



## The EU's Boardroom Quota Battle Is Over, But Women Cannot Yet Rest

**INSEAD Professors respond to the passing of a European law that requires women to represent 40 percent of company board members by 2020.**

### Commentary

#### **Do more women on boards lead to more women in senior management?**

- By **Annet Aris** -

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The current drive to increase the number of women on corporate boards in Europe, even by the means of a quota, is based on two arguments: firstly, mixed boards take better decisions, which will lead to better results and, secondly, women on boards will eventually lead to more women in senior management. For the first argument more and more research is being published which is at least showing a positive correlation between the number of female directors and company results. On the second point, do women on boards have a positive effect on female management, there is so far very little academic proof. From my own experience in a variety of boards, in some of them as the only female member, some of them with a 50/50 gender split, I can identify three ways in which female board members can help women break through the glass ceiling.

At the very senior management level, i.e. the level

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which gets to present regularly to the board, female board members have an important role in “interpreting” the communication. Two examples: I have been in situations where the male part of the board was of the opinion that the female manager was being too timid and not showing enough action orientation, while the women directors were actually very positively impressed. By discussing this difference in perception and referring back to the actual achievements of this manager (which were excellent), perceptions were aligned and eventually this manager was promoted to the executive board. On the other hand, there have also been cases where a female manager was perceived as being too aggressive by the male side of the board and, again, by challenging this vision and asking how they would judge when a man had showed this behaviour, perceptions were changed and judgements revised.

At the “top 200” level, it is already more difficult to have direct impact, as there is little immediate access to this group. However, female board members can play a role by insisting that the right processes and support mechanisms are in place to prevent this valuable group of female women managers from falling by the wayside unnecessarily. Is the number of high potential women in this group being systematically tracked? Do they have clear career paths? Is there a system in

place to ensure these women have sponsors within the company? Do they get exposed to enough opportunities to show their worth? By demanding to have clear answers on these questions from senior management, women directors can help to make sure that these topics get enough attention.

With regard to the younger women, who are starting their career, female directors can actively try to become an (inspiring) role model by sharing their experiences with this group and being available to discuss their questions. Also for this group, programmes can be put in place which will prevent good women from leaving the career track at critical moments in their life, e.g. by making the combination of running a young family and getting your first promotions more manageable.

So there are a lot of things female directors can do to help women succeed in their careers, the question is: are they doing it and, if yes, how impactful is it? Regarding the first point, I would plead to make it a (moral) requirement when quotas are being introduced. When female directors as a group are being supported by this far reaching measure, the least they can do is to actively pass it on to other women. For the second part, I would plead for more rigorous academic research which can help and guide female directors on how to best invest their energy in making more women successful.



*Annet Aris is Adjunct Professor of Strategy at INSEAD.*

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- By **Herminia Ibarra** -

"It's done," said European Commissioner Viviane Reding on November 14. "The Commission has adopted my proposal for a European law so that women represent 40% of company board members by 2020."

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**Viviane Reding**

Reding has often repeated, "I don't like quotas, but I like what they do." A controversial measure, hotly contested by a number of European countries and pundits on both sides of the Atlantic, the new law will come up against deeply entrenched assumptions about gender roles and divided opinions about the best way to increase the uncontested penury of women at the top of business organizations.

To understand the depth of the cultural divide, all it takes is a look around us. Yesterday, in the Paris metro I was astonished to see the following billboard advertisement for Carrefour, France's Walmart and number 32 on the Fortune 500. The picture shows a housewife carrying a full laundry hamper, kids at her heels. She says, "My children, my husband...and whew, my groceries delivered by [ooshop.com](http://ooshop.com)."

Men and women alike are products of the cultural environment in which we live and work. A few weeks ago, for example, I heard the CEO of a FTSE 100 firm speak at an event to promote women on boards. With growing dismay, I heard him tell the very senior women gathered that adding a woman to a top team won't increase diversity if she "acts like a man". "Please don't lose your femininity," he urged, before he also cautioned them that they might be biting off more than they could chew by adding a board appointment to an already full work-family schedule.

And, of course, we all remember Deutsche Bank's CEO Josef Ackermann's infamous remark that appointing more women to the company's board would make it "prettier and more colourful".

### **Barriers To The Boardroom**

In 2010, with Saadia Zahidi of the World Economic Forum, we surveyed 600 heads of human resources at the world's largest employers in 20 countries. We asked them to identify what they saw as the biggest barriers to women's access to leadership positions. The top two factors, far ahead of flexible work and work-life balance policies, were "general norms and cultural practices in my country" and "masculine/patriarchal corporate culture".

We all know that cultural attitudes are probably the hardest thing to change. On how to do it, I subscribe to the view most eloquently stated by management guru Richard Pascale: "Adults are more likely to act their way into a new way of thinking than to think their way into a new way of acting." That's why I agree with Viviane Reding when she says, "I don't like quotas, but I like what they do."

**Herminia Ibarra** is Professor of Organisational Behaviour and The Cora Chaired Professor of Leadership and Learning at INSEAD. She is also the Programme Director of **The Leadership Transition**, part of INSEAD's suite of Executive Education Programmes.

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