Introduction

Morten Huse and Marina Brogi

THE WORLD IS LOOKING TO NORWAY

The world is looking to Norway (FAZ, 2011; La Repubblica, 2011). In February 2002 Ansgar Gabrielsen, the Norwegian Minister of Trade and Industry, announced that a law should come into force regulating gender balance on corporate boards. Ambitions about achieving gender balance in the upper echelons of Norwegian companies had existed for a long time, as had efforts to attain these ambitions. However, any advances in increasing the number of women on corporate boards had little visible effects. In 1992, only 4 percent of the members of boards in corporations listed on the Oslo Stock Exchange were women, and in 2002 this figure had increased to only 6 percent despite a multitude of voluntary efforts. This was the background for the Norwegian law on gender balance in corporate boards, and in 2008 about 40 percent of the board members in Norwegian publicly traded companies were women.

The Norwegian story is about how legal requirements succeeded in achieving gender balance and increasing the number of women on boards. And the world is looking to Norway. Can and should similar means be used in other countries? The Norwegian snowball has started rolling, and the effects seem to be dynamic and accelerating. Some will even compare the developments to an avalanche. One country after another is following the Norwegian example. The discussion on this topic is spreading fast, and there are indications from a number of countries that the trend is in the direction of favoring legal regulations.

THE STORY OF A THINK TANK

The book is written as a follow-up of a Think Tank organized in Oslo in March 2011 and summarized in Repubblica (2011, p. 37). The purpose of the Think Tank was to provide evidence-based reflections on gender balance in the boardroom coming from policy-makers, board members
and scholars at national and international levels. There are various reasons for the current international efforts under way to achieve gender balance. There are societal reasons related to democracy, values and equality; there are objectives related to women’s career progression and the need to shatter the ‘glass ceiling’; and there are reasons related to boards, corporate effectiveness and organizational value creation. Norway has become a benchmark for other countries in achieving gender balance, and throughout the book we will reflect on the experiences of Norway. Can we now reach conclusions about whether the Norwegian law on gender balance in the boardroom has been positive for society, for women and corporations? What more do we need to know before conclusions about the law’s efficacy are made? And what are the implications for other countries that seek to attain gender balance in upper echelons?

Similar workshops for thought leaders are being held in various countries. This Think Tank meeting focused on the lessons from Norway, and we therefore organized it in Norway. Lessons about policy issues, insights from the experience of women serving on boards, and results and findings from research were highlighted. In this workshop we aimed at moving beyond the metrics, body counting and general assumptions, and instead explored actual contributions and consequences.

WOMEN AND GENDER BALANCE ON CORPORATE BOARDS AND HOW TO ACHIEVE IT

A key purpose of the book is to contribute to the discussion currently taking place in different countries about how to achieve gender balance on corporate boards. Should the example from Norway be followed? We examine how the snowball starting in Norway is increasing in size and in speed. We chart the progress of countries on the legislative front, as well as regulatory efforts and voluntary initiatives (Catalyst, 2012). We also discuss why there is an escalating degree of attention by other countries to the Norwegian law on gender balance in corporate boards, and analyze whether and how the Norwegian success story may be a blueprint for other countries.

This book builds on, integrates and extends previous presentations and research on boards of directors, women in business and management, and diversity quotas, for example Bilimoria and Piderit (2007), Gröschl and Takagi (2012), Huse (2007) and Vinnicombe et al. (2008). However, the presentation and discussion of the Norwegian case and its implications is unique. The book takes as its starting point the experiences in
Europe and in countries with civil law systems, but the implications go well beyond the borders of these countries, and interest in the Norwegian success story is fast becoming a global phenomenon. The Norwegian law builds on a European one-tier board system. This implies that the boards generally are considered to be supervisory boards. However, Anglo-American one-tier system types (as for example in Australia, New Zealand, the UK and the USA) and European two-tier board system types (as in Germany and in the Netherlands) have, with modifications, similar challenges.

In this book we present various arguments for increasing the number of women on boards. The societal case has typically been the starting point for much of the attention to this question, and it is also commonly the reason behind some of the most far-reaching initiatives to increase the number of women on boards. The individual case arguments are often related to the debate on the glass ceiling that women continue to face. The business case relates to questions of why and how women on corporate boards will improve corporate performance. The Norwegian law had a background in societal concerns and individual case arguments, but the formal rationale used by the Norwegian Minister of Trade and Industry who announced the law related to the business case. Many of the contributions in this book are related to the business case, but we will not draw a distinctive line between the societal, individual and business arguments as this is not done in practice either.

The book leans on institutional perspectives, which means that we explore the importance of variations in systems, traditions and cultures in various countries (Aguilera and Jackson, 2003; Grosvold and Brammer, 2011). It is precisely because of this focus that it is important to understand the Norwegian background, culture and institutions when deriving recommendations for other countries. Variations in gender egalitarianism are therefore an important dimension to be considered in any debate about women on boards. Gender egalitarianism is defined as the degree to which a collective minimizes gender inequality (House et al., 2004, p. 30). Recent studies have indicated that Norway leads on gender egalitarian scores (4.03), compared with other countries such as the UK (3.67), France (3.64) and Spain (3.01) (ibid.). In our discussions, we also relate to Billing and Alvesson’s (1989) work about women’s opportunities and contributions in top management positions.

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LESSONS TO BE LEARNT FROM NORWAY

The snowball starting in Norway is growing, and rolling ever faster. Almost all over the world debates are developing about the Norwegian experiment with legal requirements to get women on corporate boards. There are many lessons to be learnt from Norway. First and foremost, notwithstanding Norway’s considerable gender-balance attention, it was necessary to introduce a law in order to make significant increases in the number of women on boards. Striking similarities emerge when comparing the evolution of the Norwegian law with the developments in other countries. The pattern starts with a very small number of women on boards, followed by increasing public and policy attention to the societal, individual and business case for gender equality, but no concomitant substantive change in the number and proportions of female board members. This brings about an increasing awareness that some form of affirmative action is necessary, followed by a decision to propose a law. An intense debate then accompanies proposals for legislative interventions, which typically centers around two aspects: (1) the need for a law and the likelihood of its unintended consequences; and (2) the ‘problem’ of there being only ‘a limited number of capable women available’ and ‘women who have the right qualifications make it to boards in any case’. When the law comes into force, numbers start to change and even companies which are not subject to the law introduce more women on their boards. The book provides valuable and unique insights on the obstacles which had to be overcome in Norway, which are uncannily echoed in the experience of follower countries. By bringing together and sharing experiences of politicians, business people, advocacy groups and scholars, we can start to understand the lessons that we can learn from Norway that can ultimately inform whether and how similar laws are implemented in other countries.

In addition to providing unique and valuable insight for policy-makers and activists, the book tells the story from the perspective of the practitioners: Norway’s women directors, their sponsors and mentors. Combined with the contributions from research, the book shows how women can make a concrete difference once they are appointed in boards. There is a set of contributors who by means of presenting their stories on being directors provide guidance to future generations of female board members on the challenges that they will be facing. Lastly, the book illustrates how the law is meeting the expectations which led to its introduction.
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OUTLINE OF THE BOOK

The book is organized in five main parts and a conclusion. In Part I we present ‘The Norwegian Political Background’. This part is edited by Morten Huse and captures the stories of how the law developed. It charts the law’s evolution from its initial ideas rooted in Norwegian gender equality, the political process of getting it approved including the successes and failures along the way, to when it was finally implemented. This part includes chapters from Laila Dåvøy and Kirsti Bergstø. They present the stories of the parents of the law and the political debate in Norway that surrounded the law.

Part II deals with ‘Norwegian and International Advocacy’ for women on boards and is edited by Silke Machold. This part captures stories of the advocacy movement, that is, the range of initiatives originating from Norway and internationally that sought to promote the business and social case behind the law. The part includes chapters by Elbjørg Gui Standal and Elin Hurvenes. They are representative of those Norwegians who created the networks, educational opportunities and awareness in boards to facilitate the law’s implementation and ultimately turn aspirations into reality. Reflections from other countries on how to develop the necessary institutions are presented by Christine Wetli (University of St Gallen, Switzerland), Cristina Finocchi Mahne (La Sapienza University, Italy) and Heather Foust Cummings (Catalyst International).

Part III, ‘Norwegian Board Members: Stories from the Field’, is edited by Morten Huse. This part tells the story of women on boards from the perspective of the female directors themselves, with emphasis on their individual and collective contributions, motivations and challenges. The part contains reflections from Nini Høegh Nergaard, Merethe Lütken, Thorhild Widvey, Ingvild Ragna Myhre written up by Morten Huse. They are representative of the different types of women who are now active on Norwegian corporate boards.

Part IV, ‘Lessons from Research on Gender on Boards’, is edited by Katrin Hansen. This part contains a series of short chapters detailing some of the important research findings in relation to quota laws. There are chapters from Andrea Bührmann (Germany), Mariateresa Torchia (Italy), Dorothy Perrin Moore (USA), Cathrine Seierstad, Vibeke Heidenreich, Gro Ladegård and Agnes Bolsø and colleagues (all Norway).

‘Policy Implications at the International Level’ are presented in Part V. The part is edited by Silke Machold and Katrin Hansen and presents the experiences from other countries in promoting quota laws, that is, the most recent developments. Whereas Part II on advocacy focuses on
practical initiatives to get women into boardrooms, Part V discusses the policy approaches to gender equality in different national contexts. This part also investigates policy implications at the international level, that is, moving away from national considerations to supra-national ones. In this part we include chapters by Monika Schulz-Strelow and Daniela Weber-Rey (both Germany), Marina Brogi (Italy), Ruth Sealy and Susan Vinnicombe (UK) and EU Commissioner Viviane Reding.

Finally, the book concludes with a summary of the lessons learnt and future challenges in promoting gender equality in boards, by Katrin Hansen and Silke Machold.

REFERENCES


La Repubblica (2011) Nel paradise della parità dove comandano le manager, 8 March, p. 49.