

# Adding women to corporate boards improves decisions about medical product safety

June 11 2020, by Corinne Post, Dave Ketchen, George Ball and Kaitlin Wowak

---



Credit: CC0 Public Domain

Medical supply companies with boards that included at least two women recalled life-threatening products almost a month sooner than those with

all-male boards, [according to our forthcoming](#) study examining thousands of medical product recalls from 2002 to 2013.

When boards had just one [female director](#), seriously defective products such as cardiac stents and breast implants were not recalled more quickly. It was only when there were at least two female directors on the board that the timeliness of the so-called [class 1 recalls](#) increased. And when there were three female directors, recalls happened even faster.

We also examined if [women](#) on the board were tied to class 3 recalls, or product defects such as labeling or packaging misprints that are not safety-related. Industry executives confided to us that [not recalling these products is an option](#) because the defects are easy to hide from regulators. We found that businesses whose boards included even a single woman recalled these products 120% more often. Thus, not only do boards with more women recall dangerous products more quickly; they are also less likely to ignore minor problems.

## Why it matters

The consequences of failing to quickly recall faulty medical products can be deadly.

For example, [Allergan reportedly waited years](#) before finally recalling [breast implants](#) in 2019 despite learning the implants were linked to a rare form of cancer. At least [33 women have died](#) from the condition, known as breast implant-associated anaplastic large cell lymphoma, a cancer of the immune system.

In making decisions about faulty products, executives are [guided by their board of directors](#) that oversees them. The board sets expectations [for how executives should weigh financial and reputation risks](#) against potential customer harm when deciding if and how quickly to recall

faulty [products](#).

## What other research is being done

The lack of women in corporate boardrooms—only [26% of seats of the 500 largest companies](#) in the U.S. are occupied by women—has prompted scholars to look at their impact from many angles.

[Previous studies](#) have shown that women representation on boards strengthens business outcomes when boards engage in deeper and more extensive deliberations. Similarly, businesses with more women on their boards exhibit more social responsibility, especially in contexts where [boards are held to high accountability standards](#). The presence of women on boards also appears to affect [acquisition strategy](#) and [strategic direction](#).

Juxtaposing those findings with ours leads us to encourage women and men alike—as well as the executives they supervise—to look more thoughtfully beyond the bottom line, especially when product safety problems arise.

## What still isn't known

Unfortunately, given our use of archival data, we don't know for sure why adding women to boards improved recall behavior. More research will be needed to explore this question, but previous studies offer some clues.

For example, research suggests women may [be more risk-averse](#), [be more likely to follow ethical rules](#) and [care more for a wide array of stakeholders](#) compared with men. Perhaps some recalls are faster because women directors bring these qualities to the board.

Also, as more women join boards, men may feel less inclined to take risks if they perceive the female newcomers to be more risk-averse, [a phenomenon known as a cautious shift](#). Thus, additional work is needed to fully understand why adding women to boards improves outcomes and how these positive effects can be maximized.

This article is republished from [The Conversation](#) under a Creative Commons license. Read the [original article](#).

Provided by The Conversation

Citation: Adding women to corporate boards improves decisions about medical product safety (2020, June 11) retrieved 28 April 2024 from <https://phys.org/news/2020-06-adding-women-corporate-boards-decisions.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.