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For the few not the many? The effects of affirmative action on presence, prominence, and social capital of women directors in Norway☆

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Summary Governments have implemented various affirmative action policies to address vertical sex segregation in organizations. A gender representation law was introduced in Norway, which required public limited companies' boards to have at least 40% representation of each sex by 2008. This law acted as an external shock, and this paper aims to explore its effects. In particular, it explores the gender bias, the emergence and sex of prominent directors, and directors' social capital. We utilize data from May 2002 to August 2009 to analyze these aspects. The implied intention of the law was to create a larger pool of women acting as directors on boards, and the law has had the effect of increasing the representation of women on boards. However, it has also created a small elite of women directors who rank among the top on a number of proxies of influence.
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Introduction

The division of labor by sex appears throughout human history, and tends to be hierarchical, where men typically retain top positions and women remain relegated to the bottom of such hierarchies (Hartmann, 1976). Although forms and patterns vary across countries and between regions, this division is pervasive across economic development levels, political systems, and diverse religious, social, and cultural environments (Anker, 1997). The absence of women in decision-making processes, especially on corporate boards has become a key concern (Burke & Vinnicombe, 2009). This has led to a growing interest among policy-makers in ensuring that corporate boards are gender balanced. Moreover, Huse, Nielsen, and Hagen (2009) argued that the recent lack of confidence in corporations has given renewed attention to the areas of corporate social responsibility, corporate governance, and the composition and roles of boards of directors. As a result, the inclusion of women and employee elected members on boards is of substantive topical interest (Huse et al., 2009). This paper aims to explore a recently introduced gender representation law in Norway, which required corporate boards to be composed of at least 40% of each sex.

Barriers for women's career advancement have been an important area for organizational research (e.g., Acker, 1990, 1994, 2006a, 2006b; Collinson, Knight, & Collinson, 1990; Kanter, 1977). Singh and Vinnicombe (2004: 479) found that women are virtually absent from very senior positions in the FTSE 100 companies, and argued that "male directors form an elite group at the top of the UK's corporate world,

☆ The supporting website can be found at www.boardsandgender.com.

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and few women break through this glass ceiling into this elite, despite making inroads into middle management''. British women made up approximately 11% of directorships in 2007 (Sealy, Vinnicombe, & Singh, 2009). Similar patterns are evident in the rest of Europe and the US, where women held approximately 14.6% of directorships in 2006 (Joy, 2009: 15). This indicates that sex remains a barrier for career advancement to the boards of directors in large companies (Singh & Vinnicombe, 2003). This apparent lack of representation and exclusion of talent deprives boards of intellect and leadership from women (Huse & Solberg, 2006; Singh & Vinnicombe, 2004; Skjeie & Teigen, 2003).

State intervention is used globally to counteract vertical sex segregation and the preferential selection of men over women. Such political strategies aim to create more equal, democratic societies, and leverage the human potential that exists. Chang (2000) argued that there are mainly two forms of state intervention to enhance the participation of women in the labor force. The first type is concerned with ensuring equality of access for both sexes. In this case, governments can intervene by passing legislation that either promotes or inhibits a sex's access to participate in an occupation. The second type is the provision of substantive benefits. For example, governments can support families by providing child care, which in turn, enables both parents to participate in the work force (Chang, 2000: 1662—1663). The focus of this article is on the former of these two types of state intervention.

Although the goal of all equality strategies is to increase equality among people and between specific groups, numerous strategies exist (Jewson & Mason, 1986; Miller, 1996). From a liberal perspective, the main focus has been on ''soft'' strategies. These strategies have highlighted the need for equality of opportunities. Conversely, a more radical perspective has focused on the equality of outcomes. From such a perspective, ''hard'' strategies using quotas and earmarking has been argued for. Although the use of ''hard'' strategies is fundamental approaches in certain countries (e.g., Norway), they are not considered appropriate in others, such as the UK. In addition to the above mentioned perspectives, a set of new approaches has recently emerged. For example, diversity management has turned the debate on equality around by focusing on the business outcomes of employing a diverse workforce instead of justice, moral, and ethical issues (Wrench, 2005).

Equality strategies are often implemented through affirmative action policies. Affirmative action ''is a generic term for programs which take some kind of initiatives, either voluntary or under the compulsion of law, to increase, maintain, or rearrange the number or status of certain group members usually defined by race or gender within a larger group'' (Bacchi, 1996: X). It is an approach that has been used by governments in tackling vertical sex segregation in organizations as well as other forms of inequality and discrimination. For example, governments can ensure equality of access by passing legislation that either endorses or hinders a particular sex's access to participate in certain occupations.

As affirmative action can be the preferential selection of a minority group's members with the aim of eradicating preferential selection, it is controversial and debated (Huse et al., 2009). As a result, it has been on the political agenda in many countries (Teigen, 2000). However, the attitudes towards equality strategies and approaches in use differ. For example, in Norway, affirmative action is considered a key approach in reducing inequality. Conversely, in the USA where affirmative action has had a long standing tradition, the political climate has turned against it and diversity management has gained traction. In fact, diversity management has received a great amount of attention in recent years from academics and policy-makers, and become an important strategy for companies (Singh & Vinnicombe, 2003). In particular, there has been a trend in shifting from equality management towards diversity management.

Corporations are critical actors in the public sphere, and as a result, directors on their boards can exert influence over society in general. In recent years, there has been growing awareness and public debate about the gender composition of corporate boards (Tienari, Holgersson, Meriläinen, & Höök, 2009). This awareness has led to the identification of three stakeholder approaches to increasing women's representation on corporate boards in various countries. First, the coercive approach, which supports the use of government legislation, has been implemented in Norway and proposed in Sweden and France. Second, the liberal approach assumes that organizations will voluntarily consider appointing women to boards. This has been the primary attitude in the US and Canada. Third, the collaborative approach, which emphasizes cooperation among various stakeholder groups, has been the main approach observed in the UK (Burke & Vinnicombe, 2009; Dattée & Barlow, 2010). As a consequence, there is not a collective agreement on dealing with the gender imbalance on boards.

Given that Norway is the first country to implement a gender representation law for the boards of public limited companies, it represents a timely case for other countries discussing similar strategies. Specifically, the Norwegian case sheds light on how companies comply with a gender representation law, and how such a law affects directors' individual influence. In turn, an understanding of possible consequences might highlight issues and guide policy-makers considering similar laws.

The case of Norway

According to the 2009 Global Gender Gap report (The World Economic Forum, 2009), equality between the sexes is not achieved in any country. However, great disparity exists among regions, and the Nordic countries, including Norway, have consistently been ranked the top countries on the equality index. Norway is characterized by its woman-friendly social-democratic welfare approach and egalitarian society (Esping-Andersen, 1990; Hernes, 1987). This assertion is based on the facts that women's employment rate is almost that of men, women are well-represented in politics, and educational attainment is higher among women than men (Hausmann, Tyson, & Zahidi, 2008; UNDP, 2005). A possible cause of the high employment rate for women is that a variety of strategies for promoting gender equality has been employed. In addition, a long list of initiatives has been introduced over the past three decades with the aim to challenge and eliminate discrimination and inequality between the sexes. In fact, this was the main goal of the

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