Leadership Excellence and Gender in Organizations

Women in boards: Does their presence matter for the gender diversity of executive positions in the companies? And can we rely on the existing explanations?

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Women on Boards: Does their presence matter for the gender diversity of executive positions in the companies? And can we rely on the existing explanations?

Women have long been underrepresented in top-management both in the U.S. and in Norway. In 2003, Norway became the first nation to pass gender quota laws, requiring certain types of companies to have at least 40% of each gender on their boards. Previous research anticipate positive spillover from boards to executive ranks, based on a set of general theories, predicting that genderbalance among board members will reduce gender-bias and in-group favoritism that favor men. Following this rationale, board-quotas may be understood as measures of institutionalizing genderbalance at the very top, thus reducing the claimed mechanisms of gender-bias and in-group favoritism. Drawing on new, original data of the composition of the executive committees (EC) of the largest companies in Norway (N=200) and US (N=257), we examine whether the presence of women on corporate boards is associated with the share of women in ECs, in line positions and as CEOs. Further, we investigate the role of the board-quota in these associations. We find positive associations between presence of women on corporate boards and in executive positions, but the board-quota, securing 40 % women on boards, is negatively associated with women in executive positions. These contradictory findings lead us to question whether the prevailing explanations, such as gender-bias and in-group favoritism, are the most relevant across contexts. Our paper contributes with new data and new understandings of mechanisms.