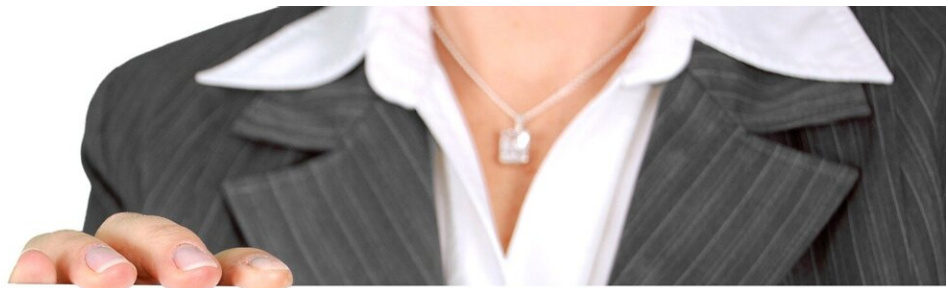
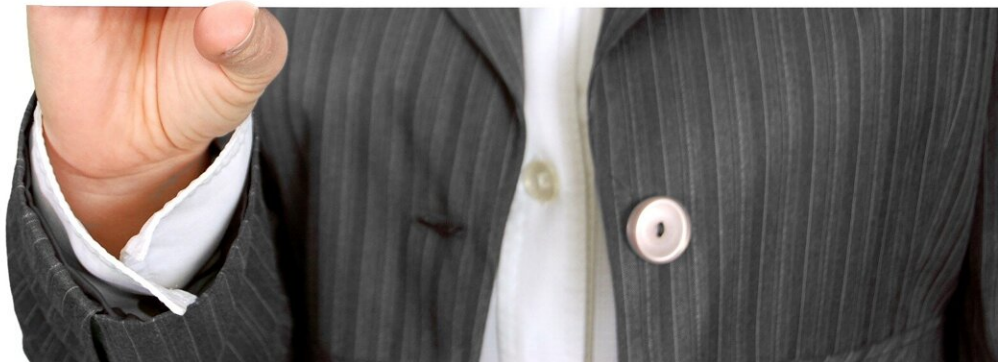


Crises like pandemics or financial crashes could stall progress on gender diversity in boardrooms

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Forget shattering the glass ceiling—a new research study published in *The Leadership Quarterly* warns that crises like the recent COVID-19

pandemic or a global financial crash could slam the brakes on progress toward improving gender diversity in boardrooms.

The study revealed a concerning trend: major external disruptions like the 2008 Global Financial Crisis (GFC) triggered a significant drop in the number of women holding boardroom seats. This decline wasn't specific to certain board positions or industries, and it impacted companies across the financial performance spectrum.

Furthermore, the research suggests that even strong leadership from female CEOs or existing institutional efforts promoting gender diversity, such as quotas, weren't effective in mitigating this decrease during crisis periods.

Sorin Krammer, Professor of Strategy and International Business and corresponding author of the study from the University of Surrey, said, "Our findings highlight the vulnerability of the gains made towards gender diversity on boards when businesses face a major crisis. During these times, companies prioritize short-term survival and often demote diversity initiatives.

While female leadership is crucial for advancing gender equality, our results suggest that female CEOs are not able to fully protect diversity efforts during periods of extreme turbulence. Similarly, existing initiatives, such as gender quotas or corporate governance codes, are not robust enough to withstand the negative effects of significant disruptions on gender diversity in top management teams."

The research encourages companies to develop long-term diversity strategies that are more resilient in the face of unforeseen, major challenges. Researchers suggest that policymakers can focus on strengthening institutional frameworks to promote and enforce gender diversity on boards. More research is needed to examine if there are any

specific conditions or factors that would be able to mitigate the negative effects of crises when it comes to gender diversity.

Professor Krammer said, "These findings highlight the need for companies to develop long-term diversity strategies that can withstand unforeseen challenges. Moreover, [policymakers](#) should ensure that current institutional frameworks are adapted to cope with such exogenous shocks and be able to still deliver progress towards [gender diversity](#) on boards even in the wake of major disruptions."

More information: Shibashish Mukherjee et al, When the going gets tough: Board gender diversity in the wake of a major crisis, *The Leadership Quarterly* (2024). [DOI: 10.1016/j.leaqua.2024.101784](https://doi.org/10.1016/j.leaqua.2024.101784)

Provided by University of Surrey

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