Legislation alone not enough to close gender gap in boardroom

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Credit: University of Bath

Governments that rely on legislation alone to encourage women into senior management are less successful than those that back policy commitments with financial support, shows research from the University's School of Management.

The study of 23 countries finds that those with higher levels of government investment in family-friendly welfare policies boast more women in the boardroom.

The study, published by Dr Johanne Ward-Grosvold in the journal *Business & Society*, is the first to analyse how family, education, economy, government, and religion influences women's career choices and their representation on corporate boards.

Balancing responsibilities

It shows that government investment in initiatives that enable women to better balance their professional and home life, including flexible working, job-sharing and subsidised childcare, is important in creating a working environment that allows women to reach the very top of their field.

Relative to countries such as Norway, the UK lags behind on investment in family-friendly policies, such as those designed to make childcare more affordable. Childcare costs in the UK are more than double those in Norway, where the government heavily subsidises childcare.

Male-dominated boardrooms

In the study, analysis of company data from countries across Europe, Australasia, Japan and the United States showed that women held less than 8 per cent of positions at board level.

The share of seats on UK boards held by women is still dwarfed by their male counterparts, despite much research showing that women are good for business, including for the financial performance of firms.

In addition to the influence of investment in family-friendly policies, the research highlighted the importance of higher education, and the prevalence of women in the country's managerial talent pool.

Dr Ward-Grosvold said: "Whilst businesses must bear much of the responsibility for gender diversity, or lack of, on their own board, they are nevertheless at the mercy of the country context in which they operate.

"This new insight into the importance of government-backed, family-friendly policies has implications for practice, at both the country and firm level and highlights to the private sector the positive role the state can play in corporate governance.

Stemming the loss of female talent

"At the country level, investment in policies that encourage women to return to, and remain in the workforce following childbirth should be prioritized. For women we see a 'talent leakage' between graduation and the boardroom, and the state should focus its efforts on investments in initiatives that begin to stem this loss and encourage professional talent development and consolidation.

"At the firm level, companies can put in place complementary initiatives that allow women the necessary flexibility in managing their home commitments and their professional lives. This could mean providing subsidised childcare as part of their pay and benefits package. Over time it would create a pipeline of female talent with board potential."

More information: J. Grosvold et al. Women on Corporate Boards: A Comparative Institutional Analysis, *Business & Society* (2015). DOI: 10.1177/0007650315613980

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