



# Women on Corporate Boards: Lessons from Norway

## Characteristics of the "golden skirts"

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# Getting Women Into Boardrooms, by Law



**BI**

# Looking to Norway

- NORWAY – ONE OF THE MOST PROGRESSIVE COUNTRIES
- Norway is considered one of the most progressive countries with regards to increasing the number of women on boards – thanks to it being an early adopter of legislation to force companies to recruit women to the boardroom.

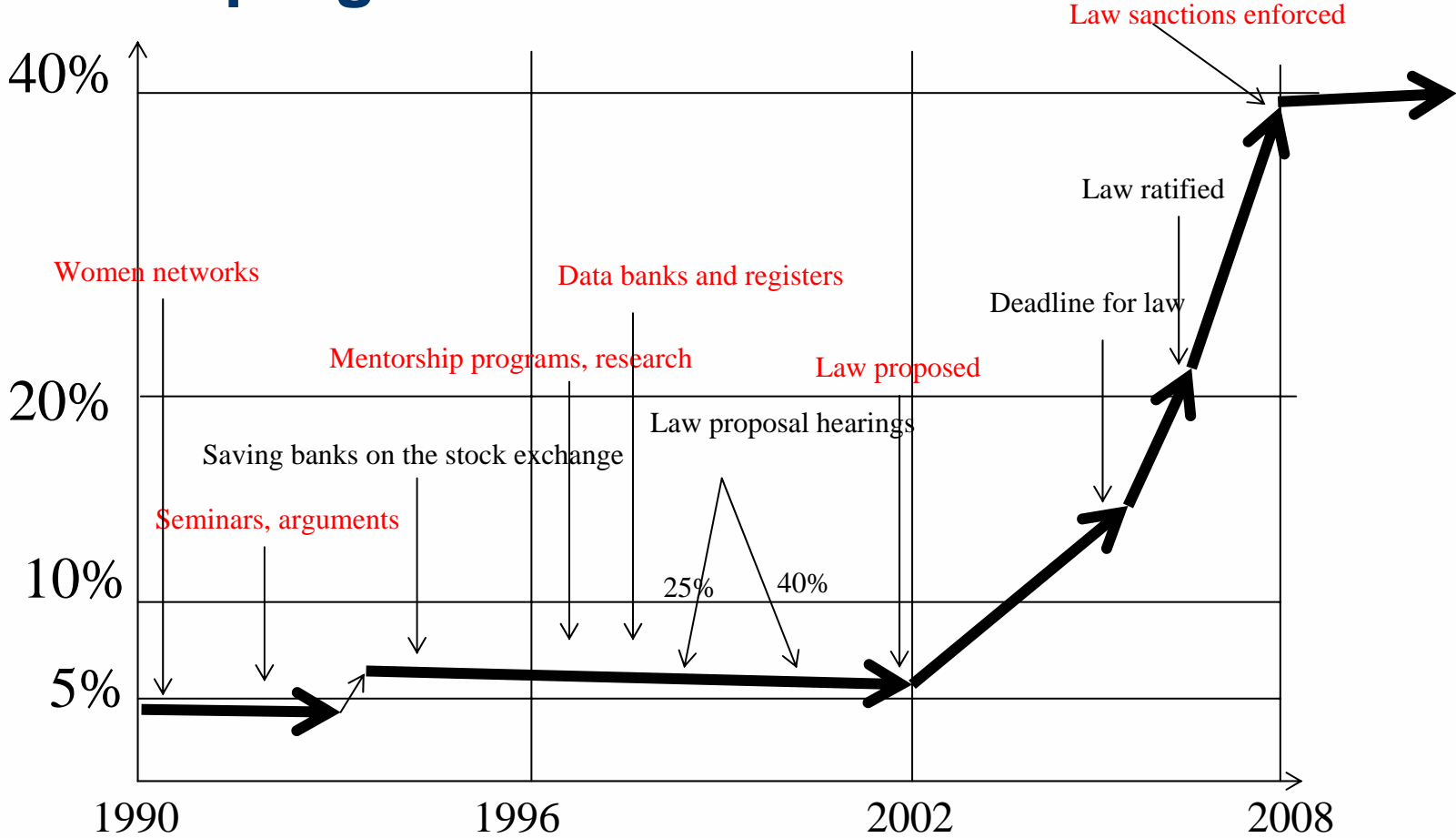
*Elizabeth Harrin (Financial Times, London)*



- FEMINISTS: BOLDEST MOVE ANYWHERE
- To many feminists, this is the *boldest move anywhere* to breach one of the most durable barriers to gender equality

*The Female Factor*

# Increasing the number: Effects of law and other programs





# Finding 1: Different Types of Value Creation

- Fiduciary duty
  - The fiduciary duty of board members is to do what is best for the company
- What is a board looking like
  - Aunt, barbarian or clan
  - Value creating board
- We need to see other aspects of value creation than shareholder value
- Various board tasks, e.g. :
  - Networking (negative)
  - Control (various)
  - Advise (various/negative)
  - Strategy (positive)
- Women have a particular contribution to CSR and innovation through their strategy involvement



## Finding 2: Board Diversity may have a Positive Role in Board Value Creation

- **Diversity matters**

- Deep level diversity
- How are women different from men?
- What kinds of competence are needed?

- **But depends on**

- Board processes and working style
- Board leadership



# Finding 3: Board Processes matters

- **Direct and indirect**



- **Findings**

- Critical mass – 3 women matters
- Equality perceptions and tokenism
- Trousers down – better preparations
- Can men bake cakes?



## Finding 4: The introduction of a new discourse



| CG Codes and Sarbanes Oxley – | Women quota – female/yin  |
|-------------------------------|---------------------------|
| Independence                  | Competence                |
| Value distribution            | Value creation            |
| Decision-oriented             | Process-oriented          |
| Control – risk aversion       | Innovation – risk willing |
| Finance literature            | Strategy literature       |
| Shareholder identification    | Firm identification       |
| Short term                    | Long term                 |





# Who are the women on the board?

- A study of the "golden skirts"
  - Background interviews
  - Golden skirt interviews
  - Business women interviews
  - Interviews with men
  - Policy makers interviews
  - Interviews in other countries



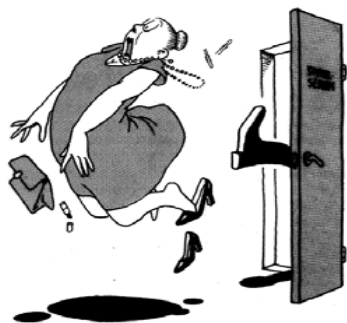
# Boards and Corporate Governance in Norway



- The gender balance law is for publicly tradeable companies (including corporations at the Oslo Stock Exchange)
- Oslo Stock Exchange dominated by state owned/controlled corporation (e.g. Statoil, Norsk Hydro, DNBNor) or corporations with blockholders
- One or two tiers: Compulsory delegation from a supervisory board to an executive management
- Employees can require to elect one third of the board members (among the employees)

# Replaceable and non-replaceable directors

|   | Business directors   |   | Professional directors  |  |
|---|--|---|---|--|
|   | Women  | Men   | Women   | Men  |
| <b>Insider and quasi-insider</b><br><br><b>Limited replaceable</b>      | Family   | Entrepreneur, friend, business relation, majority shareholder | Family, officer   | Officer, consultant, lawyer, investor              |
| <b>Stakeholder related directors.</b><br><br><b>Limited replaceable</b> | Investors, their employees and partners.<br><br>Employee directors | Investors and their employees.<br><br>Employee directors      | Investor, majority shareholder and their partners and employees | Business angels, investor and majority shareholder |
| <b>Independent directors</b><br><br><b>Replaceable</b>                  | Entrepreneur   | CEO, “Old boys network”, expert                               | “Golden skirts” and those in SMEs                               | Ex-CEO, “Old boys network”                         |




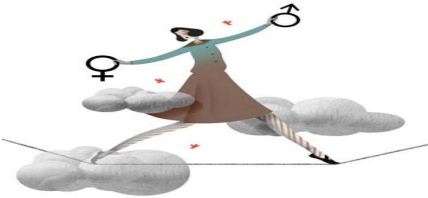


# Goldröcke und Geldsäcke



|       | Multi-board directors 2000  | Multi-board directors 2005  | Multi-board directors 2010   |
|-------|---|---|--|
| Women | No women  | Some “Goldröcke”, family and business women                       | Professional independent (including the “ <b>Goldröcke</b> ”), family, officers and business women |
| Men   | “Old boys network”, consultants (“Geldsäcke”), investors, lawyers | “Old boys network”, consultants, investors (“Geldsäcke”), lawyers | Mostly “ <b>Geldsäcke</b> ” (Women have replaced many multi-board men)                             |

# The "Golden skirts"

|                           | Principle- and facts- oriented golden skirts  | Pragmatic business-oriented golden skirts  |
|---------------------------|---|--|
| Aspiring golden skirts    | <p>"The young, smart and clever – having fact on the fingertips, often having mentors" (around 40 years)</p>  | <p>"The ambitious and pragmatic women – using the opportunities given by the law" (50 years +)</p>    |
| Experienced golden skirts | <p>"The iron fists being used to fight – experience from top level politics" (50 years +)</p>               | <p>"The business experienced - being board members before the gender-balance law" (55 years +)</p>  |



# Conclusion

## Women on Boards and the Norwegian Quota Law

- Markets or regulations
  - Voluntary actions did not succeed in increasing the number of women
- **Too early to make final conclusions**
  - Societal case
  - Individual case
  - Business case



**But we can see many positive signs**