



Women on corporate boards around the world: Triggers and barriers

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ARTICLE INFO

Article history:

Received 2 March 2014

Received in revised form 14 July 2015

Accepted 17 July 2015

Available online 6 August 2015

Handling Editor: John Antonakis

Keywords:

Female directors

Board of directors

Social role theory

Social institutions

ABSTRACT

One of the institutions in which the gender gap remains a contestable issue is the board of directors, where the proportion of female directors is still low. While some countries have achieved higher proportions of female directors on their corporate boards, others have not registered even a single one. Drawing on social role theory, that places emphasis on traditional gender activities, this study starts by arguing that board directorship is an *agentive* role and more suitable for men. The study shows that key social institutions have the potential to alleviate such stereotypical attitudes or to maintain the *status quo*. Employing a robust statistical technique in two-stage least squares (2SLS), this study finds that the representation of women in other key national institutions, such as in politics, positively affects the appointment of female directors on boards. On the other hand, religiosity has a negative causal effect on female board appointments.

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Introduction

The lack of female representation on corporate boards has attracted the attention of academics (Hillman, Shropshire, & Cannella, 2007), policy makers (OECD, 2009), practitioners and civil society (Catalyst, 2007). Part of this interest derives from the observed and perceived importance of achieving gender equity in societal and political leadership (Bullough, Kroeck, Newbury, Kundu, & Lowe, 2012) as well as in firms (Nielsen & Huse, 2010).

Explanations for the representation of women in elite leadership roles traditionally focused on the idea that a lack of qualified women created a “pipeline problem”. This shortage of qualified women has been ascribed to a variety of causes, including women's family responsibilities (Greenhaus & Parasuraman, 1999) and inherited tendencies for women to display fewer of the traits and motivations that are necessary to attain and achieve success in high-level positions (Browne, 1999; Carter, D'Souza, Simkins, & Simpson, 2010; Goldberg, 1993).

Another explanation resides in gender role attitudes, “the opinions and beliefs about the ways that family and work roles do and should differ based on sex” (Harris & Firestone, 1998: 239). Indeed, some societies hold traditional gender role attitudes and believe in a clear division of labor, where “men must be more concerned with economic and other achievements, while women must be concerned with taking care of people in general and of children in particular” (Hofstede, 2001: 280). In contrast, non-traditional gender role attitudes in some societies suggest a less distinct gender-role-based division of labor, where men and women share various

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responsibilities (VanYperen & Buunk, 1991). We argue that, this view, consistent with insights from social psychology on gender differences and social roles, (Eagly & Wood, 2012) may provide better understanding of gender disparity on corporate boards.

Social role theory potentially undergirds the lack of female representation, positing that differences in societal roles lead men and women to demonstrate and value different types of interpersonal behaviors (Eagly, 1987; Eagly & Johannesen-Schmidt, 2001). The perception is that men tend to value and engage in more assertive, competitive and agentic behaviors, whereas, because women traditionally occupy more caretaking roles, they tend to value and engage in more communal behaviors (Eagly, 1987; Koenig, Eagly, Mitchell, & Ristikari, 2011). This common placement of women and men into prescribed roles produces gender stereotypes by observing their behavior in such roles. Such stereotypical perceptions are shared by individuals in a society, from where they derive their legitimacy, and are thus culturally consensual.

Applying the foregoing reasoning, in the context of the workplace and indeed the boardroom, women are, therefore, more likely than men to hold positions at low levels in hierarchies of status and authority and are less likely to be at the highest levels of organizational hierarchies (Eagly & Wood, 2012; Heilman, 2001) where agency is expected.

Notwithstanding the power and commonality of gender role perceptions, there is evidence that in some hunter-gatherer societies, even men sometimes perform substantial infant care (Fouts, 2008). Moreover, in many industrialized societies some men pursue female-dominated professions such as nursing or social work (Sayer, Cohen, & Casper, 2004). The fact that men and women sometimes engage in gender atypical activities suggests flexible behavior that is not rigidly differentiated by sex (Eagly & Wood, 2012), but one that is shaped by situational/contextual demands. This implies that both sexes can be socially sensitive or aggressive, given appropriate socialization and support from the social environment, where beliefs and practices are shared and subsequently modified (Richerson & Boyd, 2005; Tennie, Call, & Tomasello, 2009).

In addition, the fact that gender roles are a social construction, manifest in stereotypes (Eagly & Karau, 2002), suggests that these [stereotypes] could be broken down only by genuine social change. Such social change could see occupational and domestic-work segregation weakened, consequently changing the perception of women and men roles with an inclination to equality. Arguing for the inevitable rise of women's status, Jackson (1998) emphasizes that changes in economic, cultural and political systems over the years alleviated women's disadvantages by improving their access to positions. As economies got better, production and power once the preserve of the household (where men played a superior role) moved to economic and political organizations, thus reducing men's dominance. This observation underscores the salience and role of social institutions in facilitating or inhibiting gender roles.

However, countries' economic, political and cultural institutions have progressed at differing rates. As such, at the country level, institutional environments, and by extension, social institutions vary, suggesting different levels in the potential to either minimize or enhance gender roles and stereotypes. Indeed, Jackson (1998) posits that the timing, rate and form of specific changes around issues of gender inequality have varied considerably across countries.

In the context of this study, we argue that some countries would, therefore, have higher proportions of female directors on boards than others. Drawing on social role theory, and in particular considering the extent to which gender role attitudes differ among societies, this study seeks to explore the institutional factors that potentially lead to varying levels of female board appointments across countries.

Two streams of literatures are of relevance to our study. The first stream relates to the association between gender role attitudes and critical issues related to the workplace environment for women (Eyring & Stead, 1998; Kirchmeyer, 2002). The second examines the presence of women on boards within particular country settings including the UK (Conyon & Mallin, 1997; Singh & Vinnicombe, 2004), the US (Peterson & Philpot, 2007) Switzerland (Ruigrok, Peck, & Tacheva, 2007) and Norway (Nielsen & Huse, 2010).

While much has been written about this subject in single country studies, only a few researchers (Grosvold & Brammer, 2011; Terjesen & Singh, 2008) have focused their attention on cross-national studies. Using data from 38 countries over the years 2001 to 2007, Grosvold and Brammer (2011) place countries in clusters defined by national institutional systems, akin to varieties of capitalism (Hall & Soskice, 2001; Jackson & Deeg, 2008), to understand the proportion of female directors on boards. On their part, Terjesen and Singh (2008) find that countries with higher representation of women on boards are more likely to have women in senior management and equal ratios of male to female pay.

Our paper offers several contributions. First, this study employs a social psychology lens i.e. social role theory to understand a topical corporate governance issue on board gender diversity, not only in a single country but across forty-five countries. Indeed, this work builds on previous studies, contributing to the growing literature on gender diversity and the appointment of women to upper echelons of firms across the world. As such, this study emphasizes the salience and diversity of the institutional environments obtaining around the world (Aguilera & Jackson, 2003).

Second, our study is interdisciplinary, bringing together various strands of literature: international business, corporate governance, gender, politics and development studies. Such an approach facilitates better understanding of the subject at hand, providing more awareness of the developments in various disciplines. Third, this study improves our understanding of the macro-factors that determine gender diversity of corporate boards. Fourth, this paper potentially helps companies to understand the institutional environment in which they operate and more importantly how to react to it when making board appointment decisions.

Theory and hypotheses

According to social role theory, the perceived differences in the behavior of women and men originate in the contrasting distributions of men and women into social roles (Eagly, 1987). Thus, men and women are thought to possess attributes that equip them for sex-typical roles. For example, men are more likely than women to be employed, especially in authority positions, and women are more likely than men to fill caretaking roles at home as well as in employment settings (Eagly & Wood, 2012). As such, gender

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