gender equity, and societal sustainability and well-being. Quotas must be supplemented by other initiatives.

As the Committee for Perth's 'Filling the Pool' report highlighted (Fitzsimmons & Callan 2015), while half of the workforce in Western Australia are women, they remain under-represented at a range of decision-making levels, including Board Members, Board Chairs and Chief Executive Officers. This problem is particularly acute in Western Australia, which continues to have the lowest female board representation in Australia, 24.9% nationally in 2017 (WGEA 2017). Among Western Australia's ASX 100 firms, female representation sits at just 9% compared to a national figure of 20% (OnBoardWA 2017). Thereafter, the percentage steadily declines with listed companies with lower market

capitalisation and those firms outside the ASX 200 performing significantly worse than the larger firms.

Prominent Australian business-woman and immediate Past President of Chief Executive Women, Diane Smith-Gander argues that, "It's an economic imperative, not only a social justice imperative" (cited in Mercer 2017). Furthermore, there is a growing consensus that "Ensuring gender diversity on boards leads to better informed decision-making, more effective governance, new ideas, options, solutions and stronger connections with the community, stakeholders and the workforce" (GWA 2017).

Australian publicly listed businesses typically have a one-tier corporate governance system, and companies operate with one board. The typical board comprises around six members, and these members represent a mix between executives and non-executives. It is notable that Australian boards tend to have more non-executive directors than many other comparable countries. Norway has among listed companies a one board-system; however, it has a two-tier corporate governance system. A two-tier corporate governance system means that there is a compulsory delegation of decision-making authority from the board to an executive body. Board members are typically non-executives, the average number of members is seven, and one-third of the board members are elected by and among employees (Rasmussen & Huse 2011). The Norwegian system is similar to those in most of continental Europe, while the Australian system is closer to the executive board system in the UK or the USA. Quotas are in most cases implemented in supervisory boards, in two-tier corporate governance systems.

It is not straight-forward to apply WoB lessons from one country to another country. Indeed, a number of quite fundamental questions need to be addressed. They include what a board is, what a quota is, and strangely enough – what a woman is. It is also important to understand variations in national and institutional contexts, including corporate structures. This FACTBase Bulletin addresses aspects of these questions. First, it presents an overview of the Norwegian experience in increasing WoB. The Bulletin demonstrates that a snowball

started rolling in Norway that has influenced initiatives and developments throughout the rest of Europe. Secondly, various discourses about getting WoB in Europe will be presented. Thirdly, some studies about core European actors that are influencing the debate, including characteristics of the women becoming board members and the business utility imperative that is being used to argue for increasing WoB are examined. The fourth section analyses in-depth studies that supplement input-output studies between the number of WoB and corporate financial performance. The final section mounts an argument about why quotas are not enough, and why quotas must be supplemented with additional initiatives. Interestingly, such arguments were also a key outcome of the Committee for Perth's 'Filling the Pool' report in 2015, in which a roadmap of 31 interlocking recommendations for government, businesses and their leaders, along with women, sought to address the complex nature of achieving a gender balance in the boardroom and in corporate Western Australia.

Lessons from Norway

Norway is known for its progressive approaches to gender equality, and women have been represented in various important decision-making bodies at the societal level since the mid-twentieth century. However, for much of the twentieth century the percentage of women on corporate boards did not reflect the broader commitment to gender equality. During the 1990s, the percentage of WoB of listed and public limited companies (ASA) remained at around 5%. In response, numerous initiatives were considered and/or implemented in the drive to increase this number. These focused on different types of barriers that were evident on both the demand and supply sides for board membership.

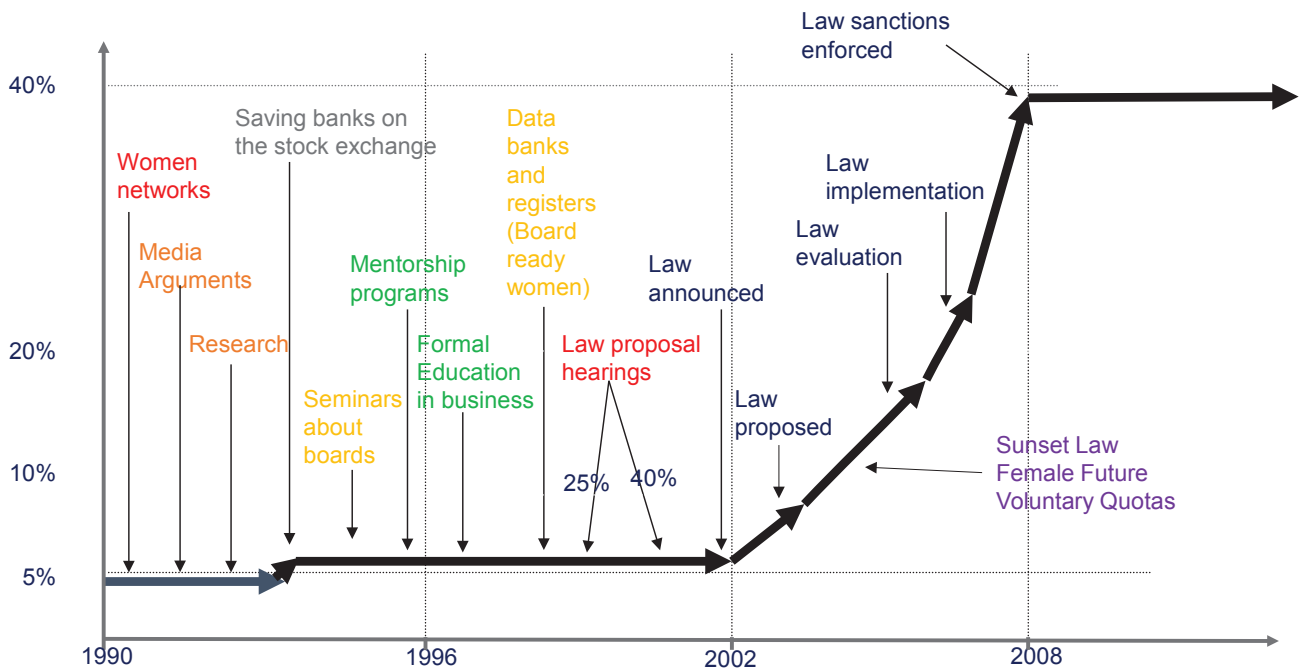
Initiatives included pressure from women networks, increased media coverage and discourse on the issue, scholarly research, board seminars for training existing and potential board members, various mentorship programs, Business School education programmes, registers of board ready women, and even two public hearings of proposals for legislation to increase the number of WoB (Machold et al. 2013, pp 27-63). However, no significant changes were observed until 2002 (See Figure 1).

In 2002, the Minister for Trade and Industry, Ansgar Gabrielsen, announced a requirement that women should represent at least 40% of board members in ASA-companies. His main argument was that a quota would benefit Norwegian businesses.

However, preparations for formal regulations had been undertaken by previous Ministers of Equality and of Administration who mounted arguments about the importance of social justice and moral rights, rather than narrow financial outcomes.

The regulation of the Norwegian ASA-company law was formally proposed in 2003. There were strong sanctions for not complying. Indeed, compliance became one of the requirements for being incorporated as an ASA-company. Norwegian industry, many conservative politicians and the NHO (The Confederation of Norwegian Enterprise) strongly opposed the new regulations, arguing that Norwegian businesses should be able to reach gender balance through voluntary actions. They wanted the proposed regulations

Figure 1: Norwegian initiatives to increase the number of WoB



Adapted from: Huse 2011.

to be a 'sunset law' – in essence, a law that would not be needed. The Norwegian Parliament listened to these arguments, and ultimately gave Norwegian businesses two years to attain gender balance.

The NHO established an action program to reach the objectives through voluntary actions. This program was called Female Future. However, the voluntary action program failed, and the final regulations were introduced in the Norwegian Parliament in 2005. The regulations gave the ASA-companies two years to implement the requirements. This meant in practice, that gender balance was to be enforced during the spring of 2008.

At the time, there were expectations that the quota would also indirectly lead to women being better represented in powerful positions in business, such as CEOs and board chairs. Yet, this did not occur. The number of women in high-level management positions remained low after the introduction of the new regulations. Many business actors reacted negatively towards the new regulations, and consequently several corporations changed their corporate structure away from being an ASA-company. This change was facilitated by the introduction of relaxed legislative requirements for companies in the financial sector. In 2003, there were 554 ASA-companies in Norway, and by 2015, this had fallen to 238.

Table 1: Average number of board positions held by women in Norway

Distinct Numbers of Women on ASA Boards in Norway 2007-10			
Category	Total number of year/board positions over 4 years	Mean number of board positions 2007-10	Number in each category
A	16+	4.00-	10
B	12-15	3.00-3.75	28
C	8-11	2.00-2.75	79
D	4-7	1.00-1.75	403
E	1-3	0.25-0.75	1,309
At least one position in one of the years			1,829

Adapted from: Huse 2011.

The immediate response following the introduction of the Norwegian quota regulation is illustrated in Table 1, which shows the mean number of board positions held by women in the period 2007-2010 (see also Huse 2011). There were 10 women with an average of four or more board positions each with 1,829 women holding board positions in ASA-companies for at least one year during the 2007-2010 period.

The Norwegian gender quota regulation is now widely accepted. However, no direct change in corporate financial performance has been observed since quotas were introduced. However, since the introduction of quotas, more than 2,000 different women have been appointed, and as a consequence received experience as board members in Norwegian ASA-companies.

The snowball effect: Developments in Europe

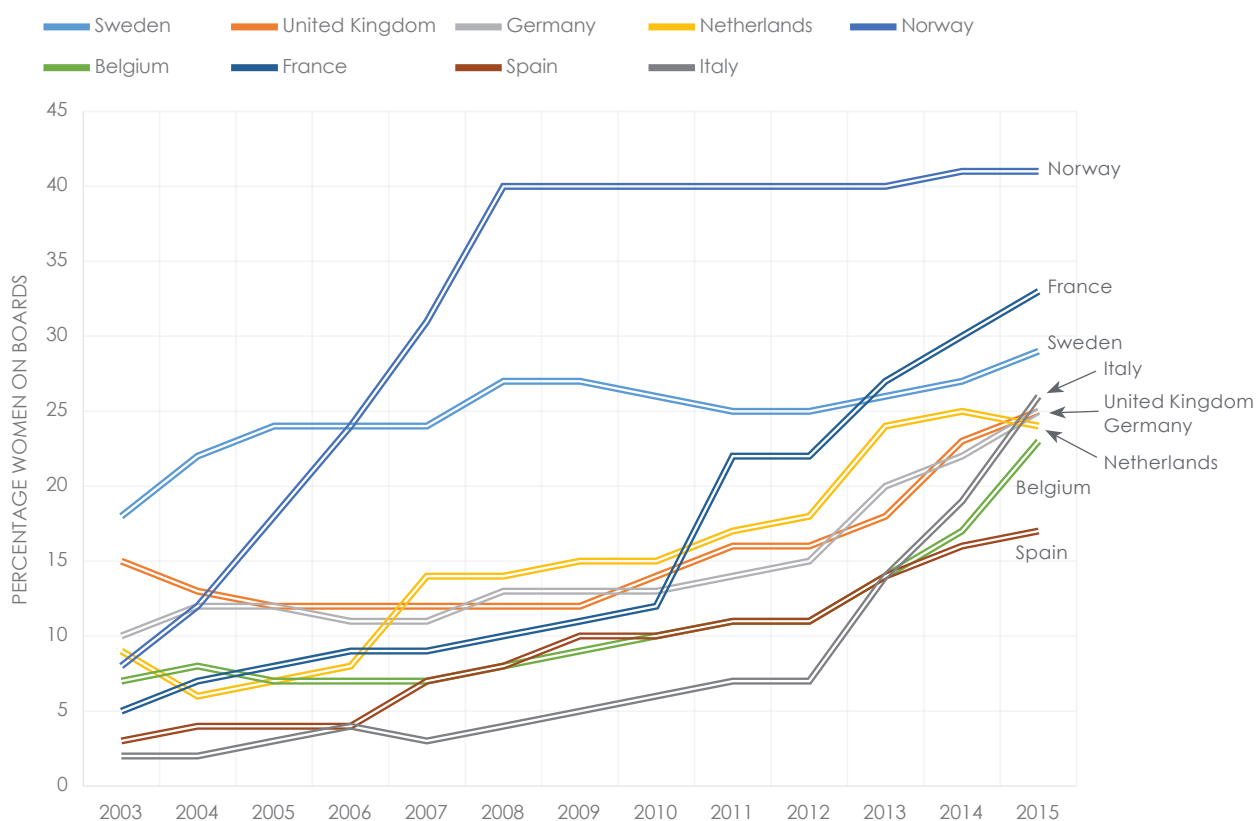
The Norwegian regulations have contributed to a snowball effect, particularly across Europe, that has been dynamic and accelerating. A quota regulation had already been considered in Sweden in 1999 but was not implemented. Discussions regarding quota regulations commenced between 2005-2007 in the Netherlands, Belgium, France, and Spain. However, each country has adopted different definitions of boards and means of enacting quotas (e.g. executive versus supervisory in the Netherlands) and quota enforcements (e.g. only recommendations in Spain). The French quota suggestion was at first considered to be unconstitutional, and the French constitution had to be changed

before the quota regulation was implemented. There were also variations with respect to whether including quotas in soft laws (often with 'comply or explain' requirements) or in hard laws (with different formal types of sanctioning). In November 2012, the European Commission proposed the aim of attaining a 40% objective of the under-represented sex in non-executive board member positions in publicly listed companies. However, no quota regulations were approved or recommended.

The changes in the percentage of WoB in public limited companies in some European countries is presented in Figure 2, though it should be noted that there are difficulties in comparing percentages of WoB across countries because

of the definitional issues noted earlier. Yet, despite this there are a number of important trends evident. In 2003, Sweden and the United Kingdom had the highest percentage of WoB (see Seierstad, Gabaldon & Mensi-Klarbach 2017). By 2007, the percentage had increased in Sweden, but had been falling in the United Kingdom. In 2007, the percentage of WoB in Norway surpassed those of Sweden. Increases were also recorded in the Netherlands, where social commentators gave the topic major attention in the media and through other forums. Spain also recorded increases from 2007, where a number of legal initiatives promoted increased participation. Indeed, the percentage of WoB in Spain after 2007 was higher than in Italy or Belgium, and at the same level as France.

Figure 2: Percentage of WoB in some selected European countries



Adapted from: Conde Ruiz 2015.

By 2015, a quite different picture had emerged. Norway had by then achieved the full effect of the gender balance regulations. Moreover, significant developments had occurred in France, where the French Parliament passed laws in 2011 requiring gender balance on the boards of companies with more than 500 employees or more than €50 million in revenue. The requirement of 40% was to be achieved within six years. Similar laws (30-33%) passed in 2011 in Belgium and Italy. Germany implemented legal requirements for a quota of 30%.

There are also punitive measures in place where quotas are not achieved. There are fines for non-compliance in France and Italy, while positions will be held open in Belgium and Germany. This means that in Belgium and Germany it is not permissible to include new men on boards until the required number of women on the board has been reached.

In 2011 in the United Kingdom, Lord Davies of Abersoch, Minister of State Department for Business, Enterprise and Regulatory Reform, led the development of a review on the matter of WoB. Despite the fact that the percentage of WoB had been dropping significantly since 2003, the review concluded that the United Kingdom should adopt a focused business-led approach to reach 25% by 2015 – without a quota law. However, Lord Davies did note in his foreword to the review (Lord Davies 2015) that a quota law should be introduced in the case that 25% is not reached: “Many other people told us that quotas would not be their preferred option as they did not want to see tokenism prevail. On balance, the decision has been made not to recommend quotas. Government must

reserve the right to introduce more prescriptive alternatives if the recommended business-led approach does not achieve significant change.”

In 2015, Sweden was one of the countries with the highest percentage of WoB at 28%, but the percentage increase was significantly lower than in most other European countries. Indeed, having less than 30% WoB was generally considered to be unacceptably low, and legal requirements to achieve gender balance on boards have recently been announced.

Making Sense of Shift

While there have been significant material shifts in the representation of WoB in Europe, albeit at quite different rates, this only provides partial insights into the nature of change. Arguably, what is more important are the political, social and gender dynamics at play. This section draws on previously published research to summarise key political, social and gender dynamics and how this has influenced the nature of representation.

Understanding actors and processes

Together with colleagues, I have undertaken several studies that aim to go beyond a superficial analysis and attempt to better understand the political, social and cultural dynamics that underpin the increase in the number of WoB.

One of the most significant of these was by Seierstad et al. (2017), which drew on an analysis of political games to understand the dynamics underpinning the introduction of a national quota. The research explored the role of different actors and processes by studying the developments

in Norway, England, Germany, and Italy. It employed a processual research design, and mapped the political games both behind, inside and outside legislative areas. In each country, observations on critical actors were sorted into four categories or arenas: i) business actors, ii) civil society actors, iii) state actors, and iv) international actors. Links were then mapped between the various groups of actors. The research found important variations in patterns of interactions across countries.

In Norway, the interactions between actors were focused on discussions among the different political parties; in England, the interactions were concentrated between various individual political leaders; in Germany, cabinet politics was critical; and in Italy, the issue of WoB was typically raised by individual politicians. As part of the study, the integration of the four categories/arenas of actors was analysed. The various arenas in society were separated with limited interaction in Norway but integrated in England. It was also found that there were variations in international influences, the background of the women positioning themselves for board positions, variations in the political games, and the main arguments being used for increasing the number of WoB.

This research also found that the introduction of quotas was the result of international learning and national politicking processes. The researchers demonstrated the importance of the political games, or strategies, in influencing decision-making in each of the countries, and how learning was transferred across countries. International influence was important in all countries, but the final political

decision-making for formulating quota laws was different across the countries. The study also showed how the national and international landscapes were changing. One of the conclusions was that there is a need for national champions that can engage in the complex political dynamics that are at play within the local political and business landscape.

Gender discourses

In another study, a critical analysis of gender equality arguments and discourses was explored (see Huse et al. 2017). The starting point for this study was anecdotal observations from approximately 30 countries about the way in which gender inequality, and the means to address this, was framed in popular and business discourse. In the final part of the study, examples were used from Norway, Italy, Germany, Spain, and Slovenia. It draws on sociological system theory (Rennison 2012) and aims to offer a critical understanding

of the dialogues associated with gender equality and seek a more sustainable and robust set of alternatives. Central to the research is understanding that many of the dialogues traditionally used are superficial and contradictory.

The starting point was to classify and identify five main distinct 'gender codes' in each of the countries that tend to be used in popular stereotypes and business discourse. The distinct codes were then coupled into various national dominating discourses about increasing representation of WoB. This is illustrated in Table 2. The five gender codes used were biological, talent, utility, exclusion and freedom.

The biological code is based on popularly reported views on the different roles that men and women play in society. Broad, and often historical, stereotypes across the country hold that women are traditionally 'homemakers', while men the breadwinners.

This code is strongly associated with religious conservative environments. It has been viewed as anti-feminist and excessively conservative.

The talent code has a meritocratic perspective but might also be regarded as somewhat paternalistic. It is often focused on the 'training' of women to learn the skill-set of men in business. Put another way, it is focused on how to be like men in the corporate world. Women identifying with this code do not want to be seen as 'quota women' where representation is based on tokenism.

The utility code is based on an underlying assumption that women and men are different and can make distinctive contributions as leaders. Under this code, leadership has stereotypically been viewed as a male domain linked to resources and positionality, while the distinct leadership skills of women are seen as an under-utilised resource for businesses.

Table 2: Variation in gender discourses about WoB

	NORWAY	ITALY	GERMANY	SPAIN	SLOVENIA
Biological	General Christian democratic influence	Catholic expectations of women as family caretakers	Sign of affluence with wife at home	Men and women are born for different roles	Women in double positions
Talent	Training programs for women established	Women have business education	Women preparing for positions	There are many incompetent men	Cannot find competent women
Utility	Business case was the formal argument for the law	Women and men are different as leaders	Supervisory boards are considered as formal only	What are boards doing?	Women leadership perspective
Exclusion	The talent pool of women is not used	Important in the media debate – justice	1970s feminism	Difficult to mobilise women	The ideologists perspective
Freedom	Recent development among 'super-women'	Women are in reality controlling the men	Women may have other preferences	Do not understand the problem	Rarely observed
Coupling of codes – discourses	Comfortable blindness	Complementary mutualism	Contradictory controversies	Cynical parasitism	Constructive alliances

Adapted from: Huse et al. 2017.

The exclusion code is about collective feminism: 'Women are being discriminated against, the glass ceiling and various institutional barriers are apparent. The system needs to be fixed'. In contrast, the freedom code is based on the fact that women have a freedom to choose – even how to experience gender. The code is anti-feminist and individualistic.

The analysis indicated that much of the international debate surrounding how women's representation can be increased within the more senior components of the business community were characterised by creative misunderstandings. This is summarised in the final row of Table 2. For example, comfortable blindness, as illustrated in Norway, is where codes co-exist alongside each other with little imperative for change. Contradictory controversies occur when the representatives of the different codes are in implacable conflicts, and cynical parasitism is when the one code infects the logic of another. Complementary mutualism takes place when both stands to benefit from the presence of the other, while constructive alliances are when a pattern is observed, and connections are made across the various codes. The latter two, as we indicated in the case of Italy and Slovenia, may have the highest productivity potential and be the most sustainable for progressing women onto boards. A main feature in Italy was how different stands were openly addressed and understood, and that they complemented each other without detailed coordination efforts. The case in Slovenia featured how different stands were accepted and alliances were developed in order to achieve progress.

However, assumptions about the characteristics of women and women's challenges differ significantly. This is particularly important in that it emphasises that cultural and social context 'matters'. The quite different social and cultural perspectives, traditions and norms all influence the ways in which women engage in business. This is critical in terms of Australia, as the research emphasises that simply 'importing' solutions from other parts of the world is not likely to be successful without a detailed appreciation of local context.

Characteristics of women on boards

What do we know about the women who are board members and those becoming board members? What are their backgrounds? What are their challenges, characteristics, and their contributions? Does it matter if the women are recruited in a tokenistic fashion or as a result of a quota law?

There are now an increasing number of studies in which these issues are being explored. In France, the women being recruited because of the quota law are sometimes described as 'unseasoned female directors', and there are suggestions that they may be facing an inner glass ceiling regarding admission to monitoring committees. It suggests that there remain cultural barriers in place to increasing levels of representation. The situation in Italy is different again, where a distinction among the three B's is made; Berlusconi, Bocconi, and Business. The first B refers to the backgrounds of the WoB prior to the quota law was discussed, the second B to the women that immediately positioned themselves and were elected as

the quota law was introduced, and the third B refers to the background of the women being elected in the final stage to avoid penalties once the law is implemented (Rigolini & Huse 2017).

In Norway, the term 'Golden Skirts' has become a label that has been used to characterise women who have become members of multiple boards as a result of the gender balance regulations. In some cases, the term has been used in international discourses as a warning against gender quotas on boards (Huse 2011). However, in Norway women serving on multiple boards was in reality a fairly temporary phenomenon. Furthermore, most of the multi-board women were not prominent individuals, but people from quite diverse backgrounds. They were drawn from all parts of Norwegian society and did not belong to a group that could be compared to an 'old boys network'. The number of 'Golden Skirts' has fallen over recent years, but women are still in the majority in board positions that are held by independent directors and a small minority of executive board roles (Huse 2011).

The so called 'Golden Skirts' may be categorised in several ways. A paper presented at the Australian and New Zealand Academy of Management meeting (Huse 2011), distinguished among four main groups of women. These types are presented in Table 3. The first might be described as 'Advisors'. These board members are typically young and are supported and mentored by their peers. Their identity is derived from their knowledge and skills, and their main contribution is to provide strategic advice. The second type are the 'Controllers'. The controllers sense the opportunity, actively prepare themselves and seize the opportunity to make a living by becoming board members under the quota law. Their focus and contributions are typically to comply with corporate governance regulations. The third type are the 'Decision-makers'. These women typically have a background in politics and/or governance. They are trained in decision-making and possess an intimate understanding of the underlying political games. Their focus and identity are often on an agenda or by being crusaders. The final type might be described as 'Value creators'. The value creators hold previous board experiences, and their motivation for continuing in board positions is to support the management and the company in creating sustainable values.

Table 3: Different types of 'Golden Skirts'

	PRINCIPLE- AND FACTS-ORIENTED "GOLDEN SKIRTS"	PRAGMATIC BUSINESS-ORIENTED "GOLDEN SKIRTS"
ASPIRING "GOLDEN SKIRTS" (LESS EXPERIENCE AS DECISION-MAKER)	Advisors: "The young, smart and clever, having fact on the fingertips, often having mentors" (around 40 years)	Controllers: "The ambitious and pragmatic women, – using the opportunities given by the law" (50 years +)
EXPERIENCED "GOLDEN SKIRTS" (HEAVY EXPERIENCE AS DECISION-MAKER)	Decision-makers: "The iron fists being used to fight – experience from top level politics" (50 years +)	Value creators: "The business experienced – being board members before the gender-balance law" (55 years +)

Adapted from: Huse 2011.

Table 4: Summarising observations across countries

	NORWAY	ITALY	GERMANY	ENGLAND	SPAIN	DENMARK	AUSTRIA	SLOVENIA	AUSTRALIA
Quota Law	40%	30%	30%	Targets 25%	Quasi-law 40%	Recommendations	30%	Law proposal	No law
Law system	Civil	Civil	Civil	Common	Civil	Civil	Civil	Civil	Common
Boards (dominant system)	Single Supervisory	Dual Horizontal	Dual Vertical	Single Executive	Single Supervisory – Mixed	Single Supervisory	Dual Vertical	Single Supervisory	Single Executive
Feminist debate	Exclusion	Cultural	Meritocracy	Alpha woman	Biological	Resistance	Traditional	Talent	Dung beetle
Assumption about women in leadership	<Women are similar to men, but are not being used>	<Women are different from men>	<Women do not want to be leaders>	<Women have the same possibilities as men>	<Women have a different contribution than men>	<Quotas will lead to less qualified directors>	<Masculine society>	<Women are in charge of family care>	<Male society>
Main advocates	Political	Upper class	Polarised	Fragmented	Suppressed	Radicals	Mature women	Intellectuals	Activists
New board members	Diverse	Privileged elite	Professional elite	Aristocratic elite	International elite	Alternative	Business elite	Intellectual elite	Disciplined

Adapted from: Izquierdo et al. 2016, p 20.

In 2015, a follow up study of the women referred to as 'Golden Skirts' was undertaken. The researchers found that the overall number of women had decreased, but the number in the value creator group had increased. Table 4 summarises observations across countries. The observations represent common stereotypes and the variations and relative differences across countries are highlighted.

The two last lines in Table 4 refer to the advocates of getting more WoB, and about which women are becoming board members. In Norway, some of the main advocates were working in the political system. Politicians in formal positions, supported by government bureaucracy, used their role to set out regulatory responses. Similar initiatives were also undertaken in Spain, but legislation was not properly embedded outside the political initiatives originally proposed. This can be explained by the lack of strong and visible champions for board quotas

in Spain. Characteristics of main advocates vary across countries. In Germany, it was a polarised political debate related to opposing factions in the German political system. Activists in the United Kingdom have been a more dispersed, fragmented group, unable to gain traction over deep business inertia.

How is this likely to play out in other countries for women? Most likely there will be considerable cross-national variations. First, there will probably be variations depending on whether board appointments take place in a regime without any pressure, or in a regime with a non-sanction culture (the token situation), or when there are sanction-pressures (with highly ambitious quotas). Second, there may be long-term differences after the introduction of quotas, compared to short-term effects.

The business case for Women on Boards – behavioural perspectives

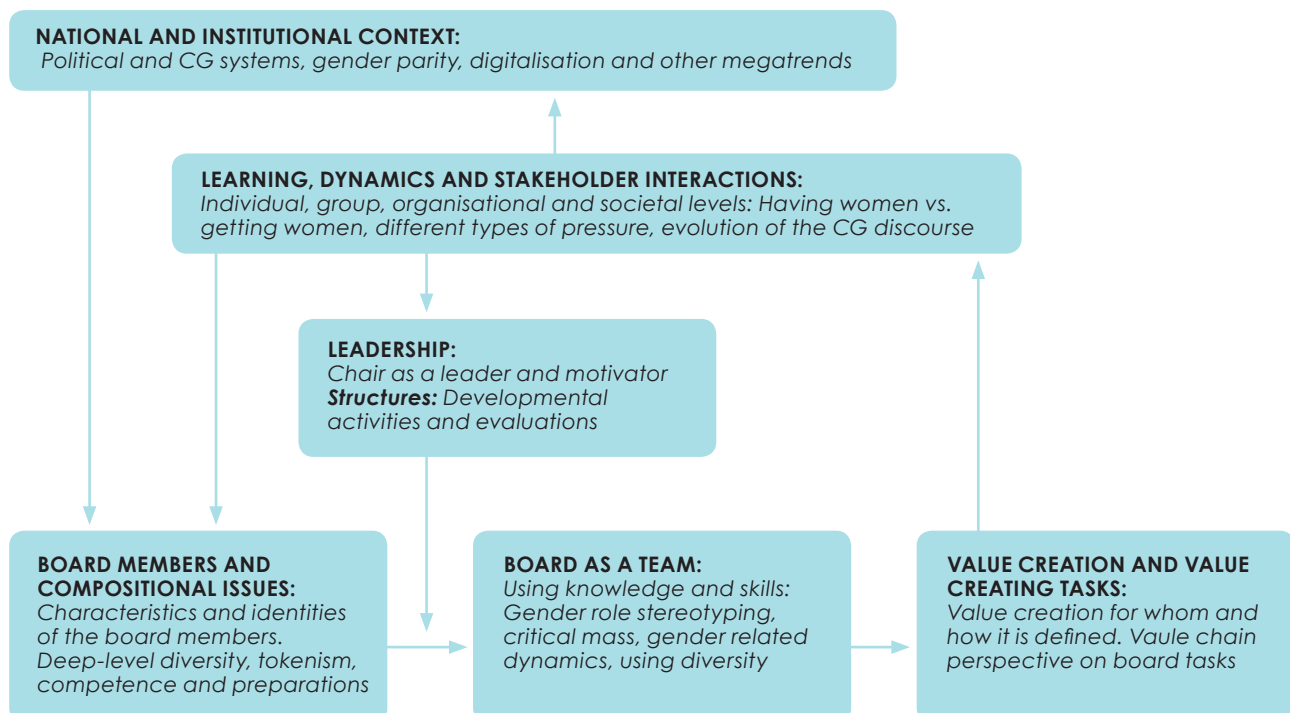
There are variations among boards that go beyond gender. The demographic, educational, career experiences, networks and other influences are significant when it comes to understanding board memberships. Several studies have also concluded that having WoB and in leadership is good for the business in terms of overall performance and profitability. Detailed references for this are presented in Huse (2018) or the many reviews published about women on boards. Yet, other studies have concluded that there may be a negative relationship between getting WoB and corporate financial performance. However, it is

important to make a distinction between the business case for WoB and the business case for a quota law. Is it good for businesses to have WoB, and is it good to have a law requiring it? And if it is best for the business, why then should society need to intervene with regulations? While the previous section addressed some of these questions, this section aims to go further by seeking to understand actual board behaviour (Huse 2007). The central elements of this perspective are provided in Figure 3 (see also Huse 2007, 2008 and 2018 for detailed references).

Value creation and value creating tasks: who is defining value creation and how is value creation defined? There may be differences, for example, between short-term changes

in market value on the stock exchange and long-term sustainable value created in the company. Some also include societal measures such as Corporate Social Responsibility (CSR) programs. Getting women into managerial positions or decreasing the gender pay gap may in themselves be considered as value creation. The impact of women may vary with the tasks being focused upon. Boards may be involved in various value creating tasks, for example legitimacy, networking, advising, strategy development, decision-making, various aspects of control and value distribution. It is shown in various studies that there may be positive results related to WoB's contribution in strategy, but negative for networking and advisory tasks.

Figure 3: The business case for WoB



Adapted from: Huse 2007; Huse 2008; Huse 2018.

Board members and compositional issues: how are women different from men, and even more important – how are the women aspiring for board roles different from the men already serving on boards? It is important to move beyond simple stereotypes and myths to understand these issues and offer deeper explanations that unpack aspirations and values. Often arguments for the representation of women hinge on a superficial view of diversity that is based simply on 'biological diversity' rather than a deeper appreciation of skills, knowledge and other attributes. The danger of simplistic approaches is that women appointments to boards are simply tokenistic in response to external pressure, rather than skills based.

Board as a team: the impact of women depends on the extent to which contributions are valued, recognised and respected. A male 'in-group' board may reduce the impact of the women, if women are excluded or just considered as token members. Stereotyping, fault-lines and 'they versus us' thinking may reduce the contribution of women, but also lead to board dysfunction. There are also important questions associated with board culture, and how new members adapt to this. To have at least three women on a board has been found important for increasing the specific contributions of the women. A collegial and supportive boardroom is often important for attaining cohesiveness and maximising effectiveness.

Board leadership and structures: good board leadership and good board structures can influence the use of diversity. However, boards are often set up for rapid decision-making, and the knowledge and skills of board members are rarely fully utilised. There can be little or no expectation on the impact of diversity if differences are not fully utilised. The use of the knowledge and skills of the WoB will greatly depend on the board chairperson and this chairperson's working style and attitudes. Leadership may also include aspects of board structures, rules and norms.

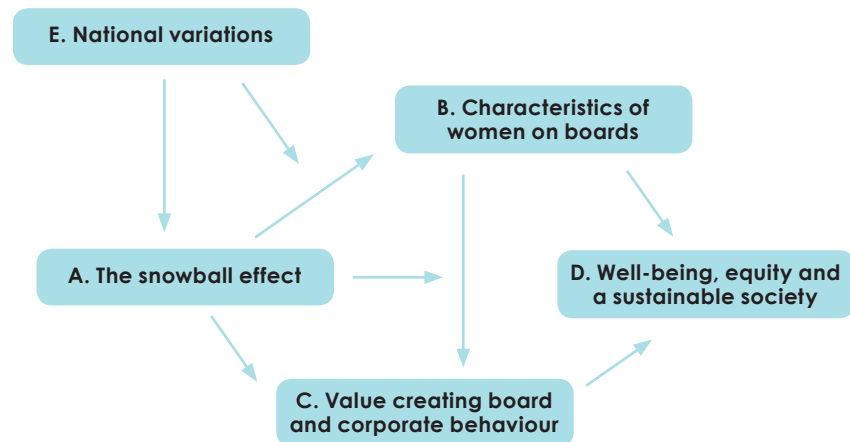
Learning, dynamics and stakeholder interactions: effects may change over time and place. In the future, more women with board experience are likely to be present in the boardroom. There may be learning effects on individuals and groups, and at organisational and societal levels. Many of the above-mentioned effects may disappear as it becomes usual to have WoB. We are seeing that a new understanding of corporate governance is developing. A focus in the corporate governance debate has been on independent board members that can monitor management. Transparency and value distribution have been central objectives. Yet, the discussion about WoB shifts the focus to competence, diversity and the use of knowledge and skills. Indeed, strategic decision-making and long-term sustainable value creation have become the objectives.

What really matters: quotas are not enough for getting gender equality

What has become apparent in the debates about increasing the representation of WoB is that the business case is just one imperative. While this had been a core part of the argument for increased representation, larger goals are also important including societal sustainability, equity, and well-being. Quotas for increasing WoB must be evaluated based on its contribution to society and future generations. This is sketched out in Figure 4.

The Figure illustrates that the quotas for WoB, which creates the snowball effect, should not only align with business needs, but a much broader agenda around well-being, equity and a sustainable society. As outlined in the earlier sections, the momentum around increasing WoB has been addressed by means of quotas. It is also clear though that Norway is just one example of how representation can increase. Other national variations exist, and the impact of these is quite diverse. What this cross-national assessment emphasises is that quotas are not enough. Quotas bring society closer to gender parity, but they may not directly bring equity and fairness. Quotas may be an important tool, but it is necessary to understand how quotas and other initiatives can work together in creating value for women, for business and for society. This cannot be done without understanding the national contexts and differences.

Figure 4: Beyond the business case



Adapted from: Izquierdo et al. 2016, p 51.

Concluding points. A summary of major challenges for achieving well-being, equity, and a sustainable society:

- Norway as a benchmark: getting women into top positions in the business society has developed rapidly over the past decade. Norway has become a benchmark that helps set the agenda. Voluntary action did not work in Norway. Other countries have been influenced by Norway even without introducing a quota – simply by the prospect of a quota.
- A snowball is rolling: It is evident that there is now considerable momentum on the issue of increasing WoB, and that this is spreading across the international business community. It is also apparent that the ways in which this momentum is playing out in different national contexts is complex and diverse and linked to particular 'in country' political, cultural and social dynamics.
- Quotas are not enough to achieve gender equality: Policy initiatives must be based on an understanding of national and regional differences, gender and social cultures, and different board and corporate governance systems in the various countries. Policy initiatives should build an in-depth understanding of why women are underrepresented on boards and in the corporate suites.
- Quotas on boards are not enough to achieve improved corporate performance: Quotas are a blunt instrument and may not necessarily result in achieving diversity on boards and in the corporate suites. Diversity on boards is also no guarantee that this diversity is or will be used. Ultimately however, quota pressures may provide more gender diversity than voluntary actions.

- Quotas for boards may be used in achieving trickle down effects for other aspects of business and society: The quotas then need to be framed in an adequate institutional setting to bring gender equality from the top of the companies to the rest of society. Regulations may set the rules of the game. Actors play according to these rules to achieve the best outcome.

Therefore, it is important to understand the institutional setting, the actors and the dynamics among them. There is a need for gender champions, both men and women, in the promotion of gender equality.

References

AICD 2017. *Gender diversity progress report*, Australian Institute of Company Directors, June – August.

Bilimoria, D., and Huse, M. 1997. A qualitative comparison of the boardroom experiences of U.S. and Norwegian women directors. *International Review of Women and Leadership*, 3 (2-Dec): 63-76.

Conde Ruiz, J. I. 2015. A favour de las cuotas para las mujeres. *Eldiario.es*, http://www.eldiario.es/zonacritica/favor-cuotas-temporales-representacion-mujeres_6_454314584.html, downloaded February 21 2018.

Fitzsimmons, T.W., and Callan, V.J. 2015. *Filling the Pool*. Perth: The Committee for Perth.

GWA 2017. Women at board level, Government of Western Australia. onboardwa-wagovreskin2.bigredsky.com/onboardwa.php/encouraging-diversity downloaded January 23, 2018.

Huse, M. 2007. *Boards, governance and value creation: The human side of corporate governance*, Cambridge, UK: Cambridge University Press.

Huse, M. 2008. Women directors and the 'black box' of board behavior. In Vinnicombe, S., Singh, V., Burge, R., Bilimoria, D., and Huse, M. (Eds.) *Women on corporate boards of directors: International research and practice*, Cheltenham, UK: E. Elgar Publishing.

Huse, M. 2011. 'The golden skirts'. *Changes in board composition following gender quotas on corporate boards*. Australian and New Zealand Academy of Management Annual meeting, Wellington, NZ, December (Best paper award).

Huse, M. 2018. The business utility case for women on boards: Getting beyond the surface. In Devnew, L., Burge, R., Le Ber, L. J., and Torchia, M. (Eds.) *Women and boards of directors*, Women and Leadership; Research, theory and practice book series, Information Age Book Series.

Huse, M., Rigolini, A., Göke, J., and Möltner, H. 2017. 'Lean in' and variations in gender discourses about getting women on boards. Paper presented at the EGOS Colloquium, Copenhagen, July.

Izquierdo, M., Huse, M., and Möltner, H. 2016. *Value creating boards and gender diversity*. Research Report 2/2016 BI Norwegian Business School.

Krook, M. L. 2007. Candidate gender quotas: A framework for analysis. *European Journal of Political Research*, 4(3), 367–394.

Lord Davies 2015. Improving the Gender Balance on British Boards. *Women on Boards Davies Review – Five Years summary*, October.

Machold, S., Huse, M., Hansen, K., and Brogi, M. (Eds.) 2013. *Getting women on to corporate boards: A snowball starting in Norway*. Cheltenham, UK: E. Elgar Publishing.

Mercer, D. 2017. Gender diversity: push for quotas to get women on company boards, Perth Now WA News, May 8., downloaded 23.01.2018.

OnBoardWA 2017. onboardwa.jobs.wa.gov.au, downloaded January 15 2018.

Proust, E. 2017. Interview with President of AICD, Elizabeth Proust, <http://www.abc.net.au/news/2017-09-26/companies-warned-they-could-face-gender-quotas/8987862>

Rasmussen, J., and Huse, M. 2011. Corporate governance in Norway: Women and employee elected directors. In Mallin, C. *International corporate governance*, Cheltenham, UK: E. Elgar Publishing.

Rennison, B. W. 2012. *Knæk kønnets koder: Kvinner i ledelse* [Crack the gender codes – Women in management], Copenhagen: Gyldendal Business.

Rigolini, A., and Huse, M. 2017. Women on board in Italy: The pressure of public politics. In Seierstad, C., Gabaldon, P., & Mensi-Klarbach, H. (Eds.) *Gender diversity in the boardroom: European perspectives on increasing female representation*, Palgrave Macmillan.

Seierstad, C., Gabaldon, P., and Mensi-Klarbach, H. (Eds.) 2017. *Gender diversity in the boardroom: European perspectives on increasing female representation*, Palgrave Macmillan (volume I+II).

Seierstad, C., Warner-Søderholm, G., Torchia, M., and Huse, M. 2017. Increasing the number of women on boards: The role of actors and processes. *Journal of Business Ethics*, 141(2): 289-31.

WGEA 2017. WGEA Data Explorer, <http://data.wgea.gov.au/>, downloaded February 21 2018.

Acknowledgements

There are many people that in various ways have contributed to this paper. The list of contributors includes colleagues I have been working with on different projects and papers, including Patricia Gabaldon, Aleksandra Kanjou-Mrcela, Silke Machold, Hannah Möltner, Sabina Nielsen, Alessandra Rigolini, Cathrine Seierstad, Mariateresa Torchia, Gillian Warner-Søderholm, and the many WoB workshop participants that have been involved in discussions of these projects. I will also include the many champions, policy makers and business people that have been involved in the various country projects referred to in the paper. Finally, I will thank those that directly have contributed in peer-reviewing this paper, including Terrance Fitzsimmons, Matthew Tonts, Patricia Gabaldon, David Guttormsen and Hannah Möltner.

About FACTBase

FACTBase is a collaborative research project between the Committee for Perth and The University of Western Australia to benchmark the liveability of Perth and its global connectedness through an examination of Perth's economic, social, demographic and political character.

The FACTBase team of academics and researchers condense a plethora of existing information and databases on the major themes, map what is happening in Perth in pictures as well as words, and examine how Perth compares with, and connects to, other cities around the world.

The Committee for Perth is a member-funded organisation and we acknowledge our Gold Members:



A complete list of current members is available at www.committeeforperth.com.au

Committee for Perth Disclaimer

The information contained in this publication is provided for information purposes only and is not intended to address the circumstances of a particular individual or entity. Unless otherwise stated, the information has been drawn from a number of sources current as at the date of this publication. To the extent this publication contains any statement as to a future matter, that statement is provided based on the information available to the Committee as at the date of this publication. The Committee is not under any obligation to update any information contained in this publication. No representation or warranty, express or implied, is made by the Committee as to the completeness, accuracy, reliability, currency or correctness of the information. While the Committee has made all reasonable efforts to ensure the accuracy of the information, to the maximum extent permitted by law, the Committee and any party involved in creating or producing this publication and each of their officers, directors, employees, agents and advisers expressly disclaim any responsibility for the accuracy or completeness of the material in this publication and exclude all liability (however caused, including by negligence) for any loss or damage arising from any use of or reliance on the information, including any error or omission there from, or otherwise arising in connection with it. No one should rely on this information as a substitute for professional advice.

Copyright

This paper is the copyright of The University of Western Australia and the Committee for Perth. While we encourage its use, it should be referenced as:

Huse, M. (2018) *Gender in the Boardroom: Learnings from world-leader Norway*, FACTBase Bulletin 58, The University of Western Australia and the Committee for Perth, Perth.

About the author



Morten Huse is professor in the Department of Communication and Culture at BI Norwegian Business School, Oslo.

He has followed the debate about getting WoB in Norway and internationally since the end of the 1980s. Around 1990 he started mentoring and following a woman that wanted to make a change and do something for getting WoB. Her story is presented in Bilimoria and Huse (1997). He then started to explore issues related to WoB: first in Norway, and then in other countries. Some of the lessons learnt are presented here.