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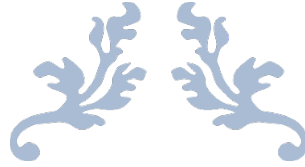
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WOMEN ON BOARDS:
THE ROLE OF SOCIAL
CAPITAL AND
NETWORKING IN
CORPORATE BOARD
DIRECTOR SELECTION
PROCESSES

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University of Warwick
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Women on Boards: The Role of Social Capital and Networking in Corporate Board Director Selection Processes

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Declaration

I declare that this thesis is my own work. None of this material has been previously used or published. This thesis has not been submitted for a degree at any other university.

Meryl Bushell

June 2015

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Abstract

There remains a paucity of women in both executive and non-executive director roles in British boardrooms. This research explores how far this is explained by differences in levels of social capital and networking activities between men and women seeking boardroom positions. While it is known that social capital is important at junior and middle management levels (with existing research showing that the quality of men's and women's networks differ, and that women are not able to leverage their networks to the same extent as their male colleagues) no rigorous academic research on this issue has been conducted specifically at corporate board level, largely due to the difficulty of securing access to respondents. This thesis addresses the gap in the literature by drawing on data gathered from 82 semi-structured interviews with Chairs, head-hunters and aspiring or recently appointed male and female directors. The research questions asked: what is the role of social capital and networking in corporate board selection processes; how far can Human Capital Theory, Preference Theory, Attribution Theory and Self-Efficacy explain the lack of progress of senior women to board level roles?; do aspiring female directors have poorer quality networks and less social capital than their male peers; why might this be; and are female aspiring directors as willing and able to leverage their social capital as their male peers. The findings affirm the importance of social capital theory in relation to selection to boardroom roles. Preference Theory, Human Capital Theory and Attribution Theory and Self-Efficacy are not found to explain the lack of promotion of senior female executives to board director positions. Other key contributions include insights into board director selection processes, the effectiveness of regulatory and voluntary codes, and gender differences in networking and job seeking activities of aspiring directors.

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Chapter 1: Women on Corporate Boards

“women populate organizations, but they hardly ever run them, especially large businesses and public establishments”

(Kanter, 1977, p. 16)

Introduction

The interest area for this thesis is the impact that the gendering of social capital and networking has on corporate board selection processes. As will be explained, there are three parties involved in the selection of corporate directors: the aspiring directors; the Chairs and Heads of Nominations Committees who are the representatives of the organizations wishing to fill a director vacancy; and the head-hunters employed by specialist search firms who are contracted to manage the selection process on behalf of the organization. The first of these three constituents form the supply side of the selection process, while the second and third form the demand side of the selection process. This thesis will research the social capital and networking activities of all three constituencies and how they interact in the selection process to establish whether they might result in negative outcomes for women.

This first chapter will set the scene for the thesis research agenda. Firstly it will lay out the “problem” of women in the workplace and the scarcity of female corporate directors. Secondly it will explain why this is an important area for academic research. Finally it will review possible reasons for the lack of female corporate board members and explore the role that the gendering of social capital and networking activities plays in explaining this. Ensuing Chapters will review the body

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of literature relating to social capital and networking theory, detail the methodology employed for the research project, and present and discuss the research findings.

The “Problem” of Women on Corporate Boards

It is over half a century since the height of the women’s liberation movement, and while there have been some undeniable improvements in the position of women in the workplace, there are still some glaring anomalies. In terms of education, women now outperform men at every level of the educational system, with 59% of UK university graduates being female (Lewis & Rake, 2008), and a higher proportion of women are in paid employment than in the past, having risen from just over 55% in 1970 to 65% in 2012 (ONS Labour Force Survey, 2012a). However, women in positions of power are still the exception rather than the rule and there are many indications that the hard fought struggle of the 1960s’ women’s movement to improve women’s rights has not delivered on its promise of equality in the workplace.

Although women are in the workforce in greater numbers than in the past, they hold far fewer senior positions than men. Even in roles where women hold the majority of posts, research shows that men tend to benefit from advantages that lead to faster promotions that have been termed a “glass escalator” (Maume, 1999). When men work in areas that are traditionally viewed as female occupations, for example nursing, they are likely to be promoted more quickly than their equally qualified female colleagues into supervisory and managerial posts that are considered more “suitable” for men (Williams, 1992). In laboratory-based tests it was found that women were more likely to be employed and promoted into traditionally male

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occupations only when they were more qualified than their male peers. Men were treated more positively for traditionally female roles even when they were less well qualified than their female peers (Ng & Wiesner, 2007). Furthermore, women are still paid significantly less than men, and the more senior the role the more marked is the wage differential. According to a recent report by the Chartered Management Institute, male directors earn over £21,000.00pa more than female directors and their rate of salary increase is higher. Thus the wage disparity at director level is widening (CMI, 2014).

The patterns of disadvantage highlighted by previous research appear to hold at all levels, including boardroom levels. Indeed, the effect of disadvantage appears to accumulate and amplify at more senior levels in organizations. In understanding board level disadvantage however, it is necessary to first understand the structure of boards in the UK.

In the UK public listed companies are regulated by the Financial Reporting Council¹ who are responsible for promoting good corporate governance. They developed and published the UK Corporate Governance Code to promote best practice in governance, and companies listed on the London Stock Exchange are

¹ The Financial Reporting Council is the regulatory body responsible for setting the UK Corporate Governance and Stewardship Code. It also sets standards for accounting, auditing and actuarial work. More details can be found at <https://www.frc.org.uk/About-the-FRC.aspx> It is independent of Government, although it has a memorandum of understanding with the Dept. of Business, Skills and Innovation. It is led by a board of directors, most of whom are also Chairs or Senior Non-Executive Directors of large corporations.

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required to report on how they meet the standards and requirements set out in the Code.

The Board of Directors is the main governing body of a corporate institution, and serves three main roles: to set strategic direction; to ensure that the executive management are able and effective; and to ensure that the company has adhered to all legal requirements. In the UK Corporate Governance Code these roles and responsibilities are described as “setting the company’s strategic aims, providing the leadership to put them into effect, supervising the management of the business and reporting to shareholders on their stewardship. The board’s actions are subject to laws, regulations and the shareholders in general meetings” (Financial Reporting Council, 2010, p. 1).

In the Western world there are three main types of board structure: a single board structure where the board is made up of a mix of executive and non-executive directors; a two tier structure where two separate board meetings are held, one of executive directors and one of externally appointed directors, the latter of which has a supervisory role; and a mixed system where two meetings are held, one for executive members and one for a mix of executive and non-executive members. The UK system falls into the first of these three categories, the unitary board system.

Executive directors are full time employees of the organization who hold line management responsibility for areas of the organization. Non-executive directors are part time employees who do not hold any line management responsibilities at the organization.

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UK boards are led by a Chair who is responsible for the overall leadership of the board, and best practice requires that the Chair role should be separate from that of the CEO (Financial Reporting Council, 2010). Except for the smallest of companies, the Code requires that at least half of the directors should be non-executive and that they should be independent (i.e. not have recent employment at the company, not be close family members to senior executives etc.) (Financial Reporting Council, 2010).

As discussed above, gender disadvantage is greater at more senior levels in organizations. A recent survey of 264,000 senior executives in 5321 companies in 41 countries found that, on average, women held 29% of senior management and executive roles, with the UK percentage being slightly below the average at 28% (Mercer, 2012). As the roles get more senior, the proportion of women diminishes, demonstrating that the glass ceiling is still very much in evidence. In 2014, in FTSE 100² companies, women held only 20.7% of all board roles, and a mere 6.9% of executive director roles (Vinnicombe *et al.*, 2014).

Following a 2008 report by The Equality and Human Rights Commission that stated that without change it would take 73 years to achieve gender parity on boards, the UK Government commissioned Lord Davies of Abersoch to undertake a review of women on boards (EHRC, 2008). His findings resulted in the introduction of a voluntary code to increase the percentage of women on FTSE 100 boards to 25% by 2015 (Davies, 2011). His findings were also supported by the launch of a Voluntary

² The FTSE 100 are the hundred largest companies (by market capitalization) listed on the London Stock exchange. The FTSE 250 refers to the next largest 250 companies after the FTSE100. The FTSE 350 is the sum of the FTSE100 and the FTSE250

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Code for Executive Search Firms³ encouraging them to embrace diversity in their search activities. Lord Davies' recommendations did not set separate targets for executive and non-executive roles, merely an overall target of 25%. Much has been made of the improvement in the percentage of FTSE100 board director roles held by women from 12.5% to 20.7% since the publication of the Davies Report (2011) in the media. However, the headline figures mask the fact that there has been minimal change in the number of women holding the positions of real power in FTSE 100 companies. 6.9% of executive director roles are held by women while the number of female CEOs in the FTSE 100 has remained static at a mere 4%, and there is only one female FTSE 100 Chair (Vinnicombe *et al.*, 2014). In the FTSE 250 the number of women directors remains low with 15.6% of all director roles and 5.3% of executive director roles held by women (Vinnicombe *et al.*, 2014). The percentage of women on FTSE100 Executive Committees (the level just below main board, and the consequently the pipeline for executive director positions) has reduced from 18.1% in 2009 to 15.6% in 2014 (Vinnicombe *et al.*, 2014). As noted by McKenna, "the country is filled with powerful women, but women in power remain significantly under represented" (McKenna, 2007, p. 7).

Scholars distinguish between liberal approaches to addressing discrimination, where procedural and process changes are made thus facilitating a fair selection process, and radical approaches where there is a requirement to change outcomes (Jewson & Mason 1986a). Lord Davies stopped short of imposing quotas for female board positions, saying he would prefer a voluntary approach (Davies, 2011). He

³ Available from https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/208464/voluntary-code-of-conduct-for-executive-search-firms.pdf

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therefore made procedural recommendations aimed at giving women an equal opportunity to be considered for board roles. However, it would appear that this liberal approach and the recent publicity surrounding women on boards has led to more females being appointed to non-executive director (NED) positions, leaving the real power base (of CEO and executive director and senior management positions) to men.

However, the continued under-representation of women on boards, while often covered in the media, is under-researched in academia. In particular, research into the selection processes for board level appointments is scarce. This is because of the difficulty in gaining access to research participants at this organizational level. This thesis therefore seeks to address some of the gaps in the literature on the process of selection to the boardroom and the impact of this on those aspiring to reach boardroom-level positions.

The Importance of Researching Women on Boards

In the late 20th century the case for diversity was supported increasingly by a business case approach which argued that increased diversity drove increased organizational benefits (Kandola & Fullerton, 1998). Critics of this approach suggested that it ignored the social importance of equality which cannot always be financially quantified as benefits to the organization (Dickens, 1999). Researching board selection processes is however important not only from an equality perspective but also because there is a growing body of evidence which suggests that board diversity might bring a range of business benefits (Bonn, 2004; Catalyst, 2012a; Galbreath, 2011; Muller-Kahle & Lewellyn, 2011; Nielsen & Huse, 2010).

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There are a number of compelling arguments which add weight to the contention that greater board diversity will improve firm performance. One argument is that with the oft-quoted “war for talent” it seems perverse not fully to harness the abilities and potential of women. Women on boards can act as role models for other women in the organization and can champion their cause in the workplace (Singh *et al.*, 2008). They can also help women develop and progress in organizations. Using longitudinal data between 1997 and 2009, Matsa & Miller (2011) found a positive causal relationship between the proportion of female directors in one year and the proportion of senior female executives in the following year, enhancing the pipeline for future female board members. A higher proportion of women board members and senior executives provide greater opportunity for same sex mentoring and networking for aspiring women directors, widening the talent pool for future directors.

Beyond this, women tend to be the gatekeepers of the family purse and are responsible for the majority of consumer buying decisions. They are reputed to decide on 85% of household spending (Luscombe, 2010), and in the US are calculated to be responsible for 64% of the spending behind the total US gross domestic product (Tracey & Achterhof, 2007). This means that having them represented at the most senior levels in businesses gives a more balanced reflection of an organization’s customer base. This can be particularly important in a consumer products or retail environment, where women make most of the spending decisions. In these circumstances female directors can arguably bring far more practical market knowledge to the boardroom than their male peers (Konrad *et al.*, 2008).

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Diversity at senior levels has also been argued to be beneficial as it can ward against groupthink (Maznevski, 1994), challenging conventionally held views and bringing fresh perspectives, leading to better decision making (Bilimoria, 2000). Konrad *et al.* (2008) argue that women are more likely to ask questions when they do not understand an issue. They interviewed 50 directors and 10 CEOs and found a recurring theme that men were more likely to bluff when they did not understand an issue, while women were more likely to ask questions to ensure understanding. The women they interviewed also self-reported that they were more likely than their male colleagues to say no when they disagreed with a proposal. Konrad *et al.* concluded that the behaviours the women were reported to demonstrate would lead to better debate and analysis, which in turn would lead to better decisions being made.

Additionally, it has been argued that women may be less rash than men in their decision making, which was shown to increase board strategic control in a study of Norwegian boards (Nielsen & Huse, 2010). Research into the composition of boards in relation to sub-prime lending (which stoked the recent financial crisis) showed that financial institutions with more gender diversity in their boards were engaged in less lending of this type (Muller-Kahle & Lewellyn, 2011). McInerney-Lacombe *et al.* (2008) argue that “women directors may be uniquely positioned to help boards in their deliberative processes” (McInerney-Lacombe, Bilimoria, & Salipante, 2008, p. 135) and propose that women are more likely to raise and force the discussion of challenging issues in the boardroom than their male colleagues, a point reinforced in the Konrad *et al.* (2008) study.

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Emerging research is also showing a link between women on boards and improved sustainability practices. There is no one agreed definition of sustainability, but here it is used to mean the delivery of not just financial goals but also environmental and social goals. Using a similar definition, in a study of 151 firms listed on the Australian Securities Exchange (ASX), Galbreath (2011) found evidence that suggested that increased gender diversity was positively associated with sustainability. In an American study, Bernardi *et al.* (2009) found that the proportion of women on the boards of Fortune 500 companies appearing on the Ethisphere Magazine “World’s Most Ethical Companies” list were significantly higher than the proportion of women on boards of the Fortune 500 companies with no such honour. Although the cross sectional nature of the study makes it impossible to judge whether the women on the boards forced more ethical business practices, or whether ethical companies are more likely to recruit a gender diverse boardroom, it nevertheless shows an association between female boardroom presence and business ethics.

A number of studies have sought to quantify the link between female board position membership and firm performance, but this has proved to be more difficult than might be imagined. No one theory or perspective fully encompasses the possible links between female membership on boards and better board performance, nor does any one theory explain how or even if board performance impacts firm performance. It may therefore not be surprising to find that empirical studies of the link between board diversity and firm performance give conflicting results. For example, a study of firms in the US S&P index between 1998 and 2002 (Carter *et al.*, 2010) did not find that gender diversity of boards or important sub-committees

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had any significant impact on firm performance, while an earlier study of US firms covering the period 1993 to 1998 (Erhardt *et al.*, 2003) did find a positive relationship. Catalyst (2004), in a study of 353 Fortune 500 firms, found that the group with the highest proportion of females in their senior executive team outperformed those with the lowest percentage by 35.1% on return on equity (ROE) and 34% on total return to shareholders (TRS). However, they make the point in their report that while they found a link, they could not be sure of causality.

Indeed, causality has been a thorny issue for studies investigating the link between board gender diversity and firm performance. Simpson *et al.* (2010), in a review of studies investigating this link, concluded that the statistical methodology employed was compromised due to the joint endogeneity⁴ of many of the variables in the studies, and that causality was very difficult to establish. A recent Spanish study specifically tested for causality and employed a statistical method to overcome joint-endogeneity problems. The study found that the ratio of female to male board members (as opposed to the absolute number of female directors) was positively related to firm value, suggesting that token women on boards may not have an impact, and a critical mass may be required for women's contributions to be fully effective (Campbell & Mínguez-Vera, 2008).

There is growing evidence to support this “critical mass” argument. Galbreath (2011) found that the firms in his study which had two or more female directors performed better on a wide range of metrics including return on investment, market capitalization and revenue, than firms with no women on their boards. Konrad *et al.*

⁴When there is a circular causal loop between two variables, joint endogeneity occurs. For example, it could be that better performing firms employ more female board members and that this in turn leads to a change in performance.

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(2008) found that a single woman on a board found it difficult for her voice to be heard, and had to work very hard to ensure that she was not overlooked, stereotyped or ignored. They found evidence of excellent lone women directors, but argue that these women were effective despite the barriers they faced. They found that where there were two women on a board the women felt more comfortable and less isolated, and were less likely to be stereotyped or ignored. However, when there were three or more women gender was no longer an issue or a barrier and normalization took over from tokenism, making it easier for the women to make a meaningful impact. In most countries it has been difficult to research the critical mass argument as so few firms have three or more female directors. However, research from Norway, which as discussed earlier introduced quotas for female directors in 2003, supports suggestions of the benefits of critical mass. A study of 317 Norwegian firms found that having a “consistent minority” or three or more female directors led to greater firm innovation (Torchia, 2011). Critical mass (or lack thereof) may explain why studies exploring the link between women on boards and firms’ financial performance give such mixed results.

Given the critical mass argument, and given how few instances in which critical mass has been achieved, one might argue that it is important from a performance perspective to understand the barriers that women face in gaining director roles. This research study aims to contribute to this understanding. Bearing in mind the findings of Konrad *et al.* (2008) and others who point to the importance of critical mass, understanding the barriers that women face in getting into the boardroom and identifying ways in which these barriers could be overcome could have a very significant organizational performance effect.

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Possible Explanations of the Scarcity of Women on Boards

While there is no absolute commonality in the results of studies of the benefits of boardroom diversity, the balance of the findings of academic research do lend weight to the argument that a critical mass of women is a needed and useful resource on corporate boards. So why are there so few women on corporate boards? Many reasons have been put forward to explain this, and these reasons will be reviewed in this section. The arguments fall into four main areas: that women do not have the ambition for the boardroom; that women lack the confidence needed for the boardroom; that women do not have the right skills, education and experience for the boardroom; or that women do not have the right social capital to access the boardroom. What the ensuing discussion demonstrates is that many of these potential explanations may not account fully for the lack of advancement of senior women to boards. However, of the explanations that have been put forward social capital and networking activity is arguably the most useful. As will be discussed below, boardroom selection and appointment processes are reliant on word of mouth recommendations accessed through social capital and networks. How those making the selection decisions use their social capital and networking activities to formulate shortlists, and how aspiring directors use their social capital and networking activities to make themselves visible and attractive as potential board directors would appear to be the most fruitful avenue for understanding the continued lack of progress of senior women to boards, and hence is the area of focus for this thesis. By contrast, as will be demonstrated below, many of the established theories of gender disadvantage are less likely to account for the lack of progress of aspiring female directors to board level roles.

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Human Capital Theory

One of the established arguments for the lack of women in positions of power stems from Human Capital Theory (Becker, 1964). This theory has been used to suggest that women lack the type of human capital that makes them suitable for board positions. ‘Human capital’ is the investment that individuals make in their education, development and experience (Becker, 1964). Human Capital Theory was developed in the area of production management by scholars seeking to understand why some companies were more productive than others despite operating with the same machinery and components in the same markets (Schultz, 1961, Becker 1964). They concluded that the education and skills of the workers constituted a resource which could confer competitive advantage. Human Capital Theory was initially used to explain how investment in education and skills made workers more productive. Further to this, it was used to show a link between education and pay (as it contended that more productive workers are better paid). Since its inception, Human Capital Theory has been expanded to also explain a link between education, skills and experience and gaining promotions.

Studies looking at individuals at every stage of their careers (not just senior levels) have shown that investment in education, training and experience is one of the main predictors of career success, and research has also shown that women generally tend to possess less human capital (in terms of work experience rather than education) than men (Ng & Wiesner, 2007; Ng *et al.*, 2005). Thus, one might argue that this lack of human capital is one reason for women’s lack of advancement to senior roles.

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In particular Human Capital Theory might explain women's lack of advancement to the highest ranks of organizations in three ways: women possess fewer of the educational qualifications that are needed for director roles; women possess fewer of the skills that are needed for director roles; and women possess less of the right kind of work experience for director roles. Indeed, CEOs and head-hunters frequently cite lack of human capital as a reason for not selecting women board members (Davies-Netzley, 1998; Tharenou, 1999).

It is far from clear whether this perception is based on fact. Indeed, each of the three arguments put forward by supporters of Human Capital Theory can be contested where director level roles are concerned. Looking at the first of the arguments, while historically women were less well educated than men, women now, as argued earlier, outperform men at every level of education, and currently account for 59% of all higher education students in the UK (Lewis & Rake, 2008). Women's superiority in gaining educational success has been an increasing trend over the past 30 years, yet still women are confined predominantly to lower and middle ranks of management. Against this, Human Capital Theory proponents might argue that women are gaining the wrong sort of qualifications due to their degree course preferences. Increasingly since the 1970s very senior level posts have been filled by individuals with a financial or accountancy background (Zorn, 2004). However, while historically this was an area where men predominated, women have made significant strides over the past 30 years, with 40% of the Association of Chartered Certified Accountants (ACCA) new members and 50% of ACCA students being female. Despite this, they have still not succeeded to the highest ranks and remain

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confined predominantly to lower and middle management levels (Broadbent & Kirkham, 2008).

Nevertheless, it is true that there are some degree areas that appear to be more attractive to women and some that appear to be more attractive to men. Males and females make up equal proportions of business degree students, but females tend to favour languages, marketing and medicine, while males favour computing studies, technology and mathematics (HESA, 2012). Whether this influences the accumulation of the type of human capital required for board level posts is far from clear. However, what does seem to be clear is that forces beyond straight educational attainment are at play. In studies of MBA graduates (a qualification which is highly regarded as a gateway qualification for senior roles) it has been found that male MBA graduates gain greater career benefits in terms of ability to broaden roles, gain promotions and increase reporting spans than their female counterparts (Simpson, 2000; Simpson & Ituma, 2009; Catalyst, 2000). Interestingly, women report increases in their intrinsic job satisfaction from undertaking an MBA, but it is men who reap greater rewards in terms of increased salary and enhanced status (Simpson, 2000). A more recent Catalyst survey found that once an MBA had been gained, women earned less than their male peers, received fewer promotions (31% of females were promoted after getting their MBAs versus 36% of males), and if they held senior positions, were three times more likely to lose their job during downsizing than their male equivalents (Catalyst, 2012b).

The accusation that women possess fewer of the skills required for board level roles can also be countered by the argument that there is no clear definition of the

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skills and competencies required of corporate director roles. A review of directors' regulatory codes of practice from around the world concluded that "competencies were not considered a governance issue to be regulated in detail" with most codes calling for a mix of skills to create a balanced board for the specific requirements of the organization (Zattoni & Cuomo, 2010, p. 64). Academic literature on the skill set and competencies of directors is scant, and that which does exist is conflicting. Garrett (2005) describes four skill areas: formulating policy; thinking strategically; supervising management; and ensuring accountability. O'Higgins (2002) mentions the need for incisive thinking. Tricker & Lee, (1997), unable to find any sources in academic literature, used information supplied by the Institute of Directors which suggested a range of competencies including strategic perception, decision making, analytical understanding, relationship skills and communications skills. With no clear definition of the skills required it is hard to see how it can be convincingly argued that women do not possess the right skills for director roles. However, if decision makers *believe* that women possess less of the skills required for board level roles this may still produce some disadvantage for women even if the argument is flawed.

A further human capital argument is that male and female management styles might differ, and female aspiring directors could be deemed to have less human capital if male management styles are considered more appropriate for boardroom settings. There is significant debate about the level of similarity and difference between male and female leaders and how this influences their leadership skills. Some suggest that women are more consensual and participative, better team players

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and better able to delegate, while men tend to be more directive and hierarchical in their approach (Chapman, 1975; Eagly *et al.*, 2003).

Others argue there is little or no difference between styles and skills (Powell, 1990). There is, however, some evidence that women are more participative in their management style. In a meta-analysis of research on the topic of gender and leadership style, it was found that women are more involving and democratic than men, while men are more directive than women (Eagly & Johannesen-Schmidt, 2001). Their analysis found that the results relating to men's directive style were more evident in laboratory based rather than organizationally based research settings, but in organizational settings women's participative style was still pronounced.

However, since men hold the power in most organizations, their style of management is considered the norm, and thus women's management style might be perceived as suboptimal and inferior. Against the predominantly held view of what good leadership skills look like, women might therefore be found lacking. The paradox in this assessment is that research shows that the consistently most effective types of leadership are transformational leadership and contingent reward leadership (Judge & Piccolo, 2004) and women have been shown to be more able than men in these two leadership styles (Eagly, *et al.*, 2003; Lowe *et al.*, 1996). This being so, far from being a reason to explain that women are not suitable for board roles, women's leadership skills re-enforce the argument for more women on boards. However it may nonetheless be used as an argument to support why women are excluded from boards as their leadership style is perceived as not fitting in with the male related norm.

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The final strand of the Human Capital Theory explanation of why women are underrepresented at very senior levels is that they have not accumulated the right work experience for advancement. Having a family and taking a career break can have a disastrous impact on this element of human capital. Few organizations have work practices which allow carers (mainly women) to combine a career with motherhood easily and effectively (Budd & Mumford, 2006), and so it may be that many women therefore give up on, or delay, their career aspirations. To balance work and family commitments, many women opt to work part time after having children, which goes a long way towards explaining why 78% of part time workers are female and 42% of women work part time (ONS Labour Force Survey, 2012b). Research funded by the Equal Opportunities Commission found that 53% of women working part-time are working below their potential, mostly because of a lack of part time job opportunities at anything but the lowest levels in organizations (Grant *et al.*, 2005). The same study also exposed a lack of promotion and progression opportunities for part timers, and organizational resistance to creating senior level part-time roles.

Family friendly organizational policies which allow women to work flexibly yet maintain their career progression remain a myth rather than a reality for the majority (Hoque & Noon, 2004). Without such policies women who work part time are likely to be employed in lower grade jobs and will not gain the work experience which would allow them to progress to more senior levels in organizations. The very high cost of childcare in the UK (Truss, 2012) provides a further disincentive for women to pursue their careers and accrue the type of experience required as a pre-requisite for senior positions.

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However, those women who have made it to senior management, and are thus in the pool for consideration for a board level role, are likely to have overcome these organizational and societal barriers to them accumulating the requisite work experience. Given this, it might be a better explanation for why women fail to progress to middle and senior management roles, not why senior women fail to progress from senior roles to the boardroom.

The question remains, however, about whether senior women have accumulated the right type of work experience to equip themselves for the most senior positions. Historically, it may have been the case that women lacked the type of line management experience that traditionally was deemed a requirement for board level appointments, being far more likely to have been in staff roles rather than operational roles (Oakley, 2000). This was cited by 82% of CEOs as a reason for women being held back in a survey undertaken by Ragins *et al.* (1998). Indeed, in a study of the human capital of directors appointed to the FTSE 100 between 2001 and 2004, it was found that women were slightly more likely to have been in staff positions than their male counterparts (Singh *et al.*, 2008). But the same study also found that women were almost as likely as men to have international experience and to have an accountancy background, and were more likely to have a wider portfolio of experience than the men in the study. A study of Danish companies looking at promotion to Vice President and CEO roles found that women were more likely to occupy positions in HR, R & D and IT areas, while their male counterparts were more likely to have a Finance, Sales or Operations background, and that these differences in specialization partly accounted for the gender gap in promotions to the most senior levels (Smith *et al.*, 2013). However, given that best practice in board

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composition requires directors to possess between them a range and balance of experience (Financial Reporting Council, 2010), women's different experience could be argued as a case for more women being successful in achieving board roles. As with the arguments on skills, if decision makers *believe* that women's experience is inferior, women may still suffer some disadvantage.

Setting aside whether men may *believe* that women's experience is inferior, it is likely that women in the pool for consideration for corporate board appointments will have shown a determination to succeed and might be expected to be as accomplished, educated and experienced as their male counterparts. Terjesen & Singh (2008) compared 72 female directors with 72 male directors who were all newly appointed to FTSE 100 board roles between 2001 and 2004 and concluded that the women were at least on par, and sometimes superior, to the men in terms of human capital. Lack of human capital may have explained the scarcity of women on boards in previous generations, and it may be a cause of scarcity of women in middle management levels, but it seems a less convincing argument for the ongoing lack of progress of women from senior executive to CEOs and director levels.

Preference Theory

A further potential explanation for the lack of female participation in the boardroom is that women lack the ambition for the most senior roles, preferring instead to focus on their families and their work life balance. Catherine Hakim is the main proponent of this argument, claiming that women willingly choose to follow different work/life paths to men, and that is why they are paid less and are less well represented in senior roles (Hakim, 1995; 1998; 2000; 2002; 2006). Hakim suggests

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that women willingly choose one of three work-lifestyle patterns: home centred, focussing on family life; adaptive, focussing on combining family and work but not being committed to a career; and work centred, concentrating on work and prepared to sacrifice family in the pursuit of career. She contends that around 80% of women choose home centred or adaptive lifestyles, and that they are happy to either not work or to work in low paid part time roles. Hakim cites data which indicates that women are less committed employees as they take more sick leave and have higher turnover rates than men, and she contends that organizations are rational to choose men over women to fill job vacancies (Hakim, 1995).

However, Hakim's critics have staunchly refuted her arguments. For example, they accuse her of failing to take account of *why* some women might opt for home centred or adaptive lifestyle. Whereas Hakim says that working part time is a voluntary choice for women, and not influenced by childcare considerations, others see childcare costs as a major inhibitor to women working full time. In their response to Hakim's 1995 paper, Ginn *et al.* (1996) pointed to the prohibitively high cost of childcare, and concluded that the cost of full time childcare effectively made working full time a viable option only for the privileged few with high incomes or nearby family providing free childcare. Recent research indicates the problem has not improved over time with the UK still having some of the highest childcare costs in Europe. At 27% of net family income (where both parents earn the average wage) they are higher than every other OECD country except Switzerland (Truss, 2012).

Hakim's argument that women working part time are satisfied with their jobs and hence they have voluntarily chosen to work part time is also refuted. Walsh (1999)

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argues that part-time female workers are a heterogeneous group with different desires and motivations. In a study of an Australian bank she found that a substantial minority wanted to work full-time but had been unable to find full-time employment. Ginn *et al.* (1996) argue that the satisfaction expressed by women working part time is conditioned by the lack of options available to them, and that evidence from Nordic countries indicates that they would not willingly opt for the lower level part time jobs they tend to hold; they would prefer to work in the same sort of jobs they had before they became mothers, with the same level of intellectual stimulation and responsibility, but with shorter hours. In reality those sorts of jobs are not on offer to the vast majority of mothers in the UK.

Hakim also suggests that the majority of women have a greater desire for home life balance than their male counterparts, and that this is an indicator of their lower levels of commitment (Hakim, 2006). However, this underplays the power of the culture, systems and processes of workplaces which can systematically undermine the position of women and influence their perceived commitment and their preferences. Indeed, women can be perceived as being less committed merely because they have children. In a large scale study of lawyers, it was found that the female lawyers believed that their opportunities for promotion were limited by the culture of the organization, and even childless women who planned to have children at a later stage believed that they were likely to be denied promotion to partnership⁵ if they became mothers (Walsh, 2012).

⁵ "Partnership" is a senior executive position within a law firm

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Many organizations have cultures that work against women. The UK has some of the longest working hours in the Western world. Because women shoulder more domestic and caring duties than men, they are less able to spend long hours at work and can be perceived as less committed than their male counterparts as a result (Rutherford, 2001). Being seen to work long hours can be a badge of honour worn to show commitment to the organization. Simpson (1997) describes this behaviour as “presenteeism”, and argues that it is associated with male dominated workplaces and is a reaction to the worry of redundancy in a world of organizational restructuring. She suggests that it is a form of male resistance to the presence of women at work, and that it is an insidious attempt to undermine what position they have. Many organizations re-inforce a long hours culture by holding training and development events out of hours and at weekends, making it difficult for those with caring responsibilities to attend. Hakim (1995, 1998), however, sees such practices as rational and necessary for organizations working in highly competitive environments, and she sees women choosing a more home centred approach as a free will choice. She accuses her critics of “victim feminism” by casting women as disadvantaged in the workplace, whereas she would position them as having more choices than men (Hakim, 1998, p. 137).

The debate between Hakim and her critics is still ongoing. However, even if Hakim’s arguments were true for women as a whole, intuitively Preference Theory is unlikely to be pertinent to women who have already reached the upper echelons of management and who are aspiring to board level roles. They will probably already have made choices about their preferences and their work life balance to have risen to the level they already hold. Preference theory might explain why there is a drop in

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the percentage of women in middle management compared to entry level management grades, but is less likely to explain why a smaller proportion of women in senior management progress to board level roles compared to their male colleagues. Hence it may be necessary to look elsewhere for the explanations for the lack of women in boardroom roles.

Attribution and Self-Efficacy

While Hakim contends that women are less ambitious than men, others contend that they are equally ambitious and that a more likely explanation for what some might see as lack of ambition in women is that their behaviours do not always signal their desire for advancement.

One argument for why women are less likely to promote their work and abilities relates to attribution theory. First proposed by Heider (1944) and built on by Weiner and his colleagues (Weiner, 1985; Weiner, *et al.*, 1972; Weiner & Kukla, 1970), attribution theory relates to how people make sense of and interpret events. For example, individuals make judgements about what causes work outcomes. In doing this they can attribute their and other peoples success or failure to either internal factors (such as effort and ability) or to external factors (such as help from others, market conditions, ease or difficulty of goals).

For women, attributions of success may work against them in two ways. Firstly, others are more likely to attribute women's success, rather than men's success to external factors rather than their abilities. They are also more likely to attribute blame to women for failures than they are to men. For example Westpal and Stern (2007) found that male directors who displayed ingratiating behaviour to their CEO

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were more likely to be put forward by that CEO for other directorships in other companies. Women who displayed ingratiating behaviour towards CEOs were not given the same credit for their actions, being perceived as weak rather than supportive, and were not put forward for other director opportunities. Women who fulfilled their governance obligations were judged more harshly than their male colleagues and were even less likely to be nominated for other roles. The authors of the study put these results down to attribution effects where women receive less credit for behaviours perceived as positive and more blame for behaviours perceived as negative.

Secondly, women are far more likely to attribute their own success at work to their teams or to external factors than to themselves. Men on the other hand, are more likely to take personal responsibility for success, but attribute failures to others or external factors (Beyer, 1990; Feather, 1969, 1992; Rosenthal, 1994; Zuckerman, 1979). When they do attribute their success to internal factors, women tend to attribute their performance to effort, while men tend to attribute their performance to ability. Additionally, the same research shows that women have lower expectations of the outcomes of their work, are more likely to judge their actual performance more harshly and view themselves as having less ability and intelligence than men (Deaux, 1979; Finlay & Coverdill, 1999; Maccoby & Jacklin, 1974). When discussing their work with seniors, women are more likely to talk about team involvement and quality, while men focus on their own role in task delivery (Singh, Kumra, & Vinnicombe, 2002; Singh & Vinnicombe, 2001).

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However, if women voice their success and failure attributions, they might inadvertently transmit a negative image. Taken at face value by others, it is likely that these attributions might count against women when they are being appraised for promotion, as the appraisers could doubt the contribution that the woman have made to achieving results. If a woman does not have faith in her own abilities, why would an influential senior or a selection panel?

Linked to how individuals make attributions for their success and failure at work, it could also be that women's failure to take credit for their own achievements is related to confidence rather than ambition. Self-efficacy has long been associated with career success (Bandura, 1977) and research generally indicates that women have less self-efficacy than men (Davidson & Cooper, 1992). However, it is not clear whether these results generalize to management roles, especially more senior management roles. Rosenthal and Guest (1996) studied causal explanations of work success with managers in two organizations, and found that women were significantly less likely than men to attribute success to their own efforts and abilities. From their results, however, they were unable to tell whether this was because the women lacked confidence in their own efforts and abilities, or whether the women were behaving in a less egotistical and more modest way than the men.

Indeed, it is argued that girls are conditioned to behave in a modest and unassuming manner, and this could well lead to them behaving in a less boastful way than men when asked to explain the causes of their success (Oakley, 2000; Rosenthal & Guest, 1996). This early conditioning of how "nice girls" behave also affects linguistic style, making women more likely to talk about "we" than "I", and

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phrasing requests and instructions in a way that does not appear to men, who have been socialized differently, to exude confidence and authority (Oakley, 2000).

Regardless of whether the *cause* of women's attributions is due to lack of confidence or to modesty, the *outcome* of women's attributions is important. In studies on stereotyping, both men and women have been found to expect leaders to behave in a competitive, aggressive and directive manner (Eagly & Sczesny, 2009). Such behaviour tends to be egotistical and does not fit with an individual who does not take personal credit for their achievements and who does not exude confidence.

Arguably attributions, modesty and linguistic style may well be contributing to holding some women back from boardrooms. However, one might also argue that these issues may be more of a problem for women in junior or middle management who aspire to senior management. It is likely that the majority of women who are in a position to be considered for corporate board level roles will have already experienced situations where they have had to call upon high levels of self-efficacy. Given this, it is perhaps questionable how far these factors provide a solid explanation for the difficulties women face in moving from senior management to boardroom level roles.

Social Capital Theory and Networking

A further explanation for the lack of female corporate board members is provided by Social Capital Theory (Coleman, 1994; Lin 2001). While Human Capital Theory concentrates on previous knowledge, skills and experience, Social Capital Theory focuses on networking and contacts. Social capital can be defined as "the goodwill that is engendered by the fabric of social relations and that can be mobilized to

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facilitate action” (Adler & Kwon, 2002). Research shows that the resources embedded in one’s social network can aid career progression (Seibert *et al.*, 2001). This thesis contends that social capital theory and networking activities offer a particularly fruitful avenue of inquiry for women’s lack of progression to the boardroom. The ensuing discussion in this section will outline the role of social capital and networking and its importance in boardroom selection processes.

Individuals do not exist in isolation. They have a web of friends, relations, classmates, colleagues, contacts and acquaintances with whom they interact. Networking is about using the resources (e.g. information, support and guidance) that this web of relationships provides. Arnold (1997) defines networking as “the effective initiation and maintenance of social relationships for career related purposes”, while the network itself has been defined as “a set of actors and the set of ties representing some relationship, or lack thereof, between the actors” (Brass *et al.*, 2004).

As will be explained and discussed in more detail in later chapters of this thesis, networking is important in career development and can lead to successful career outcomes, particularly for white middle class males. This is because it provides access to valuable resources such as sources of information, jobs, mentoring and patronage (Burt, 1992; Granovetter, 1973; Higgins & Kram, 2001). It can ease entry into new roles, aid socialisation and enhance reputation, power and authority (e.g. Granovetter, 2005; Bartol & Zhang, 2007). It can improve performance ratings, have a positive impact on salary and increase the speed and likelihood of promotions (Marmaros & Sacerdote, 2002; Michael & Yukl, 1993; Wolff & Moser, 2009). It can

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also increase career satisfaction and subjective career success (e.g. Todd *et al.*, 2009; Kuijpers *et al.*, 2006).

While networking is arguably crucial to career success at every level, it might be viewed to be of vital importance in senior level roles. The vast majority of corporate board level roles are not advertised. Shortlists are drawn up either by specialist search firms, or by drawing on the contacts of existing board members (Arfken *et al.*, 2004). Private sector board recruitment activities are under researched from an academic perspective. However, the research that does exist suggests that the process is opaque and often secretive, and heavily reliant on networks and networking (EHRC, 2012). Hence, central in understanding the disadvantage faced by women in gaining board director positions is the role of social capital.

The UK Corporate Governance Code says that FTSE 350 firms should have formal Nomination Committees which should ensure “formal, rigorous and transparent procedures for appointment of new directors” (Financial Reporting Council, 2010, p. 13). The committee should be chaired by either the Chair (though not when the vacancy under review is for the Chair’s successor) or by an independent non-executive director.

When a vacancy arises, the Nominations Committee’s role is to “evaluate the balance of skills, experience, independence and knowledge on the board and in the light of this evaluation, prepare a description on the role and capabilities for a particular appointment” (Financial Reporting Council, 2010, p. 14). If the vacancy is neither advertised nor managed by an external executive search firm, then an explanation needs to be given in the annual report section on the workings of the

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Nominations Committee. Regardless of whether an executive search firm or an open advertisement is used, the guiding principles in relation to the selection process are that “the search for board candidates should be conducted, and appointments made, on merit, against objective criteria and with due regard for the benefits of diversity on the board, including gender” (Financial Reporting Council, 2010, p. 13).

The code works on a “comply or explain” basis, with corporations explaining their practices on the Code’s requirements in their Annual Report and Accounts. There is an absence of academic literature investigating whether the Code’s principles in relation to director selection are working as they were intended in practice, but the evidence with regard to board diversity suggests that while the letter of the Code in terms of nomination committees may have been fulfilled, the spirit of the Code in terms of rigor, transparency and merit may not. In researching the gendering of social capital and networking in relation to board selection processes, this thesis also aims to shed light on whether the spirit of the code is being met.

However, despite calls in the Higgs Report and the Tyson Report and the UK Corporate Governance Code for more transparency and formal selection processes for directors (Financial Reporting Council, 2010; Higgs, 2003; Tyson, 2003), little is known of the actual recruitment process. From the small amount of research that does exist, it would appear that the process is as follows: in consultation with the Chair a job specification is drawn up depending on organizational, sector and market requirements; a list of names of individuals who could fulfil the role is compiled by the head-hunters; potential candidates are approached and their interest in the role is ascertained; initial interviews are undertaken by the head-hunting company; the

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refined long list is presented to the client and reduced to a short list; and final interviews are held involving the Chair and the Head of the Nominations Committee and other selected directors (EHRC, 2012; O'Neal & Thomas, 1996). Inherent in the selection process outlined above is the role of networks and networking. With no advertisement to respond to, individuals have to be known and visible to those formulating long lists to be considered for a board director role.

In exploring this issue, the role played by head-hunters might be considered particularly critical. Indeed, it might be thought that head-hunters would help large organizations to adhere to the UK Corporate Governance Code requirements for formal, rigorous and transparent processes in the recruitment of board directors. Executive Search Consultants (head-hunters) are now used extensively in boardroom searches, with 73% of FTSE 100 firms mentioning their use in the section on the Nominations Committee work in their Annual Report (Sealy *et al.*, 2011).

Despite their apparently central role in the selection process, few studies have examined the way in which specialist search companies are used in the recruitment of corporate directors. One of the few recent studies in this area was commissioned by the Equality and Human Rights Commission (EHRC) to study how executive search firms operated in the Corporate Board selection arena, and what they were doing to increase gender diversity on boards (Doldor *et al.*, 2012). However, the EHRC research looked particularly for areas of good practice. Arguably the 10 search firms interviewed for this project had an interest in highlighting examples of excellence in the recruitment process rather than focusing on areas requiring attention. The research gave examples of best practice for head-hunters which included increasing the focus on gender diversity with Chairs, challenging role

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specifications to ensure that competencies rather than experience were requested, and expanding their database of board ready women and women who had potential for board director roles in the future.

The importance of challenging specifications was highlighted as particularly important as the research found that there was too little definition of the qualities required for the role. Jewson and Mason (1986b) make a distinction between “suitability” requirements, which detail the specific technical and educational requirements, and “acceptability” requirements which relate to how a candidate might fit within an organization. They contend that too much reliance on acceptability requirements can distort selections and can lead to discrimination. This is relevant to board director selection processes as the Voluntary Code for Executive Search Firms suggests that in challenging briefs head-hunters not only focus on the skills that are required (suitability requirements) but also the “intrinsic personal qualities” that are required (acceptability requirements).

Beyond challenging specifications, the EHRC research also called for more transparency in the selection process. The report concluded by calling for further study to give greater insight into the role of head-hunters to understand more clearly how the search and vetting of candidates is undertaken (Doldor *et al.*, 2012).

With regard to this call for further study, little is known of the detail of how executive search companies source potential candidates, with a UK study by Clark (1992, p3) describing them as identifying candidates “through direct and personal contact” and a US study (Finlay & Coverdill, 1999) describing the head-hunters’ process as one of cultivating extensive networks, listening to gossip and rumour and mining data from various sources on rising stars. From these descriptions it would

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appear that aspiring directors would need to be central to the networks that head-hunters access if their names are to be discovered in the searching process.

A further issue is how central head-hunters are within the selection process. Faulconbridge *et al.* (2009) contend that head-hunters have created a position of considerable power for themselves in the elite job market. They argue that this has been driven by articles in the popular business press which have elevated the importance of the “war for talent” at senior levels. Executive search firms have stepped in as intermediaries in the talent market place, controlling both the process that their client companies use to fill vacancies, and the pipeline of potential candidates to fill the vacancies. They suggest that by acting as the gatekeepers of the network of potential candidates they have replaced the “old school tie” network which was historically used to enable the filling of senior vacancies with a model based on the head-hunters’ view of an ideal candidate. However, others argue that head-hunters do not make a material difference to the process. Specialist search firms are paid substantial fees by organizations to undertake director search activities. In their desire to retain the business of their corporate clients, head-hunters can be reluctant to challenge and question a search specification, and can therefore perpetuate historic sourcing and selection processes (Finlay & Coverdill, 2007).

With regard to this, a number of researchers have suggested that regardless of whether head-hunters are used, the “old boys’ club” is a predominant source of potential candidates. For example, in a US based study of 40 large corporates it was concluded that the list of board director candidates was almost entirely limited to those who had been nominated by the Chair or other existing directors (O’Neal &

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Thomas, 1996). Likewise, in an Australian study researching how board positions were accessed, the overwhelming majority of directors were recommended by existing members of the board or their associates (Sheridan & Milgate, 2005). Pye (2004, p. 80) argues that using search consultants has put a “cloak of independence to the recruitment process” but that in reality names are still put forward by existing directors, but now it is done via the Nominations Committee to the search company. This view is contested by Vinnicombe *et al.*, (2010) who state that there had been a move away from selection through the “old boys’ network”.

From the extant literature, much of which relates to elite jobs in general and not just to board level roles, it is not possible to understand exactly if and how search firms add additional names to the list of candidates generated by existing directors. Therefore regardless of whether it is Chairs and other Directors or executive search firms themselves who put forward names for long and shortlists, it is clear that the recruitment process is heavily reliant on social capital and networking. Thus, using the resources embedded in one’s social network is arguably crucially important in gaining board level roles. If women are not central to and active in the relevant networks that head-hunters and existing board members tap into to nominate future board members it is unlikely that they will be considered for these posts, regardless of their experience and qualifications.

This thesis seeks to explore therefore whether differences in men’s and women’s networks explain the differences in the representation of men and women in the boardroom. In doing so it will be necessary to research not only the networks and networking activities of aspiring directors, but also the networks and networking

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activities of the head-hunters, Chairs and existing directors involved in the selection process. The research will also explore whether networking gender differences impact selection outcomes, whether perceptions of outcomes create network gender differences, or whether both impact each other. It may transpire that if men and women build and operate their networks differently it may in part be because they are treated differently, not necessarily because men and women are inherently different in some way.

Conclusion

It would appear from the discussion above that social capital theory and networking provide particularly fertile ground for explaining the reasons for the lack of women in the boardroom. This thesis will therefore explore the impact of the gendering of social capital and networking activities on corporate boardroom selection processes. It will do this by researching how the selection process works, and by researching the social capital and networking activities of all of the actors involved in filling a director position: the aspiring directors; the Chairs, Heads of Nominations Committees and other directors who nominate individuals for inclusion on long and shortlists; and the head-hunters employed by specialist search firms to manage the recruitment process.

In contrast to social capital and networking activities, other proffered reasons for the scarcity of women on corporate boards may not explain fully the lack of progress to the boardroom of women who have already reached senior positions. To recap, Human Capital Theory is unlikely to explain fully the lack of women on corporate boards, as women now outperform men at all educational levels and those in the pool

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for consideration for board level roles will have accumulated substantial relevant experience. Since boards are encouraged to recruit directors with a range of skills to provide a balance of capabilities, it is difficult to envisage that lack of skills fully explains senior women's lack of advancement. Indeed, in a study of reasons for the scarcity of women in senior positions it was concluded that while lack of human capital may be a reason for women's lack of advancement to junior and middle management levels, lack of social capital is a far more likely explanation for their lack of advancement to senior levels (Tharenou, 1999). Preference Theory may explain why women drop out of lower and middle management ranks, but it is unlikely to explain why women in senior management are not progressing in substantial numbers to board levels. Ambitious career women who form the pool for potential directors will have already made a choice to concentrate on their career. Finally, attributions of success and failure, linguistic style and modesty may mean that women do not behave in the stereotypical way expected of senior leaders. However, lack of confidence is unlikely to be a general issue for women with potential for board positions, as they are likely to have already demonstrated high levels of self-efficacy. It is more likely to be a problem for women in lower and middle management roles.

One might contend therefore that Social Capital Theory and networking behaviours offer particularly fertile ground to explore why women in senior positions are not progressing in substantial numbers to corporate board director positions. However, there is an absence of research into corporate board director selection processes, and so it is currently impossible to conclude whether the gendering of social capital of both aspiring directors and those making selection

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decisions is indeed impacting the number and proportion of women on corporate boards.

The thesis aims to fill this gap in the literature. It will examine whether gender differences in networking activities and practices influence women's ability to progress to the most senior levels. The literature reviewed in Chapter 2 will critically assess how networking works, its benefits in terms of getting jobs and career progression, and the gender differences in networking habits. This thesis will seek to build on this body of knowledge to explore how far the way in which men, women and recruiters network helps to explain women's continued under-representation at board level. The research will analyse both the supply side of the recruitment process, by exploring the social capital and networking behaviours of aspiring male and female directors, and the demand side of the recruitment process by exploring the social capital and networking behaviours of Chairs, Heads of Nominations Committees, other directors and head-hunters.

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Chapter 2: Social Capital and Networking

Introduction

Chapter 1 argued that social capital and networking behaviours could provide a key explanation for the lack of female boardroom participation. It outlined how the selection process for corporate board director works with its heavy reliance on word of mouth recommendations. It concluded that differences in men's and women's networks and their networking behaviours might explain the scarcity of women in corporate boardrooms. The aim of this chapter is to explore these issues in greater detail, by looking at: if and how the quality of men's and women's networks differ; the reasons behind any differences; and whether differences in levels of social capital and the willingness and ability to leverage social capital explain women's lack of progress in the boardroom.

Interest in the ability of networking to enhance career success emerged in the early 1970s, and as most of the managers in the workforce at that time were male, it is unsurprising that professional men formed the majority of the subjects under study. As research into the subject area increased it became apparent that not all groups received the same benefits from their networking activities as white professional men. Research using white highly educated males tends to show the benefits of networking in a more positive light than research using different or mixed samples (Brass, 1985; Forret & Dougherty, 2004; Ibarra, 1992). Hence, understanding how aspiring women directors build and operate their networks and how their networking habits differ from those of their male colleagues may help to explain the scarcity of women in corporate boardrooms.

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Given how the selection process appears to work, as outlined in the previous chapter, for women to be selected for boardroom posts they need (as is the case for men) to be visible to and well networked with those individuals who are responsible for putting forward names onto long and short lists of potential candidates for boardroom vacancies. Yet very little is known of how these influential individuals network with those who they nominate. Understanding how those Chairs, Heads of Nominations Committees, other directors and head-hunters build and operate their networks may therefore shed light on if and how the gendering of social capital and networking impact on board selection processes.

This chapter will review the literature pertaining to social capital and networking activities which might impact on the likelihood of women reaching boardroom-level positions. In particular it will discuss: first, whether the quality and utility of men's and women's networks differ; second, whether differences in men's and women's networks help to explain the lack of women in boardroom positions; and third, the reasons why there might be differences in the quality and utility of men's and women's networks.

Does the Quality of Men's and Women's Networks Differ?

In terms of assessing whether the quality of men's and women's networks differ, as a starting point it is important to understand what comprises a "quality" network. As discussed in Chapter 1, social capital is the goodwill that is embedded in one's network (Alder & Kwon, 2002). With regard to gaining board director roles, a "quality" network will provide this social capital through linkages to individuals involved in board director selection decisions. No exact definition of a "quality"

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network can be found in the literature, but existing networking theories can be used to formulate a definition.

As discussed in the previous chapter, networks are made up of links, or ties, between an individual and his or her friends, relations, contacts and colleagues. Links with contacts such as family and close friends are characterised by frequent and deep levels of connection and are referred to as “strong ties” (Granovetter, 1973). Strong ties are likely to be connected to each other and to mix in the same circles. As a result, information gleaned from strong ties is likely to be repeated and reinforced by other strong ties, making the information they supply less likely to be unique and more likely to be redundant. This might therefore limit their utility in helping an individual hear about job openings. However, having strong ties can give great levels of emotional support and where strong ties are to people in powerful senior positions they can give dependable and invaluable sponsorship and mentorship (Ibarra, 1993). Strong ties to powerful people are therefore an important feature of a quality network.

Other links, for example with acquaintances and professional contacts, are characterised by infrequent interaction and are referred to as “weak ties”. In contrast to strong ties, information and resources gleaned from weak ties is more likely to be unique and non-redundant, bringing socially distant ideas and influences to the individual (Granovetter, 1973). This is particularly useful in terms of gaining access to information about job opportunities at all levels, but it may be especially useful at the most senior levels such as board level openings where positions are rarely

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advertised. An abundance of weak ties is therefore an essential element of a quality network.

There are opposing schools of thought about how social capital is generated from network ties. Coleman (1990) views social capital as a group asset with resources being held within the structure of a close knit, dense network. Coleman argues that for the resources within the group structure to be preserved for the benefit of the group and the individuals, the group needs to be a closed network made up of strong ties who share high levels of trust. The closed nature of the network ensures a level of adherence to the group norms and standards, with sanctions on those who do not conform. An example of this type of network might be membership of a club, where unspoken behaviours and standards are expected of members, and membership is only available through nomination by existing members. However, once inside the group, the member can add to the shared social capital of the group and benefit from the social capital of the group and its members. Coleman's view of social capital is a societal one, with social capital being a social-structural resource (Coleman, 1990).

The other school of thought about how social capital is generated is a positional one, with individuals seen as gaining access to resources as a result of their position in a network in relation to others. This view of social capital, argued by Burt (1992) and Lin (2001), is dependent on having a large number of weak ties and is far more often used in organizational (as opposed to societal) research and is used to describe how social capital can aid career progression. The next section will review the literature with regard to this view of social capital.

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Having a large number of weak ties increases the likelihood that an individual can broker information between other network members, by acting as a bridge (Burt, 2004). This can give power and leverage to an individual, which becomes increasingly important as job seniority increases. The more central an individual is to a network, the more opportunities they have to act as a bridge and a broker, and the more powerful they become as a result (Burt, 2004). Bridging and brokering are core components of political skill (Ferris *et al.*, 2005), which is arguably a pre-requisite for gaining board level roles. Freeman (1977) coined the phrase “network betweenness” to describe an index which measures how a person brokers indirect connections between everyone in a network. Network centrality, as it is also known, not only provides access to information, but also conveys an individual with power and access to resources (Brass, 1984; Ibarra & Andrews, 1993). A person with a high number of bridges hears new information early and is able to bring together disconnected information and individuals (Burt, 1992) which is particularly useful in building virtual teams, controlling projects and in creating innovative new concepts and solutions to problems (Burt, 2004). This makes the individual appear particularly gifted, creative and entrepreneurial, as it demonstrates an ability to bring together separate pieces of information to create a more valuable whole (Burt, 2004). The individual is more likely to know which parties to bring together, on which occasions, and which parties to go to for support at appropriate times. Burt argues that the social capital of structural holes (where two or more of an individual’s contacts are unconnected to each other) accumulates over time, and the earlier in one’s career they learn to bridge across structural holes, the more they are likely to identify future holes and bridge them. He also contends that individuals with

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networks spanning many structural holes possess more social capital than an individual with the same number of network ties that bridge fewer structural holes (Burt 1992, 2004).

Thus, based on the information available in the literature, it would appear that a “quality” network for an aspiring board director is one where the individual has a large number of strong ties, especially to people in positions of power and a substantial number of weak ties, especially to those in positions of power. These ties will provide the individual with a high level of network centrality, especially to those in the relevant power bases where board level selection decisions are made. Consequently, centrality would also seem to be a defining element of a quality board level network.

So do women have the same network “quality” as men, and does this influence their ability to secure board appointments? With regard to this, a number of studies have investigated the relationship between gender and network centrality. In a study at a newspaper publishing company, Brass (1985) undertook a detailed study of the centrality of individuals to the informal interaction networks of the company, and the perceptions of influence that related to the individuals. He surveyed 76 men and 64 women and their immediate supervisors, plus the top level managers, and measured centrality against various different axes, including the entire organization, the organizational division within which the individual worked, the individual’s immediate team and in their interactions with the top level cadre of managers who made up the dominant coalition at the company. Women were found to be less central than their male counterparts in interactions with the dominant coalition (i.e.

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the power base) of the company. Similarly, Ibarra (1992) studied men and women in an advertising firm, and found that men held more central positions, but merely because they held higher ranking positions. Controlling for rank, there was no difference in centrality, but the men in the study were able to leverage their centrality to a greater extent than their female colleagues. The ability to leverage one's network position by gaining instrumental help from one's network contacts will be discussed later in relation to gaining sponsorship for board level roles. If women who aspire to board level roles cannot leverage their network position to the same extent as their male peers, they may well be at a disadvantage. This is a topic that this research seeks to explore.

The studies relating to women's network centrality mentioned above are all now somewhat dated, but a more recent study also indicated that women hold less central positions than men in organizational settings. McGuire (2002), when surveying 1000 financial services employees, found that the males in the study were more likely to hold central positions and to control corporate resources than their female counterparts. She concluded that the women in the study occupied jobs that limited their ability to form networks that allowed them to draw upon resources as rich as those of the men.

The studies above were set in organizational contexts, but it would appear that there is a relationship between gender and network centrality in other contexts as well. Mehra *et al.* (1998) studied students enrolled on an elite business school MBA programme and found that the men were significantly more central to the cadre's friendship networks than were the women. In this study there were no considerations

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of rank or organizational hierarchy, as all of the participants were peers on the same study programme. They attributed the centrality findings to the fact that members of minority groups (the women in this instance) were likely to be viewed as tokens and were not attractive as friends to the majority group. It could therefore be argued that differences in the quality of men's and women's networks begin to emerge even before they enter the workplace.

The majority of studies looking at gender differences in network centrality indicate, therefore, that women are less central to networks than are men, and as a result, over their careers they will acquire less social capital than will their male peers. However, none of the studies have focussed exclusively on women at senior executive level, who are the potential pool of corporate board directors. As network centrality appears to be the defining element of a quality network for those aspiring to board level roles, it is important to understand whether the findings in the extant research also apply to those at the most senior levels in the pool of potential board directors. This study will therefore explore whether female senior executives' network centrality is different from that of their male counterparts. In particular it will seek to understand whether they are as central in their linkages with the dominant coalition who decide on director level appointments, and if so, whether they can leverage that centrality in the same way as their male peers. Expanding the body of knowledge in this area would aid significantly the understanding of the supply side of the corporate board selection process.

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Could Differences in the Quality of Men's and Women's Networks Help Explain the Lack of Female Directors?

As suggested above, having network centrality, and being able to leverage that centrality, is arguably crucial in securing a director level role. This is because the job hunting and vacancy matching activities which occur at director level appear to be different from those at junior and middle level roles, being far more reliant on word of mouth recommendations. However, as discussed above, women appear to be less central to networks than men, and also appear to be less able to leverage their network centrality than men. The resulting reduction in social capital that this engenders may well work against women who aspire to the boardroom. This section will firstly look in greater detail at how network centrality influences securing a job at any seniority level, and will then focus on the additional importance of network centrality in gaining board level roles.

Although vacancies at lower and middle management levels are usually filled through conventional selection processes where candidates make an application to fill the vacancy, job seekers not only scour vacancy advertisements, but also often use networking (and increasingly social media networking) as an important tool in their search activities. Indeed, after reviewing 24 different studies, Bewley (1999) estimated that somewhere between 30 % and 60% of jobs are found through social contacts. Given the relationship that has been identified between network centrality combined with having a large number of weak ties and number of opportunities an individual hears about at every level of job seniority (Granovetter, 1973; Granovetter, 1974), women are likely to be at a disadvantage, given that they are less

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central to networks and they tend to have fewer ties to those in higher status positions.

Beyond having a large number of ties, the gender composition of networks also appears to be important. Research shows that using male contacts to hear about job opportunities is more valuable than using female contacts, partly because men tend to hold higher status jobs themselves. Ensel (1979) undertook one of the earliest investigations with regard to this issue. He discovered women are more likely to use other women when searching for jobs, while men are more likely to use other men. Due to the status of the roles held by the contacts used for job searching, the women found lower status jobs as a result of their searches. Other studies have shown that when women use male contacts to hear about vacancies, they get higher-paid roles than when they use female contacts (Berger, 1995).

The position and status of the contact who tells an individual about a vacancy is therefore important with regard to the status of the role that is attained, with a higher status informant leading to a higher status role (Marsden & Hurlbert, 1988). For females, the higher the proportion of women in their network, the lower the quality (in terms of salary and position) of the job leads they receive is likely to be (Huffman & Torres, 2001), given that women's contacts tend to hold lower status jobs than do those of men. McDonald *et al.* (2009), using data from the Social Capital –USA survey with a sample size of 2525 employed adults, found that men routinely heard about more job opportunities from their everyday conversations and meetings than did women. Women received on average 33% fewer job leads than their male colleagues, with the greatest inequality in job leads being found at the most senior

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levels of authority. This introduces an important issue. If women are aware that they are likely to receive less instrumental help from their social capital than their male colleagues, this could arguably make them less inclined to undertake networking activities. Therefore, it is also important to understand whether it is the lesser expected rewards women receive from networking that influence their networking behaviours rather than women being inherently less likely to engage in networking behaviours.

Most of the studies discussed above, however, relate to jobs at all levels, not just managerial or senior level roles. At elite levels the need for centrality and the ability to leverage centrality may be even more important, as active sponsorship is arguably a particularly important feature of the selection process. This also extends to situations where individuals are not actively seeking jobs. Senior executive jobs with greater power, autonomy and status are most often found without the individual who gains the position actually seeking an opening. The individuals are approached to see if they are interested in the role, their name having been put forward by someone who knows or knows of them (Elliott, 2000). At very senior levels, it is not so much that job seekers reach upwards to actively use their senior contacts to find a position, it is more that the senior contacts reach downwards to offer opportunities to the individual, creating a very active form of sponsorship (Elliott, 2000). Only those who are central to networks, and particularly central to the relevant power holders, are likely to be on the receiving end of this type of sponsorship. Hence, recruiters will often use their social capital and network contacts to “target” potential candidates to fill these vacancies. People who have large amounts of social capital are much more likely to be on the receiving end of this targeting and are more likely

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to be offered a job when they are not actively searching for one (McDonald & Elder, 2006). These “non-searchers” for jobs are often excluded from studies which use questionnaires and surveys in research investigating the impact of social capital in gaining a job (Mouw, 2003), and as a result the importance of social capital in the demand side of the selection process may be understated in the extant research.

The little research that has been undertaken on this issue, however, suggests that “socially advantaged people were more likely to experience serendipity” in the job market in terms of the likelihood of being approached to fill a job when they were not actively job hunting (McDonald, 2010, p.309). It also suggests that the more senior the role, the more likely it is that the person filling it is not actively looking for a job move (McDonald & Elder, 2006). Echoing the research on network centrality discussed above, research on non-searching suggests that women are less able to leverage their networks than are men, receive less instrumental help from their network contacts and their mentors, and given this, they are likely to be the losers in non-searching activities (McDonald & Elder, 2006). As noted by McDonald & Elder (2006, p.542), “informal networks play an important role in the maintenance of gender stratification in the labour market. Women with a great deal of work experience are much less likely than men to get their jobs without searching; and when these highly experienced women get their jobs without searching, they do not receive the same payoffs that men receive.”

It would appear from the existing literature, therefore, that network centrality (or lack thereof) may be a very important factor in the scarcity of women in board level roles. Furthermore, understanding the mechanisms at play which create and detract

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from network centrality would provide important information for both aspiring directors and those involved in their selection. One might argue, however, that the extant literature is lacking in this regard. Most networking studies use either a “name generator” or a “position generator” method to understand networking activities (Lin & Dumin, 1986; van der Gaag *et al.*, 2008). These methods require individuals to either give names of people with whom they are linked, or give the job title or organizational position of people with whom they are linked. While this gives insight into *who* they network with, it does nothing to help understanding of *how* they build their networks or keep them alive. It also gives no information on how they met their network ties in the first place, or how they keep in contact with them on an ongoing basis. To fully understand the mechanisms at play which create and detract from network centrality with regard to boardroom selection process requires insight into how demand and supply side networks are built and maintained. This research seeks to provide such insight.

Why do Men’s and Women’s Networks Differ?

As well as understanding whether men’s and women’s networks differ and what impact this might have on them gaining board level roles, it is also important to understand why they might differ, as this could offer insight into why the under-representation of women at corporate board level occurs and might prove useful in pointing to future areas of research interest aimed at redressing board gender diversity. From a review of the literature it would appear that there are a number of reasons for the differences in the quality of men’s and women’s networks. These will be discussed in this section.

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Gender Differences in Networking Behaviours

One reason for the gender differences in network quality might be that women simply do not undertake networking to the same extent or in the same way as their male colleagues. It could be argued that investing less effort in building a network with powerful seniors will almost inevitably lead to a network of sub-optimal quality.

With regard to this, Ibarra (1993) highlighted the difference between “instrumental” networks which support the work role and give access to job related resources, mentorship and sponsorship, and “expressive” networks with higher levels of closeness and trust that offer friendship and social support. Some studies and commentators suggest that women tend to network for social reasons preferring to spend time with those people who offer friendship and support (van Emmerik, 2006; Vinnicombe & Colwill, 1995). The results of these studies might lead one to argue that women therefore invest greater effort and time in building an expressive network; hence their instrumental network might suffer as a result. However, other studies have found that senior women network predominantly for business reasons (Durbin, 2011), so there is no clear consensus in this area. Nonetheless, what does appear to be uncontended is that women are less keen on networking *per se* than their male colleagues.

The root of the differences between men’s and women’s networking behaviours may be found in early socialization. As argued by McPherson *et al.* (2001), girls tend to be conditioned to be co-operative, caring and community focused rather than individually focussed. Boys, by contrast, are conditioned to be competitive and

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assertive. In the workplace, this makes self-promotion (and hence instrumental networking) a more natural and acceptable practice for men than for women (Kumra & Vinnicombe, 2010). Arguably, women are less likely to engage in ingratiating behaviour and in impression management, preferring to be judged on their work rather than their impression management skills (Singh *et al.*, 2002). Men are much more likely to actively promote their abilities and accomplishments to their supervisors and peers. Since the norm for senior executives is male, women's failure to display this type of behaviour could be misjudged as signalling a lack of desire for more senior roles (Oakley, 2000; Singh *et al.*, 2002; Singh & Vinnicombe, 2001).

These differences in behaviour may have an important influence on networking activities, with it being argued in the literature that women do not seek out networking opportunities with the aim of engaging in impression management with seniors in the same way as their male counterparts (Singh *et al.*, 2002). In contrast, men are far more likely to use work related strategies such as seeking networking opportunities to promote themselves (Singh *et al.*, 2002; Singh & Vinnicombe, 2001). Arguably this might lead aspiring female directors not only to be less visible than their male peers, but also to be less likely to be willing to leverage their social capital in their quest for a board level role. Proactively leveraging one's social capital to gain a nomination for a board director role would require an element of self-promotion and impression management that the literature would suggest with which women may not engage.

Not all of the differences in male and female networking behaviours can be explained, however, by differences in socialisation and the willingness to engage in

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ingratiating behaviour and impression management. Since women still bear the brunt of domestic responsibilities, it may be the case that men continue to be able to spend more time networking after work than women. In interviews, women report that they feel excluded from the male bonding that they believe occurs after work in bars, clubs and at sporting events (Linehan & Scullion, 2008; Linehan, 2001). Research suggests that it is not that women are unaware of the importance of social capital and the need to network. Indeed in a study at a consultancy firm the women who were interviewed were well aware of the need to network and to gain sponsorship from influential seniors. However, they felt that they had time restrictions resulting from domestic responsibilities not shared by their male colleagues that limited their scope to engage in networking activities (Kumra & Vinnicombe, 2010).

Additionally, as mentioned previously, it could be that women are aware that they are likely to receive poorer outcomes from their networking efforts. If this is indeed the case, then arguably women may make a rational choice to network to a lesser extent, as they may perceive that the effort is not worth the potential rewards.

It is important to understand, therefore, whether women who are aspiring to reach boardroom-level roles are networking on the same scale and with the same scope as their male peers. If there is a difference in the scale and scope of networking it is also important to understand the reasons behind this. If women are not networking as much or as effectively as their male peers, then they are unlikely to hold the same levels of network centrality, and will miss out on the benefits which that centrality might bring in the board level job market. As such, this thesis will address whether: women spend proportionally more time networking for friendship and support;

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whether they shun networking events where they could make an impression on powerful seniors; and whether they spend less time networking, especially with senior power holders, than their male peers. If there is evidence of the latter, it will also explore whether this is driven by a lack of willingness to engage in impression management, by time constraints resulting from domestic responsibilities or by a belief that they will not reap the same rewards as men for their efforts.

Homophily

Gender differences in networking behaviours may provide some of the answer to why there might be differences in the quality of women's networks, but it may not be the only reason. One further possible explanation which encompasses a more holistic approach is homophily. This section will describe; what homophily is; how it exerts an influence on the creation of a "quality" network; how it might lead to the creation of the "old boys' network"; its influence on mentoring and sponsoring; and its impact on how women spend what time they have available for networking.

In line with the old adage "birds of a feather stick together", individuals have a tendency to seek contacts that are similar to themselves. Homophily is the term used to describe the preference for individuals to interact with others who are similar in terms of social class, education, race and gender. Research shows that same sex colleagues offer the most social support (South *et al.*, 1982) and research also shows that having similar views and characteristics makes it more likely that individuals will find each other attractive as potential friends (McPherson & Smith-Lovin, 1987; Marsden, 1988). Beyond the friendship benefits, in a work environment homophily can also enhance instrumental relationships by engendering trust and easing

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communications (Lincoln & Miller, 1979). Furthermore, Burt (2000) suggests that homophilic ties, even when they are weak ones, are more enduring than heterophilic ties, giving individuals access to instrumental relationships for longer.

Left to their own devices, therefore, individuals may well prefer to make homophilous network contacts, but in the workplace many senior women are limited in their choices by the availability of similar others with whom to bond. Many work organizations, especially at the most senior levels, are highly sex segregated (EHRC, 2010), and so arguably senior women's choices of who they connect with are limited. Additionally, as well as preferring to link with similar others, careerists want to link with people of a more senior level to help them gain access to scarce organizational resources (Lin, 1999; Lin *et al.* 1981). Since men significantly outnumber women at senior levels, the joint forces of homophily and status are mutually additive for men, but competitive for women, causing differences in the networks of the dominant (male) and minority (female) groups (Ibarra, 1992).

Supporting these arguments, in her study at an advertising firm, Ibarra (1992) asked men and women various questions about which people they had in their instrumental and friendship networks. The women overwhelmingly named other women as members of their friendship networks, but used men for task and career advice and influence. Ibarra's study demonstrated that one of the difficulties for women in their networking activities is that they have to invest greater effort into building two networks, one with male colleagues and seniors to provide instrumental help, and one with other women for friendship and support. This provides a double whammy effect for women - not only do they have to expend effort on both

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networks, but also building their instrumental network can prove troublesome, as in terms of both status and homophily, they are less attractive network ties for men (Ibarra, 1992). However, existing research does not illuminate whether this problem exists for women aspiring to board-level roles. Intuitively, it would seem that the issue may be more extreme the more senior level role a woman holds, as a greater proportion of the woman's seniors are likely to be male.

Ibarra formulated a number of theoretical hypotheses about women's networking activities based on networking theory, homophily and the lack of equal numbers of women to men in management (Ibarra 1993). Ibarra hypothesised that compared to men's networks, women's networks were: less homophilous, as they had to form heterophilous links with male colleagues; had wider reach, outside of their home departments and up and down the organization, as the scarcity of women in management meant they had to look further afield to find homophilous ties; had fewer strong ties, as it was more difficult for them to forge strong bonds in a male environment; had fewer "multiplex" ties serving both instrumental and friendship purposes, because they built separate networks for instrumental and friendship purposes; had more same sex ties than would be expected based on the spread of males and females in the organization because of their desire to find kindred spirits; had weaker critical cross-sex relationships to the dominant coalition; and provided less utility and instrumentality.

Ibarra's hypotheses painted a depressing picture for women's ability to leverage networks to enhance their careers in the same way as men, echoing earlier suggestions that to be taken seriously, women needed a senior strategic champion to

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promote their legitimacy and to drive their advancement, while men's mobility was relatively easily aided by contacts and "contacts of contacts" (Burt, 1992).

While some of Ibarra's assertions have been supported by ensuing research, not all of them have been fully studied, and some have been questioned or disproven. In a study of managers at three large organizations, Rothstein *et al.* (2001) set out to test some of Ibarra's hypotheses. They found that men did have a significantly higher percentage of same sex ties than women (81.25% v 37.85%), and that men and women both had more ties to men than to women in their networks. They found no relationship between same sex ties and the horizontal range of men's and women's ties outside of their immediate work area, but they did find that women's same sex ties were positively associated with greater vertical range, while men's same sex ties were negatively associated with vertical range. Unfortunately the paper does not illuminate whether the increased vertical range for women was linked to reaching up to more senior women higher in the hierarchy, or with more junior women, lower in the hierarchy, although since senior women are relatively uncommon in organizations, it is likely that it is the latter. This assertion is supported by their finding that, for women, the proportion of same sex ties was negatively related to power and status of the members of their networks. While Rothstein *et al.* found that there was no difference between the diversity of support obtained from their networks for men and for women, they did find that men's same sex ties gave them both a greater total amount and a broader range of support than did women's same sex ties. Finally, they found that both men and women received more support from their male contacts than their female contacts.

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Rothstein *et al.* (2001) and Ibarra (1993) did not, however, limit their work to the most senior levels in organizations. Little research on homophily has been undertaken at board level. However, Lyness & Thompson (2000) did specifically study individuals in senior management positions. They interviewed 69 matched sample pairs of men and women at executive level, asking them about their career experiences. The women reported significant differences in the utility of their networks and they reported that they were excluded from the informal networks accessed by their male colleagues.

The power of homophily does not only relate to links with same sex ties. As previous research indicates individuals prefer to interact with others who share a similar background. Marmaros & Sacerdote (2002) propose that it is the availability of lifelong influential networks which in part explains why some colleges are so popular and why some students (or their parents) are willing to bear the costs of highly selective MBA programmes. The rich and well-connected network built up from one's alma mater may also offer instrumental help through the power of homophily, and this could go some way to explain why 69 per cent of UK Government Cabinet ministers in 2010 went to Oxford or Cambridge Universities, compared with 28 per cent of all MPs, and why 9 of the 12 UK Prime Ministers since 1955 went to Oxford (The Sutton Trust, 2010). Many male power holders at the top of organizations and public sector bodies were educated at elite single sex schools. For example, 54% of FTSE 100 CEOs went to fee paying schools (The Sutton Trust, 2007). Data on the educational background of Chairs and head-hunters are not available, but one might speculate that the enduring homophilic bonds they made in their formative years exert an exclusionary impact on women at senior

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levels. It is likely that these bonds will be with individuals from the same social class, the same educational background and the same sex, and so one would expect strong homophily forces to be exerted. The literature is not explicit on whether the lifelong influential bonds forged at public schools and university clubs aid men's (and exclude women's) advancement to the boardroom, but intuitively it seems possible. This thesis will seek to explore this theme in greater detail.

Indeed, many scholars have suggested that women are excluded from informal power networks that are instrumental in filling the most senior level vacancies and many suggest that the "old boys' club" (which can arguably be conceptualised as homophily in action) is at least in some way responsible for this exclusion (Elliott & Smith, 2004; Linehan & Walsh, 2001; McDonald *et al.*, 2009). Moore (1988, p 566) remarked that, even when women achieve high powered positions, they remain "outsiders on the inside" due to the exclusionary nature of high level networks.

With regard to whether the old boys' club is indeed responsible for the filling of the most senior vacancies, and thus works against women, views appear to differ depending on the gender of the individual being asked. In a study of 16 men and women at CEO and Vice President level in organizations in California, all of the men who were interviewed attributed the success of individuals who had gained board seats to effort and achievement, downplaying the role of any "old boys' network"; all of the women who were interviewed said that the old boy's network existed and that it was a barrier to women's advancement to board positions (Davies-Netzley, 1998). In an Australian study, men and women who were interviewed to ascertain their views on how to gain board level jobs both agreed that a strong track

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record, a good understanding of business principles and a good network of contacts were pre-requisites of getting selected. However the women also talked about their exclusion from the old boys' network, with one saying "there is a pool of very capable women being wasted while a bunch of old farts who belong to the same club hand out directorships like lollies to their mates" (Sheridan & Milgate, 2005, p. 853).

A few studies have tried to describe how the old boys' network might work through, for example, golf clubs and attendance at sporting events (O'Higgins, 2002; Oakley, 2000). What women describe as the old boys' network may in fact be a mismatch between aspiring women directors' supply side social capital and board director selectors' demand side social capital and networking. It may be a manifestation of the power of network centrality and homophily, and of the power of strong ties to similar others. As noted by Cotter *et al*, "many of the factors most often mentioned by women themselves, such as "old-boy networks", are rarely measured in data collections" (Cotter *et al.*, 2001, p. 675). Little is known of how nominators of names to shortlists know the individuals they put forward in terms of where they first met and how they keep in contact with them. Research into the social capital and networking aspects of corporate board selection processes from the perspective of aspiring directors and from the perspective of the Chairs, Heads of Nominations Committees and head-hunters seeking to fill board vacancies could shed light on if and how these exclusionary pressures work in practice.

Some contend, however, that it is not so much that women are excluded from the type of networking activities that lead to those filling board positions coming into contact with potential candidates, but that companies do not know where to look or

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how to connect with qualified female candidates (Peterson & Philpot, 2007). Indeed, Adams & Flynn (2005) posit that women are absent from the traditional networking activities that men use to identify potential board candidates.

To overcome these concerns that companies do not know where to look for suitable female candidates, formal networking mechanisms are being established to introduce aspiring female directors to head-hunters and board Chairs. Arguably this will help address the problem of women being typically excluded from male networks as a result of homophily. For example, The Professional Boards Forum⁶ runs events where Chairs from FTSE 100 and FTSE 250 companies can meet aspiring women non-executive directors. These networking groups are a relatively new phenomenon, and no research has been undertaken to establish whether they are an effective mechanism for Chairs to find potential female board members. There are also public relations type companies specializing in promoting the careers and interests of aspiring female directors, such as Catquin⁷ which, amongst other activities, provides a bespoke introduction service between senior women and Chairs and head-hunters.

Bearing in mind the literature pertaining to same sex ties discussed above it seems unlikely that these match making mechanisms would quickly and effectively overcome the powers of centrality and homophily that appear to work against women in the workplace. Additionally, power has historically tended to flow through informal rather than formal networks and channels (Kanter, 1977; McGuire, 2002), and so it would be interesting to understand what effect, if any, these modern formal

⁶ The Professional Boards Forum. <http://www.boardsforum.co.uk/index.html>

⁷ Catquin <http://catquin.co.uk/>

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networking channels are having. This research will therefore solicit views from Chairs and head-hunters on the utility of these forums as an aid to board selection processes. Do they consider them a useful forum at which to meet potential female board members? Have they formed ties with women that they have met at these forums? Have they given or offered instrumental help to any of the women they have met at these events? It will also solicit the views of the aspiring female directors who attend these events about their utility and effectiveness. Have the women who attend them been able to build trusting ties with Chairs and head-hunters? Have they been shortlisted for any director vacancy roles as a result?

Homophily and women-only networks

As discussed above, as well as making men inclined to mix with other men, homophily also makes women inclined to mix with other women. Women's desire to network with other women is illustrated by the rise in women-only networks that are now available to professional women. As well as organization specific women's networks, voluntary sector and commercial women's networks are available to women in business, in financial services, in insurance, in telecommunications, in engineering and in a wealth of other industries and market sectors.

Bearing in mind the forces of homophily, it is not surprising that women report that these networks allow them to share experiences, make new professional contacts and friends, and help and receive help from other women (McCarthy, 2004; Singh *et al.*, 2006). Indeed, one might argue that the very existence of these networks is an indication of the strength of homophily. Research also shows, however, that women can sometimes prefer single sex networks to mixed networks (Travers & Pemberton, 2000), particularly where they are in a minority (Mehra *et al.*, 1998). As such,

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women-only networks may be particularly attractive to senior women aspiring to board-level roles, given how few females are operating at this organisational level.

However, although women may enjoy participating in these networks, the evidence is mixed about whether they are of utility for women's careers. Kanter (1977) felt that women could gain power from setting up their own networks to rival those of men's. Other researchers have commented on the benefits that can be derived from the learning and development opportunities afforded by these networks (Linehan & Walsh, 2001; Singh *et al.*, 2006), and from the benefits of overcoming collective disadvantage and generally raising the profile and status of female managers and professionals (Hersby *et al.*, 2009).

However, Brass (1985, p. 340) preached caution, arguing that "encouraging women to form networks with other women in the same organization may be unnecessary or at worst non-productive". Networking with other women will not usually provide access to the dominant coalition of an organization as few women reach the most senior positions. In addition, since women are still generally the carers in families, it can be more difficult for them to commit to out of hours networking (Rutherford, 2001). When their time is so short, they need to ensure that extracurricular activities are as career beneficial as possible. Choosing to attend a women's networking event may have a high associated opportunity cost, as it reduces time available for networking with a more powerful male group of colleagues or acquaintances.

In addition, where women-only networks are set up by organizations, it could be argued that they may just be a mechanism for the powerful white male managers to

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keep power to themselves by creating segregated networks for minority groups. As stated earlier, power is generally found in informal networks. Formal women's networks may find themselves subject to an informal shadow network (Durbin, 2011) within which reputations are managed, alliances are built and where members trade organizational resources (McGuire, 2002). By excluding women from the informal power base, formal women's networks in a strongly masculine environment can therefore reinforce rather than erode male dominance (Bierema, 2005). While it may not be possible to generalise from Bierema's (2005) study, as it was based on interviews with only 10 senior executive women from a single, strongly male dominated, Fortune 500 company, the study nevertheless found that the women's networks did not create any benefit for the individuals involved, and that some of the senior females sought to distance themselves from the collective cause of raising the standing of women, lest they be deemed militants and troublemakers. Even in a less masculine environment (local government), a study of Australian female managers (Pini *et al.*, 2004) found that women's networks were both divisive and led to more discrimination. Beyond this, where women only networks include some element of social gathering, they can reinforce stereotypes of women being more interested in talking than doing (Linehan, 2001). In seeking to overcome the isolation of tokenism they may just make that tokenism more visible and open to ridicule. Even without the social element, female only networks can invoke derogatory thoughts and comments from some males, for example being referred to as "hen time" by men in a computer company in a study by Linehan (2001).

However, as with other topics already discussed, most of the research on women-only networking has been conducted looking at all levels of seniority. For women as

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a whole, it does appear from the literature that Brass's (1985) caution about such networks was justified. But is it not clear whether this conclusion can be generalised to the most senior women in corporate organizations. Therefore, this thesis will explore whether aspiring women directors are attending women-only networking events, and if so, what utility they gain from the events and whether there is an opportunity cost of women-only networking in terms of limiting time available to network with senior men.

Homophily and mentorship and sponsorship

If women lack network centrality, and if homophily results in women being subjected to exclusionary pressures from the power networks where reputations are made and careers are enhanced, it could be argued that they need to take advantage of mentorship and sponsorship opportunities to in some way redress the balance. Mentorship and sponsorship can be conceptualised as specific forms of networking where individuals meet with a more experienced or senior contact with the aim of developing their abilities and enhancing their career progression. Arguably, homophily also has the potential to disadvantage women with regard to access to these forms of networking.

The importance that women gain legitimacy by "borrowing" the social capital of a senior sponsor to access information, resources and power is clearly evident in the literature (Timberlake, 2005). Schor (1997) carried out in-depth interviews with 10 men and 10 women who held senior roles in the insurance industry. Every single one of the women attributed their success at least in part to the help of a mentor, while the men attributed their success to their own efforts. Whether this is a demonstration of women successfully "borrowing" social capital to succeed, or whether it is just

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that men are more likely to take personal credit for their achievements is open to debate. As covered in Chapter 1, studies researching attribution theory have consistently shown that men are more likely to attribute their success to their own behaviour while women are more likely to attribute their success to external factors (Beyer, 1990; Feather, 1969, 1992; Zuckerman, 1979).

Nevertheless, other studies have found that women more often voice the need for a mentor to help them progress (Ragins & Cotton, 1991). At the same time, though, they also suggest that women perceive more barriers to gaining a mentor than do men (Ragins & Cotton, 1991). Using data from a Catalyst survey of 4000 employed individuals who graduated from MBA programmes in the USA between 1996 and 2007, Ibarra *et al.* (2010) found that women's mentors tended to hold lower status, position and organizational power than men's mentors. Speed of promotion was significantly associated with the seniority of the mentor, and so the men in the survey gained 15% more promotions than the women although the number of sideways moves was the same. A significantly higher proportion of the women in the survey had female mentors (36% for women v 11% for men), and a significantly higher proportion of men were mentored by very senior executives (CEO or executive team). Ibarra *et al.* concluded that the men in the survey were more likely to receive active sponsorship from their mentor, with the role going beyond coaching and advice to one of champion and advocate.

Rather like the research on broader networking issues discussed earlier, Tharenou (2005) identified two distinctly different types of mentoring support: instrumental support, which entails actively helping the mentoree with career advice, sponsorship,

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visibility and providing challenging assignments; and psychosocial support which encompasses friendship, counselling and role modelling. She found that instrumental mentoring was positively associated with women's advancement, while psychosocial support was negatively associated with career advancement. Applying Tharenou's concepts to Ibarra's (2010) results, therefore, it seems that men gain more instrumental help from their mentoring arrangements than do women. Since mentoring can be conceptualised as a specific networking subset, this is in line with findings from the studies discussed earlier which found that men reap more instrumental help from their networks than do women.

Tharenou's (2005) study sample was, however, comprised of employees at lower and middle organizational levels, as she was interested in individuals who potentially still had a long way to progress. It is not clear therefore whether the issues found in her study would apply to those at a much more senior level. However, bearing in mind the previous discussions on centrality and homophily, it might seem unlikely that senior women are receiving the same level of sponsorship as are their male colleagues.

One might argue that this could be a particularly important issue. The director level selection process described in Chapter 1, whereby Chairs, other directors, Heads of Nominations Committees and head-hunters put forward names for director level vacancies can be conceptualised as a form of sponsorship. Nominating an individual for a board vacancy is just the type of very active sponsorship described by Elliot (2006), where senior contacts, in this case Chairs and other existing directors, reach downwards to offer opportunities to the individual. Ninety-nine percent of FTSE 100

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Chairs are male (Sealy & Vinnicombe, 2012). If, as previously discussed, male Chairs are more likely to have male contacts than female contacts in their networks (Rothstein *et al.*, 2001), then if they are reaching down to sponsor individuals they know, then it will be likely that they will put forward individuals with whom they have a substantial level of trust, and these individuals are more likely to be homophilous male contacts. Paradoxically, although women seeking board level roles may be in greater need of sponsorship, they may be less likely to receive it.

Given this, a focus of this thesis will be to examine whether aspiring male and female board directors have the same types of mentoring and sponsorship arrangements, and whether the mentoring arrangements confer similar utility. This thesis will also research who Board Chairs and other existing directors provide sponsorship to, and what instrumental help they give to those they sponsor.

Review and Research Questions

This chapter has reviewed the literature pertaining to the gendering of social capital and networking activities. It explained the importance of having a quality network comprised of strong ties for social support and sponsorship and weak ties for access to non-redundant information and for the ability to bridge and broker. It introduced the concept of network centrality which conveys power and gives access to resources. It explored how men tend to be more central to networks than women. It also discussed how network centrality might be an important feature in gaining board level roles. It also sought to explore the literature that helps explain why the quality of male and female networks might differ.

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Taking each of these areas in turn, in terms of the quality of men's and women's networks, centrality has been shown to be a key factor in giving access to information and resources, but studies with a cross section of the workforce have raised doubts about whether women are as central as men to the dominant coalition. Also, when they are central, research indicates that women may not be able to leverage their centrality in the same way as men, gaining less instrumental help as a result. It is not known if these findings can be generalised to women aspiring to board level roles. However, since senior level roles are most often filled by word of mouth and patronage, it is likely that if senior women have less centrality they are likely to miss out of hearing about and being sponsored for board level roles.

In terms of explaining the reasons why men and women have networks of different quality two main areas emerged. The first – a supply side issue –related to networking behaviours. The literature review highlighted the fact that women of all levels are reported to network less than their male colleagues due to family commitments and reluctance to undertake impression management activities. The body of research exploring networking outcomes in the form of job leads and nominations indicated that women reap lesser instrumental rewards than their male counterparts. However, it was not clear whether women themselves understood they might receive poorer outcomes from networking than men, and whether this knowledge influenced the scale and scope of their networking.

The second area to emerge as providing an explanation for why men's and women's networks are of different quality relates to homophily. This impacts on both the demand side and the supply side of the board director selection process.

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Homophily – the tendency for individuals to want to mix and spend time with similar others – appears to work against women in the workplace in a number of ways. In studies of women at all levels, research has found that women have to work harder to build two networks, one with male colleagues and seniors to provide instrumental support, and one with other women for friendship. Stereotyping appears to make women less attractive as network contacts making gaining utility from networks even harder. It can be argued that homophily might encourage senior men to offer mentorship, sponsorship and instrumental help to others of the same sex and educational background. As a result women report feeling excluded from power networks. Homophily also might explain the increase in the number of women only networks, the value of which are questioned in the literature. Again, little of the research in this area has been tested at the corporate director level making it difficult to generalise the findings to the area under scrutiny for this study.

Networking behaviours and homophily may not only impact the quality of aspiring female directors' networks. Arguably they may also hinder aspiring female directors' willingness and ability to leverage their social capital. For example, from the literature review it would also appear that women gain less instrumental help from mentoring and sponsorship arrangements. Receiving sponsorship is a visible enactment of the ability to leverage social capital. Since sponsorship appears to be an important feature of accessing board level appointments, if senior men sponsor homophilic male juniors, this might be a barrier to women's advancement to corporate boards. This thesis will therefore investigate whether aspiring female directors are less able to leverage their social capital.

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A particular feature of the extant research, however, is that much of the research on gender differences in networking structures and outcomes has looked at individuals at all levels of organizational hierarchies. The research does not demonstrate whether those women who have progressed to senior levels network in a manner that is similar to their male peers or whether the differences found at more junior levels can also be found at more senior levels. Additionally, the methodology employed by most networking studies does not help with the understanding of how individuals mobilize the resources in their networks. As discussed above, the most common methods used to map and gauge networks for centrality, homophily and instrumentality are the Name Generator method or the Position Generator method (Lin & Dumin, 1986; van der Gaag *et al.*, 2008). Both are similar in that they ask individuals to name the people they link to, or the position of the people they link to, for advice, support and instrumental help. Effectively they measure who networking takes place with, not how networking takes place. To understand how central individuals are to those in power, and to understand how they mobilize their networks to gain board director roles it would be necessary to explore how aspiring male and female board directors network, as well as with whom they are networking.

On the supply side of the selection process, little is known about how aspiring men and women board directors use the resources in their networks to get themselves on the long and short lists for board roles. Scholars have pointed to the need to foster, build and utilize relationships with senior people in positions of power. Networking with men in powerful positions is one of the most important and significant requirements for success at board director level (Davies-Netzley, 1998). But research

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does not tell us how individuals might build and tap into the networks that are populated by men in powerful positions.

On the demand side of the selection process, very little is known of how Chairs, Heads of Nominations Committees, other director and head-hunters build and utilise their networks, and even less is known of how this might impact on board selection processes. The whole area of director selection is relatively barren of academic research, with Terjesen and colleagues, in a paper reviewing the current knowledge of women on boards and setting out a future research agenda, suggesting that appointment process dynamics, which are all about networking and social capital employment, are worthy of investigation (Terjesen *et al.*, 2009).

This thesis therefore seeks to triangulate understanding of the gendering of social capital and networking activities and their impact on corporate boardroom selection processes by looking at the supply side gendering of social capital and networking activities relating to aspiring directors and the demand side gendering of social capital and networking activities relating to the Chairs, Heads of Nominations Committees, other directors and head-hunters who seek to fill director level vacancies.

In researching the role of social capital and networking in corporate director selection processes, the research will also reflect on Preference Theory, Human Capital Theory, Attribution Theory and Self-Efficacy as explanations of the lack of progress of senior women to corporate board director roles. As discussed in Chapter 1, these theories may account for some of the lack of progress of female junior and middle managers. However, the case for them fully explaining the lack of female

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aspiring directors' progression into the boardroom is less clear. The research will therefore seek to identify how far these theories explain women's lack of progress from very senior levels to corporate board director levels.

Since board diversity, and specifically the presence of a critical mass of female directors, is increasingly being associated with a range of positive organizational attributes, understanding the barriers to women's advancement to boards is important from both an economic and social perspective. The information gained from this research may well be of practical use to organizations and individuals and could aid the progress of equality and diversity on corporate boards.

Given the above, the questions emanating from the literature review are as follows:

1. What is the role of social capital and networking in corporate board selection processes for both executive and non-executive director roles?
2. How far can Human Capital Theory, Preference Theory, Attribution Theory and Self-Efficacy explain the lack of progress of senior women to board level roles?
3. Do aspiring female directors have poorer quality networks and less social capital than their male peers, and does this matter?
4. Why might aspiring women directors have poorer quality networks and less social capital than their male peers? This will require a consideration of:
 - a) whether the behaviours which influence the scale and scope of networking undertaken by aspiring female directors are different to that of their male peers

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b) how far homophily affects the networking activities of the three parties (the aspiring directors, the Chairs and other directors and the head-hunters) involved in board selection processes

5. In their quest to gain board level roles, are female aspiring directors as willing and as able to leverage their social capital as their male peers

In relation to the first research question (the role of social capital and networking in corporate board selection processes for both executive and non-executive director roles), little is known about the selection processes for corporate director roles. Hence, this research will seek to understand how corporate director vacancies are filled. Specifically it will focus on the role of head-hunters, Chairs and other established directors such as Heads of Nominations Committees, and how they put forward names for inclusion on long and short lists. It will explore how head-hunters research the market to find potential candidates, and how they decide who is, and who is not, worthy of consideration. It will also explore how the decision makers know the individuals they are nominating, how they first met them, how they established trust with them, and how they keep in contact with them.

The second research question relates to how far Human Capital Theory, Preference Theory, Attribution Theory and Self-Efficacy can explain the lack of progress of senior women to board level roles. Chapter 1 argued that while these theories may explain the scarcity of women in middle and senior management roles, they provide a less convincing explanation for the poor progress of women from senior management roles to boardroom director roles. One might expect women at senior management levels to have made a choice to focus on their career; to have amassed

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the required levels of human capital; and to possess acceptable levels of self-belief and confidence. However, it is still possible that they contain some explanatory power at this level. The research will therefore seek to explore this issue by asking aspiring directors about their preferences and their human capital and by noting their attributions and confidence levels. It will also ask head-hunters and Chairs for their experience of the levels of ambition and human capital and confidence they have found in aspiring male and female directors.

With regard to the third research question (Do aspiring female directors have poorer quality networks and less social capital than their male peers?), in understanding an individual's centrality to those who make board selection decisions, it is important to understand not only who aspiring directors know. While a list of names and contact details in an individual's address book may look impressive, it may not necessarily be a signal of centrality. How they know their powerful contacts, how they keep in contact with them, and what indicators exist of levels of trust and respect are all likely to provide richer indicators of social capital. This research will explore the richness of aspiring male and female directors' social capital in relation to those who make board selection decisions.

With regard to the fourth research question (Why might aspiring women directors have poorer quality networks and poorer networking outcomes than their male peers?), the first issue is to consider whether the behaviours which impact the scale and scope of networking undertaken by aspiring female directors is different to that of their male peers. The literature review suggests that women at all levels of seniority may be reluctant to network in the same way as their male peers, preferring

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to rely on hard work to be noticed. There are also suggestions that women's caring duties make it more difficult for them to spend time networking, and that women may prefer to network for social rather than instrumental reasons. The research will explore men's and women's attitudes to and motivations for networking, the amount of networking they undertake and form that their networking takes. It will also explore what benefits they perceive they gain from networking and whether perceptions of the instrumental help that can be gained from networking impact the scale of networking.

The second issue to consider with regard to the fourth research question is how does homophily affect the networking activities of the three parties (the aspiring directors, the Chairs and other directors and the head-hunters) involved in board selection processes? The literature review exposed a number of important questions about the role of homophily and how it impacts networking and board selection activities. The research will explore whether male aspiring directors find it easier to make network connections with influential business leaders. It will also explore whether homophily draws aspiring women directors to spend time at women only events at the expense of networking with powerful men. The research will seek to validate whether this is also the case for aspiring board directors. The research will explore whether shared characteristics and backgrounds between those who make board selection decisions and those they nominate act to exclude women from power networks. It will also explore whether "matchmaking" activities to introduce aspiring female directors to those who make board selection decisions are effective in overcoming the power of homophily.

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The final research question will consider the willingness and ability of aspiring directors to leverage their social capital. The literature review suggested that women may be less likely to take opportunities to promote themselves than their male peers, and this might also impact the likelihood of them asking influential contacts for help. Even if they do ask for help, it might be possible that the power of homophily makes it more likely that Chairs, other directors and head-hunters will nominate men rather than women for board vacancies. The literature review highlighted the fact that women in general tend to have mentors and sponsors of lower status than their male peers and that men are likely to reap greater rewards from mentorship and sponsorship. This thesis will therefore seek to understand what help and advice individuals have sought and received from their links to people in positions of power, to establish whether women are as willing and able to leverage their social capital to the same extent as their male colleagues

Arguably, a particularly unique aspect of the study to be conducted here is that most previous research into women on boards has investigated the situation from the supply side of the selection process. That is, it has reviewed the situation from the perspective of the women who have recently been appointed to boards or who aspire to being appointed to boards. Very little, if any, existing research has taken a holistic approach of researching both the supply of candidates (both male and female) and the demand from selectors. This research is unusual, therefore, in that it seeks to shed light on both the supply side and demand side of the gendering of social capital and networking and its impact on corporate board selection processes. By addressing these issues, this thesis seeks to make a significant contribution to the understanding of the causes of the ongoing lack of gender diversity in corporate boardrooms.

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Chapter 3: Research Methodology

Underlying Assumptions of the Research Design

The underlying aim of this research is to understand how social capital and networking might impact the selection of corporate board members, and to understand whether gendering of social capital and networking might influence the gender diversity of the candidates who are appointed. Unlike quantitative research, which is interested in numbers and counts (Berg, 1989), this research is interested in understanding the underlying processes at work in board nomination and selection activities. These interest areas are mentioned by Merriam (1988) as indicators that qualitative, rather than quantitative, research methods are appropriate. Because this research is primarily interested in understanding how, rather than what, qualitative rather than quantitative research is the most appropriate method of choice for the majority of the detailed questions. Taylor & Bogdan (1998) describe qualitative research as a craft which is concerned with understanding how individuals think and act. Additionally, the literature has many examples of the features which distinguish qualitative research from quantitative research. For example: it takes place in natural settings (Creswell, 1994); it does not seek to prove specific theories or hypotheses (Creswell, 1994); the data gathered are descriptive rather than numeric (Marshall & Rossman, 1995); it focuses on subjects' experiences and perceptions (Merriam, 1988); and it is interested in uncovering processes as well as outcomes (Merriam, 1988). All of these features are present in the current research agenda, indicating that a qualitative approach is appropriate.

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A research paradigm provides a conceptual framework from which to study phenomena. Different sets of linked assumptions provide the basis for the different positions. In a positivist paradigm researchers believe there is a truth that can be observed and uncovered, with the researcher having no impact on his/her subjects or their behaviours. Post-positivists hold a similar view, however they consider that the full truth may not be uncovered due to inherent weaknesses in researchers and research methods. Interpretivists believe that researchers inevitably influence what is being observed, and that reality is constructed depending on actors and circumstances (Tracy, 2012)

However, there is a debate amongst scholars with regards to the similarities and differences between some of these paradigms. For example, in an editorial review Weber (2004) argues that the boundaries between the positivists and interpretivists are blurred, and that the distinctions made between them are flawed. Likewise, Lin (1998) suggests that it is unwise to argue for a rigid application of a positivist or interpretivist position, as a blended approach is often more suitable and Clark (2009) suggests a middle path between the two research positions.

Therefore it might be more useful to consider the different paradigms to be placed along a spectrum. This research is placed towards the positivist end of the spectrum in that it aims to discover causes of the networking actions of the three parties involved, and a reality of how the selection process works. However, it is also influenced by interpretivist positions.

A qualitative research approach towards the positivist end of the spectrum of paradigms is appropriate for this study as the research is not seeking to quantify the

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actions of the individuals or the process, however it is seeking to understand how the process works. In this research the main interest is in process and meaning, which are characteristics of qualitative research (Creswell, 1994).

A qualitative research approach can cover a wide range of methods and approaches depending on the level of analysis (individual, group or organizational), the aspect under investigation and the underlying epistemological assumptions (Cassell & Symon, 2004). This particular study was interested in understanding the role of social capital and networking at the individual level of aspiring directors, head-hunters and Chair across organizations and markets. A single organizational study was not appropriate as it would not give a general view of how board selection process work or how aspiring directors access board vacancies. The individuals who were the subject of this study are generally very “time poor” and so asking them to complete a diary or similar log of their experiences to answer the research questions would probably not have been effective. A method acceptable to the respondents was therefore crucial to ensure that the research could be completed. As noted by King qualitative interviews are an acceptable method as far as many participants are concerned and “can address quite focused questions about aspects of organizational life, for instance, specific decision processes such as selection decisions” (King, 2004, p21).

Specific Design Approach

In view of the discussion above, the research primarily took the form of interviews with the three groups of actors involved in the board selection process: aspiring male and female directors; Chairs and other established directors; and head-hunters. The

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interviews were semi-structured in nature with an interview guide informed by the literature review (Alvesson & Ashcraft, 2012; King, 2004). The data gleaned from the semi-structured interviews was supplemented by other data as outlined below (after the section on the interviews).

Semi-structured interviews

The interviews were scheduled for a maximum duration of 1.5 hours, and were held at a location convenient for the interviewee (generally either their own office or a business centre room, although two interviews were held in café locations). Informed consent was gained at the time that the interview was arranged, and was confirmed and recorded at the start of each interview, as discussed in the section on ethics below. All of the interviews were undertaken personally by the researcher. Reflection on the role of the researcher is discussed later in this chapter.

The interviews sought to provide rich answers to the research questions and to the specific interest areas highlighted by the literature review. For each of the three groups of constituents an outline of the topic areas for discussion in the interviews had been prepared as discussed above to act as a prompt or aide memoire for the interviewer for circumstances where the interviewee was reluctant to speak freely or where the interviewee went off at a tangent from the area of research interest. These outlines, which can be seen in Appendix A, were based on the research gaps identified in the literature review. The outlines acted as a prompt only, and were not used to constrain the interviews. Indeed the outlines were reviewed and modified after the first few interviews. As part of the interviews, interviewees were asked to illuminate their answers with their recent experiences. For example, Board Chairs

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were asked to remember a recent example where they nominated someone for a director role, and were asked to explain why that particular individual was nominated, how they knew that individual, when they had first met that individual and what particularly made that individual spring to mind as a suitable candidate. The interviewer probed to seek to gain full answers by using open questioning techniques, asking *how*, *why* and *what* type questions. The interviews were recorded and then sent for professional transcription.

The interview process provided a vast quantity of information for analysis. This data needed to be reduced to a manageable format and interpreted to enable analysis (Marshall & Rossman, 1995). Tesch (1990) describes the need to interrogate the data in order to expose patterns that can be used to build a high level picture of the findings. Since this research project aimed to expose consistent themes in relation to the gendering of social capital and networking activities in board selection processes, this suggested a thematic analysis would be appropriate. Therefore, once the interviews were transcribed, a template analysis of the transcripts was undertaken. King (2012, p. 426) describes template analysis as “a style of thematic analysis that balances a relatively high degree of structure in the process of analysing textual data with the flexibility to adapt it to the needs of a particular study”. It is a method well suited to making sense of a large quantity of rich interview data such as was gathered in this study.

It was anticipated that the template analysis would result in a huge amount of data, and to manage the resulting data effectively NVIVO, a computer software package designed to aid the management and manipulation of large quantities of rich data,

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was used. It must be stressed that in using qualitative data analysis software, ownership of the analysis process was not delegated to the computer programme. As noted by Fielding and Lee (1998, p. 167) the point of using computer aided tools is to “support the analyst, but leave the analyst firmly in charge”. Care was taken to maintain this ownership, with the computer software being used as a tool to manage the vast quantity of data which resulted from the interviews rather than guiding the analysis. Additionally, NVIVO provided an audit trail of the analysis undertaken.

An initial set of *a priori* themes was produced based on the topics that have been highlighted in the literature review. These themes were the ones that appeared to be most relevant to the research questions. They were tested on a handful of initial interviews to both check that they were appropriate, and to allow reflection to ensure that they were neither constraining the analysis nor missing themes that had not been previously identified. The *a priori* themes which emerged from this exercise were: Attribution; centrality; club membership; exclusion; experience; educational background; friendship; homophily; lack of time; matchmaking events; modesty; selection processes; sponsorship; sports; and women only events

The themes all had clear definitions which were used to provide rules for deciding which text segments were coded under which heading (Maykut & Morehouse, 1994). For example the theme “selection processes” was defined as “any description from a Chair or a head-hunter of how a vacancy was scoped, documented or described, how potential candidates were attracted or targeted, how candidates and their capabilities were prioritized, tested and validated, and how successful candidates were chosen”. At this stage the themes were deliberately broad, and used

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to index and organize sections of transcripts. Each of the transcripts was studied and sections of text which matched the definitions of the a priori themes were filed under the relevant theme heading

This first stage coding resulted in a very large amount of data indexed under each theme heading. As a result the data needed to be further broken down into categories which reflected the major sub-themes under each heading. For example, the “selection” heading was broken down into the following sub-themes: Role and person specification; headhunter sourcing activities; how do nominators know the people they are putting forward, how do they keep in contact and how do they establish trust?; how do headhunters decide who is or is not worthy of consideration?; heuristics; how do names get on long and short lists?; and how do nominators know potential directors?

Even at the sub-theme level, there was a very large amount of data under each heading. Furthermore, some of the participant driven information did not fit neatly into the sub-theme headings. Therefore the data had to be further unpicked and the themes expanded to reveal the consistent insights from the data. The sub-themes were therefore recoded again to untangle and flesh out the specific detail. For example, the theme “selection process” was finally unpicked into 41 different areas as can be seen at Appendix B.

For each of these final micro themes a summary statement was prepared to act as a concise précis of the data under each heading. Queries and reports were run using the NVIVO software to further explore the research data and these, together with the

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writing up of the summary statements, encouraged and facilitated deeper engagement with the data and its meaning (Bazeley, 2009).

The output from the summary statements was compared with the theoretical and empirical foundations uncovered in the literature review to aid a coherent and structured approach to writing up the results chapters in a manner that enabled each research question to be addressed in turn.

The data analysis described above took place in parallel to interviews being held. As a result, the thematic template analysis, interpretation and write up were conducted as an iterative process that was actively refined as the research progressed.

Other Data Sources

Two other sources of information were used to supplement the interview data as follows.

Personal bio data

Interviewees were asked to provide some basic data about their educational background and work history to add to the interview data on Human Capital, centrality and homophily. This data was used to run queries and reports on NVIVO and to provide some basic comparative charts.

Company Report and Accounts

Where specific identifiable board selection activities and processes were described by respondents the report and account of the companies associated with that activity or process were scrutinized to discover what they said about the director selection. This information was compared with the information provided at interview by relevant actor.

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The Researcher's Role

In qualitative research, the researcher is “the primary instrument for data collection analysis” (Creswell, 1994, p. 145). This section will outline the background and experience of the researcher and the impact this may have had on the study.

The researcher is a mature student with over 30 years' experience in corporate life. She worked just below main board level in a FSTE 100 company, and regularly interacted with the Chair, CEO and other board directors. Her role put her in constant contact with CEO's and directors of other large companies. Since leaving corporate life she has worked as a consultant with a number of large corporations, and has also taken up non-executive director roles (although not with large FTSE 100 or 250 organizations). This background gave the interviewer access to interviewees

The researcher's background and experience bring with it some benefits and some potential problems for the research. In terms of benefits, the researcher's personal network is large and includes head-hunters, Chairs, other established directors and aspiring directors. This greatly eased the process of gaining agreement for interviews to take place, as there was an existing level of trust. The underlying reason for the paucity of academic research into corporate board selection processes and into how aspiring directors, Chairs and head-hunters network and leverage their social capital relates to issues of access. The actors involved in both the demand and supply side of the equation are very busy individuals who are protected by a wall of secretaries and assistants who manage and control their diaries and who ward off requests which they perceive to be a less than optimal use of their boss's time. These problems of

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access are well documented in literature relating to interviewing powerful people (Burnham et al., 2004; Morris, 2009).

The researcher's background also made it easier to introduce some "snowballing" activity where known associates were asked to nominate others who met the criteria for interview. Snowballing is an activity which is known to enhance access to difficult-to-reach individuals. Cassell & Symon (2012, p. 43) specifically refer to this method with regards to very senior executives, saying "...where participants are easily identifiable but difficult to access, such as organization's chief executives, using snowball sampling can allow these people to be reached".

With regard to Chairs, who the researcher anticipated would be the most difficult constituency with whom to secure interviews, the researcher planned to and did use snowballing by leveraging her existing contacts' relationships. The researcher had access to BoardEx which is a "Relationship Capital Management" database which uses sophisticated relationship software to not only provide details of directors in the majority of FTSE 250 and other corporate organizations, but also shows the interlinks at director level between companies. It was used to target individuals for interview through contacts known to the interviewer. Known targets were then asked to facilitate an introduction. Additionally a number of "cold call" interview requests were sent to Chairs registered on the LinkedIn database. These approaches had a surprisingly high success rate (4 out of the 8 Chairs approached using LinkedIn agreed to an interview) and it is likely that the researchers' background provided a "pedigree" which increased the number of individuals who agree to be interviewed.

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Furthermore, the researcher's background eased the actual interview process, as she understood the etiquette of relationships at elite levels and also understood the background and work history of her subjects. Both of these areas are of particular importance in undertaking interviews with senior individuals (Mikecz, 2012).

In terms of potential problems associated with the researcher's background and experience, it is likely that her personal experience as an aspiring FTSE 250 director may have biased her view of the issue of the gendering of social capital and networking and its impact on board selection processes.

Selection of Interviewees

As outlined above, the researcher's own personal network was used to target individuals for interview, and in parallel emails and LinkedIn mails were sent to individuals who met the requirements of the study.

For individuals known to the researcher a direct approach was made. The initial contact explained that the research was part of a PhD study investigating the role of social capital and networking in board selection processes. It also explained issues of confidentiality and informed consent. Individuals known to the interviewer were also asked to facilitate introductions to individuals they knew who met the research criteria

For the parallel approach to individuals unknown to the researcher, potential interview candidates were identified as follows. Head-hunters were identified through internet searches. Chairs and other established directors were identified using BoardEx, company report and accounts and the business sections of broadsheet

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newspapers. The contact information for head-hunters, Chairs and directors tends to be in the public domain.

To identify aspiring directors, HR and “talent” directors in large corporations, ex-colleagues and acquaintances of the researcher were approached to request access to senior executives who form the pool of potential directors. Additionally management consultants and executive coaches who work with very senior individuals were asked whether they could facilitate introductions to individuals who met the research criteria. Any approaches made to individuals not directly known by the researcher included an explanation of how their contact details had been gained in addition to details of the research project and confidentiality.

Using the above approach 82 interviews were held, broken down as follows:

Aspiring or recently appointed directors

In total 28 aspiring or recently appointed female directors were approached and asked if they would agree to being interviewed. 5 did not reply, 1 referred a male colleague and 1 initially agreed but failed to confirm a date. As a result, 21 female aspiring or recently appointed directors were interviewed, 10 of whom were directly known by the interviewer, and 11 of whom were referred by people known by the interviewer. 20 of the female aspiring directors were white, one was Asian. 18 of the female aspiring directors were British, one was French, one was Chinese and one was Canadian.

In total 29 male aspiring or recently appointed directors were contacted and asked if they would agree to being interviewed. 3 did not reply, and 3 initially agreed but failed to confirm a date. As a result 23 aspiring or recently appointed male directors

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were interviewed. 12 of these were known directly by the interviewer, 10 were referred by individuals known by the interviewer and one was identified from LinkedIn. 20 of the male aspiring directors were white. 3 were of Indian heritage. 22 of the male aspiring directors were British, and one was Dutch.

The educational status of the aspiring and recently appointed directors can be found in Table 1.

Table 1: Educational Status of Aspiring Directors

	Female (n=21)	Male (n=23)
Private education	7 (33%)	6 (26%)
University	21 (100%)	23 (100%)
MBA	5 (24%)	2 (9%)
Other Masters	2 (10%)	1 (4%)
PhD	1 (5%)	1 (4%)
Oxbridge	7 (33%)	4 (17%)
Accountant	4 (19%)	7 (30%)
Other professional qualification	8 (38%) (1 medical doctor, 4 law, 1 computing, 1 procurement, 1 HR)	3 (13%) (1 Actuary, 1 computing, 1 HR)

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The aspiring male and female directors were not a homogeneous group. Some were in full time employment in very senior roles and were seeking to progress to full time executive director role. Some were in full time employment and were seeking a non-executive director role in addition to their full time role, either as a stepping stone to a future executive director role, or as a stepping stone to a future portfolio career. Some were existing executive directors who were seeking a non-executive director roles as a career development activity, to broaden their knowledge and learn from other industries. Some were no longer in full time employment and were seeking to gain their first non-executive director role, and some were no longer in full time employment and were seeking to add an additional non-executive director role to their portfolio. Table 2 below shows the motivations and ambitions of the aspiring directors.

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Table 2: Type of aspiring director

	Female (n=21)	Male (n=23)
Full time senior executive role seeking executive director role	2 (10%)	2 (9%)
Full time senior executive role seeking non-executive director role as stepping stone to executive director role	5 (24%)	5 (22%)
Full time senior executive role seeking non-executive director role as stepping stone to portfolio career	6 (29%)	7 (30%)
Full time executive director role seeking non-executive director role to broaden and deepen their knowledge	2 (10%)	3 (13%)
No longer in full time employment seeking first non-executive director role	2 (10%)	2 (9%)
No longer in full time employment seeking additional non-executive director role	4 (19%)	4 (17%)

As described above, not all of the aspiring directors were still in full time work, with both 6 of the men and 6 of the women having left full time employment to take up a portfolio of activities. However, only one of these 12 aspiring directors had been out of a full time position for more than 3 years at the time of the interviews. The last or current full time positions of the aspiring directors are described below in Table 3

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Table 3 Last/current full time position

Type of experience	Female (n=21)	Male (n=23)
CEO of mid-sized company	2(10%)	2(9%)
Divisional Chief Executive Officer	3(14%)	3(13%)
Chief Financial Officer	1(5%)	2(9%)
Divisional Financial Officer	1(5%)	3(13%)
Divisional Sales and Marketing President	1(5%)	2(9%)
Group Chief Counsel	1(5%)	1(4%)
Group Strategy Director	1(5%)	1 (4%)
Chief Technology Officer/ Chief Information Officer	0 (0%)	1(4%)
Chief Procurement Officer with global supply chain responsibility	1(5%)	0 (0%)
Managing director or equivalent	5 (24%)	5(22%)
Group HR director	2 (10%)	1 (4%)
Senior partner with functional leadership responsibility in large accountancy/consultancy firm	2 (10%)	2(9%)
Other-very senior high profile national figure. Can not specify further due to confidentiality issues	1 (5%)	0 (0%)

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Chairs

In total 31 Chairs were contacted and asked if they would agree to an interview. 5 (4 of whom were approached through LinkedIn) did not reply, 2 politely declined and 2 initially agreed to an interview but failed to confirm a date. The remaining 22 Chairs (21 male, 1 female) were interviewed. 12 of these were known directly by the interviewer, 6 were referred by people known by the interviewer and 4 were contacted through LinkedIn. The educational status of the Chairs can be seen in Table 4.

Table 4: Educational Status of Chairs

	Female (n=1)	Male (n=21)	Total
Private education	1	14	15 (68%)
University education	1	21	22 (100%)
MBA	0	3	3 (14%)
Other Masters	1	6	7 (32%)
Oxbridge/Harvard	1	5*	6 (27%)
Accountancy qualification	0	6	6 (27%)

*Two of the male Chairs had attended Harvard in the USA

All of the Chairs were white. One was American, one was German and one was Dutch. The remainder were British.

Head-hunters

In total 22 head-hunters (12 female, 10 male) were approached and asked whether they would agree to an interview. All of these head-hunters worked as senior search executives in the “Board” practice of executive search firms used by FTSE100 companies. They ranged from large multinational organizations to small boutique

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establishments. 2 (male) head-hunters did not respond to the request and 4 (1 male and 3 female) head-hunters politely declined. 7 male and 9 female head-hunters were interviewed making a total of 16 head-hunters who were interviewed. 5 of these were directly known by the interviewer and the remaining 11 were identified from web sites. The educational status of the head-hunters was as follows:

Table 5: Educational Status of Head-hunters

	Female (n=9)	Male (n=7)	Total
Private education	4	6	10 (62%)
University education	9	7	16 (100%)
MBA	3	2	5 (31%)
Other masters	1	0	1 (6%)
Oxbridge	3	1	4 (25%)

All of the head-hunters were white and British.

The number of interviews with head-hunters was capped at 16 as all gave very similar responses and no new information was being discovered. Taylor & Bogdan (1998) suggest that a “sufficient number” of interviews has been reached when no new insights are gained from additional interviews.

Validity, Reliability and Research Limitations

Issues of validity and reliability have long vexed qualitative researchers. Unlike quantitative research, it is not possible to demonstrate statistically the accuracy or generalizability of the research findings. As stated by Creswell (1994, p. 157),

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“qualitative researchers have no single stance or consensus on addressing traditional topics such as validity and reliability in qualitative studies”. That said, the use of NVIVO has allowed an element of quantification of the qualitative responses.

For this research study, there are several ways in which proxies for validity (that is an assurance that the findings reflect reality and are generalizable to corporate board selection beyond the sample group) have been considered (Gibbs, 2007; Yilmaz, 2013). Firstly, a sufficiently large number of interviews were undertaken, until no new themes or insights emerged. Secondly, regular reflections on the progress of the research, the fit of the themes and the probing of the interviewees were undertaken to ensure ongoing fitness for purpose. Finally, the data collected came from a number of sources, not only by interviewing the different constituents involved in the selection processes, but also by using data from non-interview sources such as company Report and Accounts.

In terms of reliability -that is the likelihood that the findings can be replicated - (Gibbs, 2007; Yilmaz, 2013) this research study aimed to be unique in its specific approach and application and so the chance of it being exactly replicated is slim. However, should someone choose to replicate the study exactly, the steps taken by the researcher in terms of reflection of her own biases and trying to minimise them should enable replications.

That said the study does have a number of limitations. Firstly, some residual researcher bias may impact the interview techniques and the analysis. Secondly, many of the interviewees were known to the researcher or were contacts of individuals known to the researcher. As a result, the findings may lack the diversity

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that a less homogeneous group of interviewees may have provided. Thirdly, the research is in an area relating to gender and diversity which has been subject to a large amount of media debate. As a result, there is a possibility that interviewees, especially those responsible for selection processes, may have been tempted to provide “politically correct” responses rather than revealing how they actually think and behave. It has been argued that elite interviewees are more likely than other groups to want to show themselves in a good light, which might make their responses less than truthful (Berry, 2002). However, as can be seen in the results chapters that follow, the interviews appear to reveal a level of candour that indicates that this was not entirely the case: for example, several respondents gave examples of working around regulatory and voluntary codes of practice.

There were very few problems in undertaking the interviews. Interviewees were polite, respectful and engaged. Only one left their phone on during the interview, but only after explaining they were expecting an urgent call. The subjects appeared to be pleased to be interviewed and there was no difficulty in soliciting their views. In contrast to views expressed by some scholars (Burnham *et al.*, 2004), there was no issue with the interviewees trying to take over the interview agenda. They were happy to answer the questions asked. Time constraints were the only noticeable issue, with a number of the interviewees running to a very tight schedule.

Ethical Considerations

Scholars are at pains to highlight the importance of ethical considerations in undertaking qualitative research (Creswell, 1994; Marshall & Rossman, 1995; Merriam, 1988). This is because qualitative research involves interaction with

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humans. On face value, the interviewees involved in this study do not appear to be vulnerable. However, they have reputations and positions to maintain and their rights in this regard had to be protected. To ensure that their rights were safeguarded the following steps were taken.

Potential participants were sent briefing notes which outlined the purpose of the research. These briefing notes can be found at Appendix C. They explained that the findings would be used to write a thesis, and might also be used for future publications. Assurances on confidentiality were also given, as the notes explained that the interviewees and the companies where they worked (or aspired to work) would not be identified.

Prior to the interviews commencing, the consent notes were again given to the interviewees, and they were asked at the start of the recorded interview to confirm that they had understood and agreed the confidentiality arrangements.

Approval to commence the research was given by Philip Dewe on behalf of the Birkbeck OP Department Ethics Committee on 5th July 2012. A copy of the application to the Ethics Committee can be found at Appendix D. The email trail showing approval can be seen at Appendix E.

The recorded interviews were sent to a reputable transcription house which abides by data protection standards. Transcripts of the interviews were stored in a password protected file on a password protected, firewall protected desk top at the researcher's home address. An executive summary of the research findings was sent to all interview participants.

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Having described the method and approach taken to interview data and analysis above, the following chapters present the findings of the research.

Chapter 4: The Role of Social Capital and Networking in Board Selection Processes

Introduction

As explained in the chapter 2, the first research question seeks to expand the body of knowledge relating to the role of networks, networking and social capital in the board selection processes by asking: “what is the role of social capital in corporate board selection processes for both executive and non-executive roles?” The whole area of director selection is relatively barren of academic research, with Terjesen and colleagues, in a paper reviewing the current knowledge of women on boards and setting out a future research agenda, suggesting that appointment process dynamics should be the subject of further research (Terjesen *et al.*, 2009). This research seeks to explore how corporate director roles are filled by focussing on the role of head-hunters, Chairs and other established directors such as Heads of Nominations Committees, in putting forward names for inclusion on long and short lists. It explores how head-hunters research the market to find potential candidates, and how they decide who is, and who is not, worthy of consideration. It also explores how the decision makers know the individuals they are nominating, how they first met them, how they established trust with them, and how they keep in contact with them.

Research question 1 therefore covers how the demand side of the selection process works, and also explores how decision makers build and maintain their networks. The analysis in this section sets the scene for the other research questions which

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investigate the supply side of the selection process and issues of network centrality and homophily. It is against the backdrop of how the selection process works that judgments of the importance of the social capital held by the aspiring male and female directors can be made. The results of the first research question are also important in that they add to the body of research reflecting current practice in board director selection processes in the UK, post the issue of the Davies report, the Voluntary Code for Executive Search Firms and the UK Corporate Governance Code. The UK Corporate Governance Code requires head-hunters to be used for board director selections, or an explanation of why head-hunters are not used to be made in the company's report and accounts, and so there is pressure on Chairs to use search organizations. The intent of this element of the UK Corporate Governance Code is to prevent cronyism and to move away from recruitment through the "old boys' network", reducing the need for aspiring directors to be central to those in positions of power on corporate boards. The Voluntary Code for Executive Search Firms includes a recommendation that head-hunters work with Chairs to ensure role and person specifications focus on capabilities and personal qualities rather than conventional corporate experience to broaden the diversity of the potential candidate pool. The results of this research will show whether these regulatory and voluntary codes have had an impact on the selection process.

As described in Chapter 3, 16 head-hunters were interviewed to explore how they research the market to find potential candidates, and how they decide who is and who is not worthy of consideration. 22 Chairs were interviewed to explore their experiences of recruiting directors to their boards and how they are involved in

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nominating individuals for board positions, both within their own organizations and other organizations’

Background

There are a number of ways in which a vacancy for a new board member can arise: an existing director might come to the end of their contract, or might step down or be “let go”, or changes in a company’s strategy or market place might create the need for new and different skills on the board. All of the Chairs said that they constantly assessed whether their board was fit for purpose and composed to support the executives in delivery of the company’s strategy. They saw this as central to the Chair’s role, and so, if a vacancy arose or if market forces required new skills around the board table, they knew what attributes and experience they would be looking for in potential board candidates. CHM8 articulated this by saying:

Yes, the process really starts with clarity on exactly what the makeup of the board should be, which of course changes as the business mix and model changes. Therefore there are the fundamentals of skills, operational experience, so that you build a profile of what the board needs to be to fulfil its objective. And having done that you then assess that against the board you have and when vacancies occur the first port of call is to look against the specification that you’ve created and agreed as part of the nominations committee to make sure that the individual that you’re looking for has that skill set that you need.

The majority of the Chairs said that they were continually on the lookout for individuals who might bring the required competencies to their board, either by

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concentrating on succession planning and personal development of internal candidates for executive director roles, or by informally assessing individuals they met at business meeting and functions.

Executive Director Roles

Having identified the need for a new or replacement board director, the majority of the Chairs said that the process differed depending on whether it was an executive director or a non-executive director role. For executive director roles, where there was an internal candidate who had been identified through succession planning, head-hunters were not necessarily used. Developing talented individuals within the organization such that they were ready to take up executive director roles if a vacancy arose was seen as a high priority. Many of the Chairs said that if they had a good internal candidate they would just promote them. Internal candidates for board level roles highlighted through succession planning were well networked with the board and were actively sponsored and mentored by the CEO and Chair and often also by other board members. CHM6 describe this situation by saying:

If you've had a succession plan in place for a period of time and you said, look, when such and such a person retires we expect that they're going to be replaced by X, and you have a very high degree of confidence in that person and they can just slot into role. Everybody thinks they're right and, you know, everybody makes the judgment, they're as good as anybody else in the external market.

Other Chairs said that they might call in head-hunters to benchmark or validate the capabilities of the preferred executive director candidate. CHM1 summed this up

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saying “We didn’t always use them [head-hunters] for executives in certain cases.

Where there was a strong internal candidate, we might have used them to benchmark somebody, but wouldn't go through a full process.” This distinction between executive and non-executive recruitment processes was echoed by the executive search community. All of the head-hunters said that organizations almost always engaged head-hunters to fill non-executive roles, however they were not universally involved in the recruitment of executive directors. They agreed that executive director vacancies were often filled with internal candidates who had been selected through succession planning activities. In these circumstances either head-hunters said they were not used at all, or they were only used to validate or benchmark the selected candidate.

Where head-hunters were used for executive director roles, the process followed was not always as intended by the UK Corporate Governance Code (2010) provisions. CHM3 described filling a CEO vacancy with a businessman who had been strongly recommended to him by two different network contacts. He had already commissioned head-hunters to undertake a search prior to getting the recommendations, and the search had reached the shortlist stage. He described what happened by saying:

I went to [head-hunter name] for the CEO, I was advising them about six weeks before the public knowledge that the previous CEO was leaving, that we would want to search. They came up with the usual long list and short list. But then, two independent sources sent me a letter, or an email, to say the guy who I subsequently appointed would be a great character. So I added

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him to the list. It wasn't somebody who [head-hunter name] searched for, but at least, because they put other people in front of me, I was able to benchmark.

In line with the UK Corporate Governance Code, this recruitment activity was reported in the company's Report and Accounts. However, the report just stated that a role and person specification was drawn up and that a search company was used to source suitable candidates. It did not highlight the fact that the successful individual was interjected by the Chair at a late stage in the process, and that the other shortlisted candidates were used for benchmarking purposes only.

Also for CEO roles, two of the Chairs described circumstances where they did not use head-hunters to search for executive director candidates even though they did not have an existing executive highlighted as a successor. In one of these instances this decision was reached because it was felt that the head-hunters would not add value, and in the other instance the Chair had identified a preferred candidate and just used head-hunters to validate that candidate's abilities through informal referencing and comparison. In both of these cases the preferred candidate was male. In the first of these instances, CHF7 voiced a view that their own governance was good and that not using head-hunters did not undermine the fairness of the process, saying:

We replaced the CEO, who is the only executive director on the board, and, you know, our corporate governance here is pretty strong and so we expanded the nominations committee to be, to constitute a search committee. I led that....we decided this time, frankly, all the head-hunters would do would be to ring the entire board, get our suggested names and then give us a

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shortlist and charge us a vast fee, so we said, fine, we'll cut out the middle man and do it ourselves, and, actually, it was a really good process.

This begs the question of “a really good process” for whom? The successful candidate and the Chair were no doubt happy with the outcome, but it was far from an open and transparent process and potential candidates would have been limited to those already having network ties to existing board members, which would have limited the diversity of pool of available people to be considered. The examples above show that despite codes of conduct aimed at opening up the selection of directors to a wide pool of competent individuals, being central to the networks that Chairs belong to is still often one of the most important criteria in gaining a board director role.

Selections using head-hunters

By contrast to executive director recruitments, with one exception all the Chairs said that for non-executive director roles they would always use a head-hunter. The first step in using head-hunters was described by all of the Chairs and all of the head-hunters themselves as agreeing the brief. This entailed agreeing the person and role specification. As discussed above, this is an area where the Voluntary Code for Executive Search Firms suggests that head-hunters challenge Chairs and Heads of nominations committees to focus on capabilities rather than experience so that the search can encompass the widest range of potential candidates. The intent is to broaden the search away from just candidates known by the existing board and thus increase the diversity of directors.

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All of the head-hunters said that they worked with Chairs to shape the job and person specifications for the vacancy and three of the head-hunters specifically mentioned their role in challenging specifications to open them up to a wider range of more gender diverse candidates, not just those within the network of existing board directors. HHF13 felt that head-hunters added significant value in this area, saying “A very small number of companies will say “here’s the role.” In 95% of our experience it is insufficient and too superficial.”

However, the Chairs were less convinced about the ability or willingness of head-hunters to challenge the specification. Only one Chair inferred that there was a dialogue about the specifications, with CHM3 saying “I’ll sit and talk, I’m not great at writing things; I’ll sit and talk to them and describe what we want. That way one then learns, I’ve found, what you really want, and they learn what you really want.” The rest of the Chairs described giving the brief to the head-hunters rather than working with them to refine it. For example, CHM8 said:

Well because we are pretty clear what we want and why we want them and why they fit, because we do the sort of clinical review of our own board it would be unlikely that an outsider would, frankly, know better than we do as to what we should be looking for.

Similarly CHM9 explained “I know, and my nomination committee know, what we want. On the whole, you know, head-hunters do what the customer wants.” CHM5 was more direct in his opinion of the head-hunters contribution to creating the person and role specification, saying “I’ve never known a head-hunter to have any value at all in that process”.

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From the interviews with Chairs, it transpired that often they had a potential candidate in mind to fill their director vacancy. 11 of the Chairs gave a total of 17 instances where they proposed a candidate's name to the head-hunters before the search was formally stated. This was confirmed by the head-hunters, all of whom said that in discussing their engagement with the Chair and other board members there were occasions where unsolicited recommendations of individuals would be made. These names were individuals who were central to the networks of the Chair or other senior directors. However, only one, HHF4, voiced an opinion that on some occasions the decision on who to select had been made before the selection process started, saying "quite often what happens with non-exec appointments is that actually the decision is made before we ever go through fair selection."

The other 15 head-hunters all reported a "fair" and "even handed" approach from Chairs, saying that since the Davies Report this is an area under scrutiny, and so organizations are far less likely to try to force through a favoured candidate. They were not concerned that these recommendations were of people within the Chairs' or other board directors' networks. Indeed the head-hunters placed credence on the quality of individuals who had sufficient levels of social capital to be recommended in this manner. If boards already knew individuals who in their opinion possessed all of the required skills experience and qualities for the vacant board role, head-hunters generally felt that the search was still "fair" and "transparent", with the known candidate either becoming just one of the names on the long list, or, if they were highly favoured by the Chair or the board, becoming the benchmark against which others were judged. HHF1 was typical of this view, saying:

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I would say that yes there are cases where Chairs will put forward their own suggestions. Do they champion them overtly in the process? That would be pretty rare, actually, because I think everybody is working on the basis that selection needs to be for the right [best person for the job] reasons.

None of the head-hunters or Chairs appeared to consider how knowing the “benchmark” candidate prior to the selection process starting might impact the drawing up of the person or role specification, potentially giving the candidate with high levels of social capital and existing linkages to the board an advantage in the selection process. Arguably, knowing a preferred candidate at the start of the process might lead Chairs to base the role and person specification around the experience of that candidate. Indeed, of the 17 candidates proposed by Chairs prior to the commencement of the formal candidate sourcing activities, all but one was successful in gaining the role.

Head-hunters’ Sourcing Activities

Having agreed (or been given) a person and role specification as detailed above, the head-hunters described the “sourcing activities” they used to find names to go back on a long list to the Chair. They were very uniform in their responses, describing how they generally took 3 or 4 weeks to undertake their sourcing activities which typically involve the following activities:

- a) Asking Chairs and existing executive and non-executive directors to nominate individuals if they have not made spontaneous recommendations
- b) Contacting trusted senior contacts in relevant market sectors and asking for their recommendations

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- c) Considering individuals from their own individual personal network
- d) Brainstorming with colleagues to come up with additional names
- e) Searching “Boardex”⁸ for individuals with the relevant market backgrounds
- f) Searching their own companies’ databases for individuals with relevant market backgrounds.
- g) For executive director positions in particular, targeting individuals holding similar roles to the vacancy in other organizations in similar market areas.

The following sections explore each of these stages in turn.

Nominations from the Chair and other existing executive and non-executive directors in the client company

With regard to the first of these sourcing activities, if no recommendations had been made spontaneously by the Chair or other existing directors, the head-hunters all said that they would tap into the existing board’s social capital and networks by asking them if they knew anybody who was suitable for the role. The Chair and existing directors were invariably well connected to people in their industry and markets, and were a rich source of recommendations and in over half of the cases managed by head-hunters nominations were received in this manner. The head-hunters all agreed that names put forward by the Chair and other existing board members had an advantage over other candidates in terms of being placed on the long list: they reported that invariably nominations from the Chair and other board members would be placed on the long list even if they were then not overtly championed beyond that stage. All the head-hunters saw this as unproblematic, as

⁸ The database described in the methods section which is widely used in the executive search industry and which holds details of all directors on listed companies in the UK and USA.

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candidates nominated in this way were considered by them to be likely to be highly relevant. Thus, individuals with high levels of social capital who were central to the networks of, and nominated by the Chair and existing directors had a clear advantage over other candidates on getting on the long list.

The interviews revealed several examples where the Chair had put forward men's names and those men were ultimately successful, some where the Chairs wanted the head-hunters to benchmark their candidate against the market, and some where they said that they did not view their individual as the preferred candidate, it just so happened that they transpired to be the best. Clearly, having levels of social capital such that the Chairs nominated an individual conferred a distinct advantage in gaining the director position. None of the Chairs involved in these selections saw anything wrong in using their own network to source candidates, with CHM20 explaining:

So I think the networking effect is often seen as an old boys' club, whereas I actually think it's to do with the inherent nature of what you're trying to do when you're trying to create a board. You're trying to create an experienced group of people who you feel work well together and then naturally, you know, if you've had the experience of working with people who've got the right skills, you want to work with them again. I don't think there's more to it than that.

However, not all of the examples of Chairs nominating their own favoured candidate resulted in men being appointed. Three Chairs (all male) gave recent (post-Davies) examples of finding preferred female candidates through their own networks

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and then calling in head-hunters to run a process to benchmark the preferred candidate against other candidates. The Chairs said that part of the reason that they had themselves used their own networks was that they particularly wanted to find highly capable female board members and they did not think that the search companies would necessarily identify women who met their criteria.

CHM18 was at pains to explain that this was using networking as a power for good, adding much needed skills and diversity to the board, saying:

I'm not talking about an Old Boy network in the sense that, you know, ... pretend to go through a search and I'll go down to Garrick Club with the bucks and just pick a guy – no. In fact, that's the last thing we're going to do. So it's a different kind of networking. But maybe it's because we have a relatively formed idea of what we want – the kind of domain skills we want.

However, regardless of what type of networking it is, male and female candidates still need to be known and visible to come to the attention of Chairs. These results demonstrate that some Chairs place greater trust in using their own social capital and networks to fill board positions rather than using a more open process which might uncover unknown candidates. Furthermore, they do not see anything wrong in such behaviour, as they appear to think that they will know the candidates who (in their opinion) are most suitable.

While half of the Chairs described instances where they had nominated the successful candidate, the other half said that they were wary of nominating individuals for the long list in case they were perceived to be unfair. They genuinely

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wanted the head-hunters to search for the best available people and they did not believe that they themselves knew all of the best people available.

Contacting trusted senior contacts in relevant market sectors and asking for their recommendations and considering individuals from their own individual personal network

With regard to the second and third of the sourcing activities ((b) contacting trusted senior contacts in relevant market sectors and asking for their recommendations and (c) considering individuals from the head-hunters' own network) the head-hunters were consistent in their description of using their own extensive networks, built up over years of working in the executive search industry. All of the head-hunters, regardless of their gender, described personal networks with a vast array of senior level weak ties, and echoing Burt's work on weak ties (Burt 1992; 2004), they were expert in brokering and bridging across their networks to glean information about industries, markets and potential candidates and clients. Many of the potential candidates and potential recommenders were people that the head-hunter had known for many years, and they may well have placed the individual in their current or a previous role. Use of their own networks and leveraging their own substantial social capital featured heavily in all of the head-hunters' descriptions of how the sourcing activity was undertaken.

All of the head-hunters spoke of contacting these trusted individuals, often existing Chairs and board directors, to ask them to suggest people who might make good candidates. HHF4 summed this up by saying:

We would literally go and talk to them and say, look, we're working on this non-exec appointment. The key criteria are X, Y and Z, do you have any

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thoughts or ideas as to people that would fit that brief. And these are generally either sitting chairs or other non-execs that we know, you know, have got the right kind of peer community relationships to have a view on such things.

However, HHF1 was the only head-hunter who remarked that potential candidates needed to work at their visibility and networking if they were to be nominated for board roles. She specifically mentioned how important it was for aspiring directors to ensure that their contacts knew that they were looking for board level roles so that their name would be put forward by individuals contacted by the search professional. With regard to this she stated:

An element of networking is valuable even if that is only staying in good touch with people you've worked for before and letting them know your aspirations, because they can then act as your champions in the market. I mean, the most common way we would find people within a company is to talk to those people who used to work for that company.

HHF1 was articulating the importance of aspiring directors having quality networks and social capital that they could leverage to ensure that their names were put forward by existing chairs and board directors for consideration by the head-hunters.

The Chairs confirmed the head-hunters descriptions of contacting trusted contacts to solicit details of potential candidates. They all said that they were regularly contacted by head-hunters requesting nominations from them for potential

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candidates for other organizations' board vacancies. A number of the Chairs said that these approaches were so common that they found them somewhat tiresome, for example CHM19 said "They just ring you up and it's the short circuit for them, if they can get the right person to be nominated from somebody who knows the industry, well, I mean, it's money for old rope is what they're doing, isn't it."

However, the majority of Chairs did try to help the head-hunters, as they did not want to ostracize people who could potentially place them in roles at some stage in the future. As CHM16 said "I want to be helpful to the head-hunter, because some day they're going to help me, I hope." Using their social capital and networks was seen as an investment that might have a future payback. It could be argued that this mutual dependency between the head-hunters and the Chairs serves to reinforce and maintain the importance of the role of social capital and networking in corporate board selection processes. There is no great incentive for Chairs to seek to change the way the process works as they themselves might find it more difficult to find a new role in the future if the process was less heavily reliant on networks and networking.

The vast majority of Chairs said that they knew the individuals they had nominated well – one Chair talked of nominating two individuals he had known at Oxford, but mostly Chairs said their initial knowledge of the individuals was through working closely with them, often as their boss or less often as their peer. The Chairs described how they had taken an ongoing interest in the progress of individuals' careers, wanting to ensure that they advanced. CHM16 talked about this saying "I'm helping some of my mates. It's very important to me that their careers go well and I do care

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about them genuinely and not because I want anything back, but I just try and help them in the right way.” The Chairs described actively sponsoring individuals they thought highly of, echoing the findings of Elliot’s (2006) study of the filling of roles at slightly lower levels of senior management.

The Chairs said that the relationships with the individuals they nominated had been maintained through keeping in contact and meeting on a regular basis over the years. These regular meetings included “bumping into each other” at business events such as Confederation of British Industry (CBI) or Business in the Community (BIC) meetings, or meetings on specific business topics run by the large consultancy firms. They also kept in touch through meeting up on the business social circuit of corporate hospitality events such as Ascot, Henley and The Chelsea Flower Show. Three of the Chairs mentioned keeping in touch through playing golf, whilst one mentioned meeting up at private shoots. Therefore the individuals they tended to nominate came from a homogeneous tight knit group of the higher echelons of the business and business social world.

Brainstorming with colleagues to come up with additional names

In addition to using their own social capital to source names, over half of the head-hunters described conferring with colleagues in their executive search firms and brainstorming other potential names. Some of the search firms had regular weekly meetings to brainstorm all of their active executive and board level searches. This brainstorming was described as being done without prior preparation: peers of the head-hunter leading the search would just give names which immediately sprung to their minds rather than consulting files or databases. It was clear that well networked

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aspiring directors with a wide range of weak and strong ties to head-hunters would be more likely to be suggested in these sourcing discussions.

Searching “Boardex” and the search company’s own database

The fifth sourcing activity, searching the Boardex database, was undertaken by 13 of the 16 search firms. Boardex is a global database which contains biographical information on most listed company board members and very senior executives (such as CEOs of divisional businesses) in the UK and USA. Therefore a very large proportion of individuals on this database are already board members, which in turn means that a very large proportion of individuals on the database are male. Many potential female directors will not be visible on it. More open social media databases, such as LinkedIn, where aspiring female directors would be visible, were described as extensively used for lower level roles, but only rarely used for board level searches. LinkedIn was however used to research the profile of individuals nominated through recommendation.

All of the head-hunters used their own databases to source potential candidates, and to validate the backgrounds of names which had come forward from other source activities. Extensive desk based research, investigating who held similar roles in other companies in relevant sectors, was only done where very specific skills (such as a finance director with experience of global pharmaceutical) were required. This tended to be for a small minority of executive director roles where no internal candidate had been recommended through succession planning or the Chair’s own network, and where very specific skills and experiences were required. For non-executive director roles and the majority of executive director roles desk based research was not undertaken: the predominant form of candidate sourcing was

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through networks and networking, and so candidates who were not central to those making sourcing recommendations were not considered. Possessing high levels of social capital is a requirement for candidates in such a selection process

Alternative sourcing mechanisms

All of the sourcing activities described above are heavily reliant on word of mouth recommendations, networks and networking. Only individuals with high levels of social capital resulting from being well networked and central to the inner sanctum of existing Chairs and senior directors are likely to be nominated through these sourcing mechanisms. Whilst such referrals may lead to a good person/organizational fit (e.g. Zottoli & Wanous, 2000; Breugh, 2008) they are also widely considered in both academic and “best practice” literature to result in recruiting individuals with similar backgrounds and characteristics to the recommenders, reinforcing existing demographic patterns (e.g. Ryan & Tippins, 2004; Taber & Hendricks, 2003; CIPD, 2014). Other recruitment methods, such as advertising, have been shown to result in more diverse selections. However, none of the head-hunters considered advertising to be a suitable method for sourcing corporate board candidates, saying that it produced too many responses from unqualified and unsuitable candidates. They also felt that advertisements were likely to miss the type of individual they were specifically targeting. HHF1 summed this up by saying:

In my experience when you do advertise things you can get quite a lot of response that isn't qualified for the role....The really good people are going to be busy taking over the world, they're not reading the Sunday Times appointments section, you know?

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Using advertising could potentially have reduced the importance of networking and social capital in the board selection process, but for corporate board roles advertising was never used. However, all of the head-hunters felt it was appropriate to advertise board level roles in public sector organizations, with HHF2 justifying this by saying;

... all public organisations and many on the cusp of public and private advertise because it's seen as the right thing to do. It's a public appointment; there should be transparency, and some of those appointments are regulated by the office of the commissioner of public appointments so it's about showing that you've conducted an open and transparent process.

The head-hunters felt they had to demonstrate an open and transparent process for public sector through advertising roles, but they did not feel the need to do this for private sector roles.

Arguably this double standard is driven by rules and regulations applied by public sector clients, rather than by the head-hunters themselves. Even when board level public sector roles are advertised, head-hunters also undertake all of the sourcing activities described above, and individuals are still more likely to be placed on a public sector long list if they are recommended to the head-hunter by a trusted source. It could be argued that head-hunters have a vested interest in resisting advertising and maintaining a smokescreen of a liberal approach as a recruitment process less reliant on personal recommendations could be more easily managed internally by clients with head-hunters being disintermediated. Beyond this, the head-hunters sell themselves by marketing the quality of their own personal social

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capital and the breadth of their networks. If advertising was used extensively it could undermine their brand, the value of which is based on their networks.

There was a very high degree of consistency in the head-hunters' and Chairs' description of the sourcing activity, which aligned quite strongly with the findings from the Faulconbridge *et al.* (2009) study mentioned in Chapter 1, albeit the desk based research investigating companies' hierarchies to identify individuals with the right type of background was only generally used in executive director searches. As with Faulconbridge *et al.* (2009), those involved in director selections described a process very heavily reliant on being known and being recommended: individuals with large amounts of social capital which they are able to leverage are likely to be highly favoured by this process.

Formulating the long list

The sourcing activities described above would result in a list of somewhere between 100 and 150 potential names. The next stage of the process required the head-hunters to undertake an initial screening in order to reduce down to a manageable long list of 15 to 20 names for presentation to the client company. The process used by the head-hunters to achieve this was intuitive rather than systematic with none of the head-hunters describing any mechanism for ranking different required criteria to create a score for each candidate against the specification. Rather, they used their judgment to create a long list with a range of candidates who in their opinion met the needs of the board. The head-hunters described rejecting people who clearly did not meet the requirements or people they knew had recently acquired another new role and were therefore unlikely to be available. They also said that they weighted the importance of how an individual's name had come to their attention for

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the role, with candidates nominated by the client company Chair or existing board members normally being included in the long list. The Chairs also said that nominations from them and the rest of their board were normally included, with CHM1 saying “I don’t think I can recall any board member producing a name that the head-hunters ignored. These are relatively small fields.”

Those recommended by other Chairs respected by the head-hunters were also considered favourably. It was clear that aspiring directors with high levels of social capital were more likely to be long listed. Recommendation by a respected Chair was seen as a particularly important validation of individuals who had not previously served on boards, with HHF2 saying:

Recommendation at senior board level is so valuable, so valuable. So if a respected board contributor or a respected chair, particularly a respected chair, recommends that individual, that means a lot, particularly if that individual is not already established as a board contributor in their own right.

Since there are fewer established female board contributors than there are established male board contributors, being recommended by an established Chair might be a particularly important differentiator for aspiring female directors although this was not mentioned by any of the head-hunters. Indeed, none of the head-hunters mentioned gender in their deliberations of who to put on the long list, despite the Voluntary Code for Executive Search Companies requiring them to formulate long lists with 30% of the names being female.

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The head-hunters also said that they made informal referencing calls to get a better view of the individuals' management styles and accomplishments, although they were clear that they had to be discreet in undertaking this as most often the individuals did not know they were being considered for a role at this stage. HHF4 explained how this was undertaken by using their network of trusted advisors, saying:

And then we would go through a process of actually validating the credentials of the people before they end up on the long list. And generally that happens through talking to people in the industry that would have known of them or worked with them from the past in a way that doesn't embarrass any of the parties.

So not only were the individuals initially proposed through word of mouth recommendations and networks, they were also validated in the same way. Clearly, well networked individuals with a range of sponsors are more likely to be favoured by this process. This raises the question of the real role of merit in getting on a long list: it would appear that on some occasions at least, who you know (or who knows you) is more important than what you know or what you have achieved. Indeed, it would appear that in the head-hunters' opinion, being known and nominated by established Chairs is a proxy for merit. It would appear therefore that Finlay & Coverdill's (1999) description of the US head-hunters' process as one of cultivating extensive networks, listening to gossip and rumour and mining data from various sources to identify rising stars is equally applicable to the UK.

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The head-hunters themselves acknowledged that the process was far from universally robust, with one HHF1 saying:

So it's quite an imperfect process, I think. And it depends very much on the quality of the search firm and the quality of the research as to how you arrive at your long list, because a long list can be anything from a list of names that is just somebody's plucked out of the ether to a list of names that have been very thoroughly referenced and checked in advance. And, of course, every head hunter would tell you that theirs falls into the latter category but there are, I'm sure, more instances in fact of the former where that hasn't always been done.

Formulating the shortlist

Having reduced the list of names to a manageable long list of 15 to 20 people, the head-hunters described writing a short précis on each candidate's skills, experiences and motivations to present back to their client. The majority of the head-hunters said that they would arrange a face to face meeting to talk to the Chair (or sometimes the Chair and the Nominations Committee) through the individuals, spending 3 or 4 minutes describing each of them and their perceived fit for the role.

The head-hunters all said that the point of the meeting was to discuss how the individuals measured up to the role and person specification, but again none of them described a systematic methodology for ranking the individuals against the specification criteria. What they described were discussions on each candidate and what particular skills, attributes and experiences they might bring to the board. However, they also all describe conversations taking place about whether individuals

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on the long list were known to any of the reviewing group. If they were known and highly thought of, or known positively through reputation, by any of the reviewing group they were more likely to progress to the shortlist stage. HHF13 justified this as a means of minimizing the risk of taking on an unsuitable candidate, saying “I think it’s a huge advantage to be known positively because it takes away uncertainty and risk”. This further suggests that those aspiring directors with high levels of social capital and extensive quality networks would be favoured by the process.

Conversely, being known and poorly thought of, or known negatively through reputation by any of the reviewing group conferred the individual with a very poor chance of progressing to the shortlist. The head-hunters describe a high level of risk aversion in deciding who should progress to the short list, especially in relation to reputational risk. Most of the head-hunters said that any criticism from any of the review group gained through personal knowledge or reputation invariably led to that individual not passing through to the short list stage. HHM8 was typical in his comment that “If someone rails against someone, even if the feedback from other members of the nominations committee is positive, then that, generally, means that individual won’t go through.” HHM11 was a lone voice in saying he would challenge negative comments if they had evidence to show that the individual was worthy of consideration saying “So what we would do is where somebody spoke less well of somebody, but we had checked them out and we were clear that they fitted the brief and we felt that they could, we would argue very hard to not allow that person to be taken off.” The other head-hunters indicated that they would take an uncritical approach to the clients’ judgments.

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With one exception, all of the other head-hunters stated that they found the reputational assessment a useful part of the selection process. HHM11 was the only head-hunter who appeared to realise that the reputational assessment of individuals might not always be fair, saying:

I prefer on long list days not to have the nominations committee because the views they have are not always accurate, sometimes the views they hold are views going through hearsay. More typically the views can be gained through association many years ago; I used to work with him, oh, must have been in 1995, or 1990, or something oh, he's hopeless.

As with the head-hunters, all of the Chairs described discussions taking place when the long list was presented to establish if any of the board knew any of the nominated individuals, either directly or through reputation, and weight was given to the opinion of the existing board members. CHM9 described this by saying:

But I still feel much more comfortable that, when the head-hunters come up with a list, I test myself and my colleagues - which ones of these people do you know and which ones would you actually say, for God's sake, don't even interview them. Or, my goodness, if we can get this person, man or woman, that would be a terrific thing because I've heard of her, or I've actually worked with her, or, you know, this particular person has got a great reputation, and so on.

The Chairs described discussing each candidate on the long list in turn, but none of them described a systematic rating or ranking of the individuals. It was clear from

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the interviews that candidates with high levels of social capital (such that they were known, or known of, positively) gained a clear advantage and were more likely to move forward from the long list to the short list. CHM4 described this by saying “my experience of these processes are that they’re not very scientific. So first and foremost the loudest voice in the room is the person who knows the person and everything else in the CV is supporting evidence either for or against.”

The use of reputational assessment will inevitably favour individuals who have a wide range of influential contacts with whom they have built trusting relationships. Aspiring directors with high levels of social capital are far more likely to be known positively by some of the individuals in the review process. By contrast, individuals with low levels of social capital are unlikely to have someone fighting their corner in the review meeting.

Having discussed each of the individuals, the head-hunters described the next stage of the process to reduce the number of candidates to a shortlist. This involved discarding individuals deemed to be unsuitable (either due to a perceived skills or experience mismatches, or because one of the review group had a negative view of them). The rest of the names would be put into two groups, one group of 3 or 4 individuals who should definitely be shortlisted, and one group of another 3 or 4 individuals who could possibly progress to the next stage if the first choices were unavailable or not liked when met in person.

Informal referencing

All of the Chairs said that once they had decided on the shortlisted candidates they would reach out to their own network to informally undertake some referencing.

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This was done to establish how individuals interacted with their colleagues and how they influenced and challenged so that the Chairs could get an understanding of how well they would fit in with the culture of the board. As CHM17 put it, "... it's really the style aspects that they're able to shine a light on." CHM21 went as far as saying that they had a policy of only taking people where they could get personal recommendation from someone they knew and trusted. This decision was taken after an individual (where no informal references had been taken) was appointed to the board but could not fit in with the existing team, creating arguments and tensions. CHM21 described the policy by saying:

And I think the two things that it has probably taught me and I hate to say this actually... I've got to say, I hate to say this because it sounds as if it's introducing the old boys' network again... is that it is so much better if you have at least got a... not tenuous... a bit more than tenuous contact or an ability to check somebody out through your network before they come into a senior position – either be it executive or non-executive on the board. And I think we've virtually got a policy now on both boards whereby when we go for a refreshing of talent on the board, we use our network really well and even though the head hunter may produce some new people that we don't know, and that's obvious... that's what they're there for... we want to try and see whether or not our network touches any of those people, because we are absolutely paranoid about the right person, the right expertise, the lack of bull shit, the fit and everything else. We have made a decision that our networks have to touch.

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Clearly those without centrality to the networks of existing board members would be badly disadvantaged in these circumstances as it would be difficult to find a referee whose network touched the selecting company and the shortlisted individual.

CHM5 indicated that it was not only important to reference informally to ensure that the individual would fit in with the existing board, but this fit needed to extend to social settings as well, saying "... the sense in which you would be very happy to invite them to a party, or to a dinner, or, you know, to be part of your social gathering, because you know that they would fit in.....that they weren't going to embarrass you". This informal referencing to test how individuals might fit in professionally and socially with the culture of the company arguably influences selection decisions such that "people like us" are more likely to be recruited.

Aspiring directors who are not central to networks of existing directors and Chairs are not likely to be positively referenced in the same way as those with high levels of social capital. Furthermore, since most existing board members are male, the desire to recruit similar others is likely to lead to a preference for male candidates.

Interviews

In parallel with the behind the scenes informal referencing by Chairs, the head-hunters progressed the next stage in the process by making contact with the shortlisted candidates, initially by telephone, to establish their interest in the role. If the candidate was interested they would be asked to meet face to face with the head-hunter for an exploratory interview to better understand the candidate's fit for the role and to ensure that the candidate understood the role and company situation.

If the informal meeting with the head-hunter was satisfactory, for non-executive

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director roles the next stage of the selection process involved the candidates meeting with the Chair. If the Chair felt they were suitable they progressed to having further interviews with the Chair, CEO and a number of the other board members. These interviews could either be on a one to one basis such that the candidate had several individual meetings or could be one joint meeting. When asked who would be involved in the interviews, none of the head-hunters mentioned HR playing an active role for non-executive director vacancies. Rather, they described an informal process, which they said was appropriate as they felt that the candidates reaching the interview stage were all capable from an experience and knowledge perspective. The majority of the head-hunters said that the interview was to establish who would best complement existing board skills and competencies and who would fit best into the existing board organization with HHF4 voicing this by explaining:

[The interview] can be anything from the Chair having a, sort of, fireside chat and deciding that he knew that person or, and everybody, sort of, collectively thought that was a good egg. And then that person is pointed through to a range of discussions with all the non-execs to ensure that there is a good sense that this person will be the right person that would bring a complementary but different personality to the board and therefore that person will be a good fit.

Even when the Chair and other interviewing directors were prompted by the head-hunters to use the role and person specification as the basis for the interview, judgments often appeared to the head-hunters to be based on who built the best rapport in the interview, with HHF12 explaining:

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So we try to make it as analytical and rigorous as we can, but then they will choose someone quite different often once they meet the people. I just liked him. I just like her. I think they got on brilliantly and I could just see them, you know..... [or] he was too egotistical. They recognise it when they see it. So all of these processes can go out the window once you put people together.

HHF13 echoed these sentiments. Talking of a FTSE250 non-executive director selection where at interview the Chair and other directors chose the person they liked most rather than the one who met the specification most closely, she said “And often we’ll find clients who will completely ignore what’s written down and can be much more erratic in what they’re looking for”. The head-hunters were not concerned about this as in their opinion everyone who reached the interview stage had appropriate skills and experience. What they described was a process where the shortlist of candidates compiled through the sourcing activities all met the suitability requirements while the interviewing was testing acceptability requirements. One could argue the fairness of the suitability requirements (since having high social capital in itself was seen to be worthy of merit). The fairness of the selection process is further brought into doubt by the heavy reliance on acceptability requirements at interview. Using subjective acceptability requirements has long been argued to restrict diversity in recruitment exercises (e.g. Jewson and Mason, 1986b).

Regardless of the fairness of relying on acceptability requirements, the quality of the interviews themselves is questionable. Since candidates often came from outside the sector where the vacancy existed, the Chair and other board members might not

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have the knowledge and experience to delve into the detail of the candidates' backgrounds. The head-hunters believed that these factors encouraged the use of unstructured interviews with no set agenda or pre-determined list of questions. For example, HHF13 described the interviews as follows:

... the non-executive process, often the chats can feel more informal and they're less thorough than executive interviews; so there's not the same interview questionnaire....Often someone interviewing a candidate doesn't have a deep understanding of that candidate's background and sector, so they are more likely to be a less effective interviewer.

None of the Chairs dwelt on the detail of the interviews in describing the selection process. By this stage many of them had drawn up a mental picture of the shortlisted candidates from the paperwork and the informal referencing, and were using the interview to see how they and their fellow board members interacted with the interviewee. For example, CHM12 said:

[it is important to have] matches in terms of chemistry, behaviour, cultural, ethics, etc, with what we have around the board table because it's hard to have a good functioning board, a constructively good functioning board with good dialogue that requires a certain atmosphere and culture around the board table, which is not easy to establish and very easy to destroy with one wrong hire. So, the interview process, it's having yourself, your CEO and a few of the board membership, test that a person would add value to our board.... would add colour and value to the board discussion and would not destroy the board dynamics in a negative way.

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CHM13 acknowledged that the interviews were informal, but felt that none-the-less they were effective saying:

I'm, happy with one executive meeting and two non-executives, depending on the size of the board. So, all in all you've got four people typically interviewing them. And that's what they are, you know- people aren't doing battery tests, or psychoanalytical profiles, or... they're interviews. So they are a less than perfect tool frankly. But with hand on heart I can't say I've made a mistake, I think the people that I've hired have been good people.

It was not just CHM13 who was happy with the interview process. The lack of interview structure and effectiveness was not raised as a problem by any of the head-hunters or Chairs although it is widely recognised in academic and “best practice” literature as producing erratic results when compared to other selection methods (e.g. Schmidt & Hunter 1998). Furthermore, unstructured interviews are likely to be particularly prone to judgment biases where selectors give undue credence to candidates with similar characteristics to themselves (Gallois *et al*, 1992). When used in isolation, unstructured interviews could therefore lead to the selection of candidates similar to the interviewer and to other existing board members. None of the head-hunters described using any form of selection process other than unstructured interviews for non-executive directors.

As noted earlier, many executive director roles are filled with known candidates without a competitive selection process. These individuals would not be subject to a rigorous process, rather they would have been developed and mentored through a succession planning process, and so would already have established a deep level of

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trust with the Chair and the rest of the Board of Directors. A competitive selection process using head-hunters was only described as being used when the Chair and other board members had not been able to source a preferred candidate by using their own social capital and networks to secure a preferred candidate.

Where no preferred candidate existed and a competitive selection process was undertaken, the Chairs were clear that it was much more important to them to ensure that a finance director or a CEO were 100% capable of undertaking the role exceptionally well than it was to do likewise with a non-executive director. They indicated that making a mistake or taking a risk with a non-executive director role was acceptable, however, as CHM2 said:

If you make a [bad] non-executive appointment it isn't going to bring the company down. That's not the case when you're looking for a leader of the business, you've really got to leave no stone unturned and really got to dig down into.... have done everything I can to say which of these three on the shortlist is capable of delivering that given that all three of them has the relevant experience?

This thought process may explain why since the Davies report (Davies 2011) percentages of non-executive women in the FTSE 100 have increased from 15.6% to 25.5%, but the percentage of executive women directors has remained static at under 7% (Davies 2014). Arguably, bringing women onto boards in non-executive positions is merely paying lip service to considerations of equality and diversity as it would appear that the real positions of power remain male bastions (Vinnicombe *et al.*, 2014). Chairs may be prepared to take a risk on women for non-executive

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director roles but not for executive director roles, preferring to select a “safe” candidate in their own image.

Where the head-hunters were involved in executive director selections they all described a more formal approach, with interviews being more focused on what an individual had achieved in their career to date, probing the individual’s knowledge and experience. While a track record of achievement in a highly regarded company was crucial, chemistry and fit were still important, not only with the rest of the board, but also with external stakeholders such as important customers and institutional investors. CHM17 highlighted this with regard to a CEO selection, by saying:

Plus there’s one other feature, and that was the question of culture and values. When you’re sitting at the board, you do consciously refer to the values when you’re making big decisions in the business, and therefore satisfying ourselves that we had someone who was going to be effective within the value system, and actually bought into the values, was actually a key part of the recruitment process.

For both executive and non-executive appointments, as they were not actually present at the interviews or at the internal client meeting discussing the interviewers’ views of the candidates, the head-hunters did not describe how the client selected the chosen candidate. The client would come back to them at the end of the process with their preferred name. However, from their conversations with their clients on why some candidates were successful and others were not, four of the head-hunters voiced opinions that much of the decision was based on “chemistry” and “fit”. For

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example, HHM6 said “Or they may just be very subjective, they just don’t like him; wouldn’t fit in at all, not our sort of person.” While HHM15 echoed these sentiments, saying “Because, it doesn’t matter how good you are or how relevant you are, if the chemistry is wrong, the corporate culture is wrong, and there’s a dysfunctional relationship at the Chair and chief executive level, it won’t work.”

This issue of “fitting in” was further explored through both formal references suggested by the aspiring directors and informal references taken up by the Chairs and head-hunters through their own networks. Aspiring directors with high levels of social capital are far more likely to mix in the same circles as those giving references. As a consequence, they are more likely to be perceived as being “our sort of person”.

How head-hunters grow their list of potential candidates

Outside of a specific vacancy search, the head-hunters were asked how they went about broadening the number of potential board candidates on their own databases. Most said that supply outstripped demand for board level roles and so they did not need to search proactively for new candidates. They knew individuals from their own work in the search industry over many years, through working with individuals as clients (rather than as candidates), through recommendations from others and from proactive approaches from potential candidates looking for board level roles. The head-hunters all said that existing Chairs and CEOs would often recommend or introduce aspiring directors to them, not for a specific role but as a general recommendation, and this personal introduction from a trusted source gave a level of assurance that the individual was of the right calibre for a board level role and so they would automatically be added to the search company’s database. Aspiring

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directors with high levels of social capital are far more likely to be recommended by Chairs and CEO, and this confers a distinct advantage in getting on the head-hunters' database. As HHM8 noted:

Chairmen are always happy to recommend people.....and if you can get an endorsement from someone who is a respected Chairman, that always gives you greater credibility than just a write-in and that's just human nature, ... recommendations are always a very good thing.

Proactively approaching the search firm without this type of personal recommendation was no guarantee that a potential candidate would be seen, or that they would be entered onto the head-hunter's database. Being recommended into the head-hunters was much more likely to result in the potential candidate being reviewed. As HHM16 said:

So we get people writing in all the time, and we have to be very, very circumspect. I probably see one out of 20.....But if it was somebody like a Chairman, or a non-exec who I really admired, who said, this person is very good, if I really admire that person then, yes, I would see that person.

HHF13 said that women were much more likely to write in without recommendation to a search firm, saying "Everyone out there with an iota of business experience thinks she's a potential Board candidate. And I have to be the grumpy old woman who tells her that it's not true for everyone."

It would appear, therefore, that not only is being known and recommended hugely important in deciding whether an individual gets on a long list for a specific search,

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it is also hugely important in deciding whether an individual is logged on a search firm's database. In Chapter 1, social capital was defined as "the goodwill that is engendered by the fabric of social relations and that can be mobilized to facilitate action" (Adler & Kwon, 2002). Aspiring directors with high levels of social capital are able to leverage the goodwill that is engendered in the fabric of their social relations. The goodwill is mobilized in the form of recommendations from those who are influential in the selection process.

The head-hunters did not turn away all un-recommended candidates, but were much more demanding in terms of ensuring that the individuals who they invited in to meet had a compelling Curriculum Vita which clearly marked them out as a board level candidate. Faulconbridge *et al.* (2009) suggested that executive search firms applied heuristics to decide who was worthy of consideration as board candidates, and the head-hunters in this study also described having similar mental shortcuts to identify which "cold callers" they might be prepared to meet. These criteria included a degree or postgraduate qualification from a redbrick university or respected business school, a career history that included working at blue chip organizations, and the holding of leadership roles at executive committee level with profit and loss responsibility. If an individual was recommended by a respected Chair, the same high level of academic and business attainment was not necessarily required. For example, HHM15 described making exceptions to putting people below executive committee level on his database by saying:

Another way in which we know that certain people could be very good, is if we respect the views of the Chair. We get, increasingly, people below exec

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board [as opposed to main board] being recommended by Chairs and non-execus who happen, these days, to get to know these people because they have them presenting to the board.

It would appear therefore that having high levels of social capital could reduce the requirement for having extremely high levels of human capital. As HHM8 opined, “If you can get an endorsement from someone who is a respected Chair, that always gives you greater credibility”

Some of the head-hunters were quite disparaging about individuals who were pro-actively looking for board level roles. When asked if they attended any formal events run by third parties specifically to meet aspiring directors HHF1 replied “I think the general assumption head-hunters make is that those people who are going to networking events seeking to meet head-hunters may not be the best people in their space.” and HHM6 reiterated this view, saying “It [networking event] usually is filled with all sorts of no-hopers who want to come and talk to you about stuff. We haven’t got time and it’s just not worth our while.” The head-hunters were effectively saying that if individuals did not have sufficient social capital to be known already to them through their networks, they probably were not worth knowing.

Head-hunters were more positive about events arranged by their own executive search organization, where they perceived more control over the quality of invitees. The main purpose of these networking events was to maintain relationships with people who they already knew, not to establish new relationships. Only four of the head-hunters said that they ran or attended events solely for women aspiring to board

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level roles to widen their network of suitably qualified aspiring female directors. It appeared that these four search firms were motivated by the targets established in the Davies report (Davies, 2011) and the Voluntary Code for Executive Search Firms. For example, HHF2 said:

Post Davies we started running Women On Board seminars. They're afternoon sessions that are aimed at women who do not yet have listed executive or non-executive board credentials, but who in our opinion are well-placed to make the move upwards. And people who attend that are recommended either by our clients or our other candidates, are identified by us through a process of desk research, looking at the largest privately held businesses, looking at the executive committees of the bigger businesses, and identifying women who we want to meet and want to get to know.

Because the individuals who the head-hunters wanted to build relationships with were often recommended by existing clients, they were likely to be individuals with high levels of social capital. Others identified through desk research as having high levels of human capital may possess less social capital than those found through recommendation. This type of desk based research for potential candidates should reduce the reliance on social capital as a means for getting on head-hunters' databases. However, three quarters of the head-hunters did not describe undertaking this type of activity.

The Effectiveness of the UK Corporate Governance Code

This chapter has reviewed the evidence in relation to the question "what is the role of social capital and networking in corporate board selection process". The selection

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process described by the Chairs and head-hunters with its heavy reliance on recommendation and informal referencing, raises questions about whether the intent of the UK Corporate Governance Code to reduce the reliance on cronyism and the “old boys’ network” is being fulfilled.

The Chairs fell into two distinct groups, those who felt that the UK Corporate Governance Code had been a useful and effective tool for improving the constitution of boards, providing an open process which selected the “best” candidate for the role, and those who felt it was something to be worked with or around to select the “best” candidate from their own network of contacts. With regard to this, as covered earlier in this chapter, half of the Chairs described at least one situation (and 5 of the Chairs described multiple instances) where they already knew who their “benchmark” candidate was at the start of the process and the “benchmark” candidate was successful in all but one of these cases. They were using their own network and their own social capital to identify their desired candidate. As CHM4 remarked:

My sense is that some nomination committees might be accused of paying lip service to the process. You will go through the whole process even if you know the outcome from the start. And it's very difficult to know in that at what point you're paying lip service to it.

The requirement in the UK Corporate Governance Code to employ executive search firms to fill director vacancies has on occasions increased the revenues of head-hunters without fundamentally changing the way in which selections are made. With regard to this, CHM2 described three examples where he had nominated the

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winning candidates for vacancies on his boards, two prior to the introduction of the code, and once since the introduction of the code. He was confident that he knew enough about his company and his chosen individuals to know that they were the right candidates for his board. Describing the recruitment of two non-executive directors (before the publication of the 2010 UK Corporate Governance Code) he said “So I didn’t use a search firm, and I appointed two new non-executive directors whom I knew from my personal experience to have the kinds of skills and capability that would help get the job done.” He knew the individuals he appointed as they had worked for him and with him for many years in a previous organization, and he had built a high regard for their capabilities and achievements. Even when he had left the previous organization he had kept in touch with them, and regularly met them at golfing days. He was adamant that his judgment in recruiting them was sound, and was not cronyism of any sort, saying that keeping in contact through golf days was “a red herring, because business takes lots of forms, you know.” He seemed oblivious to the fact that relying on his own network and social capital as the only source of potential candidates might miss out a huge range of other well qualified individuals.

The same Chair also gave an example of recruiting a non-executive director more recently (since the publication of the 2010 UK Corporate Governance Code and the 2011 Davies report) where he used a head-hunter, but again on that occasion he nominated the candidate who was eventually successful. Again it was an individual who he had known and worked with since the early 1980s and who he had kept in contact with through a mutual love of golf. He described the process by saying:

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And they [the head-hunters] put him on the short list of five, and then it was up to the nominations committee, which is me and two other non-executive directors to decide which one. And, of course, I was pretty sure about the person we appointed that he was perfect for this company.

In line with the requirements of the 2010 UK Corporate Governance Code, this recruitment was reported in the company's Report and Accounts which said that the company had commissioned a search company to look for candidates against a pre-determined set of criteria.

The aim of the requirement to use head-hunters or explain why they have not been used in the company's report and accounts is to ensure that selection processes are open and transparent. However, it is arguable how transparent the process is when the Chair has already identified the desired candidate and the selection criteria are likely to have been influenced if not determined by the qualities and experiences of that favoured candidate. Whilst the Chair felt that the "best" candidate was recruited, "best" does not necessarily have a common shared meaning. CHM2's description of this particular recruitment supported Pye's (2004, p80) assertion that using search firms gives only a "cloak of independence" to the process, and brings into question the effectiveness of the UK Corporate Governance Code and its ability to broaden the diversity of board directors. There was very little difference in the pre- and post-Corporate Governance Code recruitments described by this Chair, other than the use head-hunters to legitimize a selection from within the Chair's network of contacts. On face value the process may have appeared open and transparent but under the

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surface it was neither. All of the successful candidates in the recruitments described by CHM2 were male.

There were mixed views from the Chairs about the impact of the UK Corporate Governance Code with regard to selection processes. For example, CHM6 thought the Code's requirements had driven process improvements, saying:

I've been on FTSE 100 boards for well over 20 years now and it used to be really quite an amateur process and now it's a very professional process so, you know, it almost always takes place through head-hunters who almost always get a long list. You have a set of competencies that drive that long list: balance and board, function, contributions, business experience, geographical connections, you know, whatever it happens to be.

Conversely, CHM5 did not think there had been any fundamental change to how things were done, other than that head-hunters were now employed rather than the process being managed in house. He did not feel that more regularly using head-hunters changed the process, saying:

The process definitely now is that you go out to a head-hunter because you have to, because if you don't, it's regarded as bad process. Most of the time the head-hunters are pretty... completely useless... partially useless. Most companies now use them because if you don't have it as part of your process, it's not proper corporate governance. Whether they actually add much value, I think it's probably not, but you have to have it.

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Given the examples described above, it appears that while some Chairs have fully embraced the intent of the regulatory code, it is clear that others have not. It would seem from the evidence presented in this section that the intention of both the 2010 UK Corporate Governance Code and the Voluntary Code for Executive Search are not always being operationalized.

Conclusion

This chapter reviewed the research findings in order to answer the question “what is the role of social capital in corporate board selection processes for both executive and non-executive roles?” The research sought to explore how corporate director roles are filled by focussing on the role of head-hunters, Chairs and other established directors such as Heads of Nominations Committees, in putting forward names for inclusion on long and short lists.

For executive director roles, often candidates are selected without a competitive process, as they are internally promoted having been identified through the organization’s succession planning programme. Candidates identified in this manner have invariably received active sponsorship from the Chair of the organization and by other established directors in the organization. Invariably they are well networked to existing board members. Where head-hunters are engaged for such exercises they generally are used merely to benchmark the chosen internal candidate. For non-executive director appointments, head-hunters are invariably used to manage the selection exercise.

The head-hunters sourcing activities are very heavily reliant on personal recommendation from Chair, CEOs and other senior directors. The head-hunters own

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networks are built up over many years of working with individuals throughout their careers such that a network of “insiders” is established as the pool for corporate director roles. Joining the insider network is much easier if an existing member of the network recommends an individual to the head-hunter. For specific director searches, the primary method of searching for individuals is from within the insider network or through recommendation from the insider network. While some of the head-hunters do actively look for new potential candidates, many mentioned that finding new candidates is not their primary focus as the supply of potential suitably qualified and experienced directors outstrips demand, and their focus is more on finding new clients rather than new candidates. Aspiring directors who are not central to the networks that are used for this candidate sourcing will not be nominated. Only potential candidates who are central to Chair and head-hunters are likely to be identified by these sourcing activities.

Head-hunters are far more likely to put an individual’s name forward as a potential board candidate if they are nominated by an existing respected Chair than if they come to the head-hunter’s attention through other means. For non-executive board director positions, candidates nominated by the Chair of the company with the vacancy invariably are placed on the long list, and if they are championed by the Chair they have an advantage throughout the process. Candidates who are not central to the power coalition making the selection judgments will not be ranked as highly as candidates who are known positively within the director level network.

Candidates who are known by the Chair or an existing board member also have an advantage throughout the process, as discussions take place at the long list meeting based on personal knowledge. Additionally, head-hunters and Chairs use

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their own personal networks to undertake informal referencing on shortlisted candidates, and the decision makers are more comfortable that a candidate will fit in to the existing board if they are known and recommended by themselves or a trusted colleague.

For executive board director roles, often vacancies are filled without a competitive selection process involving head-hunters, with candidates identified through succession planning activities. Where head-hunters are used for executive director roles, the selection process is more formal than for non-executive roles, however, it still relies heavily on word of mouth recommendations to source candidates, informal referencing still takes place to validate the candidate's credentials and chemistry and fit are still important.

For board level vacancies within their own organization and for other organizations, Chairs and existing board directors tend to nominate individuals they have worked closely with and kept in touch with over many years. Judgments on who to recommend and who to select are very rarely based on objective evidence of their capabilities and past performance. In an environment where the supply of potential candidates far outweighs the demand for candidates, the selection process does not appear to be based on merit, rather it is based on who you know and how highly they speak of you.

Despite calls for transparency in board selection processes, much of the process continues to rely on private conversations and recommendations. Post the Davies report, the Chairs all said that they are more aware of the need for board diversity. However, they and the head-hunters still rely on word of mouth recommendations and informal referencing to target potential female candidates. The research showed

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that regulatory and voluntary codes aimed at reducing the reliance on the “old boys’ network” in corporate director selection processes have not been universally embraced by Chairs or head-hunters. The Voluntary Code for Executive Search Firms suggests that head-hunters work with Chairs to articulate the competencies (rather than the experiences) required by board directors. This requires head-hunters to challenge Chairs on the detail of the role and person specification. However, the research showed that the head-hunters were not universally prepared to challenge the Chairs on role and person specifications, and most of the Chairs did not believe that the head-hunters would be capable of doing this even if they tried.

This research suggests that the UK Corporate Governance Code has had only limited impact in improving the transparency of the filling of board level roles. Whilst half of the Chairs described a genuine desire to search widely for the most suitable board candidates using head-hunters to reach people they might not know themselves, the other half described using their own networks to fill vacancies. Arguably, at least some of the Chairs have been using head-hunters merely for reporting purposes, so that they can say that they have met the UK Corporate Governance Code requirements.

In summary, the research highlights that only individuals with high levels of social capital, who are connected and visible to those involved in board selection processes, are likely to be sourced as potential board candidates. At all levels of seniority previous theory and research has established the importance of centrality in career progression (Burt, 2004). However previous research has not looked specifically at progression to board level roles. This research indicates that a

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corporate board director level, potential candidates need to be central to the power coalition responsible for making board selection decisions, and they need to be able to leverage that centrality to a degree where they can be actively sponsored and recommended. If women are less central to the power coalition, or if women are equally central but less able to leverage their centrality, they will be less likely to be put forward as potential board level candidates and they will also be less likely to be successful in board selection processes. These issues of centrality will be explored in later chapters.

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Chapter 5: Human Capital Theory, Preference Theory, Attribution Theory and Self-efficacy

Introduction

The previous Chapter explained how board selection processes work from the perspective of head-hunters and Chairs. It found that since the process is heavily reliant on word of mouth recommendations, potential candidates need to be central to the power coalition responsible for making board selection decisions, and they need to be able to leverage that centrality to a degree where they can be actively sponsored and recommended. It argued that if women are less central to the power coalition, or if women are equally central but less able to leverage their centrality, they will be less likely to put forward as potential board level candidates and they will also be less likely to be successful in board selection processes. However, other causes for the scarcity of female board directors have also been proposed, and this chapter will review which causes are supported by the evidence gathered in this research project. It is important to understand the relevance of these other argued causes to establish whether differences in social capital and network are indeed at the root of the scarcity of women on boards.

The literature pertaining to the suggested reasons for the shortage of female board directors was reviewed in Chapter 1. To recap, it explained that there are four main arguments used to explain this shortage. Firstly, Human Capital Theory has been used to argue that women lack the skills, experience and knowledge needed for board level roles (Davies-Netzley, 1998; Tharenou, 1999). Secondly, Preference Theory argues that women lack the ambition for the most senior roles in organizations, preferring instead to focus on work life balance and family

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commitments (Hakim, 1995; 1998; 2006). Thirdly, Attribution Theory and self-efficacy argue that women lack the confidence needed for board director roles (Singh *et al.*, 2002; Westpal and Stern, 2007). Finally, Social Capital and Networking Theory has been used to explain the scarcity of female corporate board directors by arguing that women do not have networks of the same quality as their male counterparts and cannot leverage their social capital to gain the sponsorship required to gain a board position.

This chapter seeks to address this by answering the dissertation's second research question (How far can Human Capital Theory, Preference Theory, Attribution Theory and Self-Efficacy explain the lack of progress of senior women to board level roles?) It will analyse the data from the research interviews to explore whether aspiring female directors possess lower levels of human capital, have a less work-oriented disposition and are less confident than their male peers. It will also explore the head-hunters' and Chairs' views in relation to these issues.

Human Capital Theory

The Human Capital Theory (Becker, 1964) explanation for the lack of gender diversity in board level roles is that women may lack the type of human capital (the skills, knowledge and experience) that would make them suitable for board positions. Chapter 1 explained that Human Capital Theory might explain women's lack of advancement to the highest ranks of organizations in three ways: women possess fewer of the educational qualifications that are needed for director roles; women possess fewer of the skills that are needed for director roles; and women possess less of the right kind of work experience needed for director roles. This

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section of the chapter seeks to identify how far there is empirical support for these arguments.

Taking the first of these three strands, none of the head-hunters and none of the Chairs said that the aspiring female directors they know had less of the educational qualifications needed for boardroom roles. None of them suggested a shortage of women with the right type of educational background had created the scarcity of women in board director roles.

Comparing the educational background of the male and female aspiring directors, there was no evidence to suggest that the female aspiring directors were less well educated than their male counterparts. Indeed, the female aspiring directors interviewed for this study had higher levels of educational attainment as can be seen from the following extract from the bio data reported in Chapter 3 shown below in Table 6. While the sample size is small and therefore the results cannot be generalized, there is no reason to suggest that this sample is not representative.

Table 6: Academic Qualifications of Aspiring Directors

Qualification	Female (n=21)	Male (N=23)
University degree	21 (100%)	23 (100%)
MBA	5 (24%)	2 (9%)
Other Masters	2 (10%)	1 (4%)
PhD	1 (5%)	1 (4%)

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The first strand of the Human Capital argument, that aspiring female directors possess fewer of the educational qualifications needed for the boardroom is not therefore supported by the interviews or the bio-data collected for this research.

Moving to the second of the Human Capital arguments that women possess less of the skills that are needed for director roles, it was argued in Chapter 1 that since there was no agreed definition of the skills required for the boardroom, it was difficult to see how women could be judged to be lacking these undefined skills. Chapter 1 did however propose that if selectors *believed* that women did not possess the right skills, then this could be a reason for them not attaining board level roles. The research therefore sought to understand whether Chairs and head-hunters *believed* that women lacked the skills required for the boardroom as this would be a compelling argument for their relative scarcity in director roles.

The Chairs and head-hunters were unable to articulate clearly what specific skills were required for board level roles. The majority of the head-hunters and Chairs found it far easier to describe what experience was required than what skills were required. HHF13 summed up this inability to pin down what specific skills were needed by saying “And it’s usually very difficult to get anything that feels substantive.”

Where Chairs did describe skills they used high level statements such as “good judgement” and “good interpersonal skills” which relate to qualities that are not particularly easy to monitor or measure. For example, CHM15 described the skills required of a good director by saying “in my view good judgement, great interpersonal skills, and sort of antenna [are the skills] that you need to be a really good

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director”. None of the Chairs suggested that aspiring female directors possessed any less of these poorly defined skills than their male colleagues. Indeed, CHM21 felt that women directors brought skills which added to the board dynamics, explaining his position as follows:

I’m a great advocate actually of women on boards because I actually find that they add something which is quite different in their attitudes and their approach and their... the way that they work within the group is actually, I find, refreshing, and they are... they’re the first ones to leave the ego at the door, which is... I think is so important actually in a non-executive role.

Equally, none of the head-hunters said that they believed that female aspiring directors possessed less of the skills required for the boardroom, nor did they suggest that a shortage of women possessing the skills needed for the boardroom had created a scarcity of female directors. Indeed, HHF7 felt that the females tended to be more highly skilled, saying “I think it’s still true that people expect an awful lot more from a female candidate than they do from a male candidate. And in my experience they typically do tend to be head and shoulders above their male counterparts”.

Therefore, since none of the head-hunters or Chairs made any comments to suggest that women possess fewer of the skills that are needed for director roles, the second element of the Human Capital argument is not supported by this research.

The third and final strand of the Human Capital argument is that women possess less of the right kind of work experience needed for director roles. None of the Chairs suggested that women lacked the experience for board level roles, a huge change since the Ragins *et al* (1998) survey which found that 82% of CEOs considered lack of experience to be a reason for women being held back from board

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level roles. Two of the Chairs spoke of the work their organizations did to ensure that talented women were moved into roles which would equip them for executive board positions in the future. Two of the head-hunters said that those with previous board experience were sometimes favoured in board selection processes, with HHF1 saying:

I think in my experience boards historically had a preference to appoint individuals who are either former chief executives or former finance directors because chief executives know how to run businesses, they've been the lonely man at the top and they're used to being in a boardroom and understand all of that, and finance directors know how to run finances and they'll look after your audit committee.

However, the two head-hunters who voiced the opinion that historically previous board experience was favoured both said that they believed this tendency was changing as boards became more aware of the need for a diverse range of skills. Importantly, most of the head-hunters said that they had plenty of candidates of both genders who had the experience for the board level roles, and so did not perceive lack of this type of Human Capital to be an issue for aspiring female directors.

Indeed, of the male and female aspiring directors interviewed for this research project, the levels of experience they held appeared to be similar. Table 3 in Chapter 3 showed the last full time position held by the aspiring directors. Table 7 below details the wider experience disclosed by the interviewees (not just relating to their last full time role.)

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Table 7: Experience of Aspiring Directors

Type of experience	Female (n=21)	Male (n=23)
Previous experience of sitting on a FTSE listed company board	4 (19%)	4 (17%)
Divisional or company Chief Executive Officer of large corporate company	4 (19%)	4 (17%)
Divisional or company Chief Financial Officer of a large corporate company	2 (10%)	4 (17%)
Experience of operating a profit and loss business (beneath divisional CEO level)	4 (19%)	4 (17%)
Functional managing director or equivalent (not including HR)	6 (29%)	7 (30%)
Group HR director	2 (10%)	1 (4%)
Senior partner in large consultancy firm	2 (10%)	2 (9%)

The number of interviews undertaken was not enough to provide a statistically reliable sample, and so it is impossible to generalise from these results. However, this snapshot of the experiences of the male and female aspiring directors, in line with the views of the majority of the head-hunters and all of the Chairs, does not suggest support for the third strand of the Human Capital argument that women possess less of the right kind of work experience required for director roles. As such,

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none of the three strands of the Human Capital theory explanation for the reasons for the lack of female directors have been upheld by this research. Given there are no human capital deficiencies, the fact that women are still not making it to the boardroom in larger numbers, especially in executive director roles, is all the more striking.

Preference Theory

As discussed in Chapter 1, Preference Theory (Hakim, 1995; 1998; 2006) suggests that women choose one of three work-lifestyle patterns: home centred, focussing on family life; adaptive, focussing on combining family and work but not being committed to a career; and work centred, concentrating on work and prepared to sacrifice family in the pursuit of career. Preference theory therefore suggests that women may lack the ambition for board level roles, and that is why there are so few female corporate board directors. Chapter 1 argued however that while Preference Theory might explain why women drop out of lower and middle management ranks, it is unlikely to explain why women in senior management are not progressing in proportional numbers to board levels as ambitious career women who form the pool for potential directors will have already made a choice to concentrate on their career. The ensuing discussion considers the extent to which this view is supported empirically by this research.

With regard to this, the vast majority of those making decisions on who to select for board roles did not perceive any difference in the levels of ambition displayed by aspiring male and female directors. Only 3 of the Chairs and 2 of the head-hunters thought that lack of ambition was at least in part responsible for the lack of female directors, and their comments specifically related to executive board director roles

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rather than non-executive board director roles. CHM12 was the most forthright in voicing this view, describing why there were no female executive directors in his organization by saying “There is no glass ceiling. Women create their own glass ceiling because they’re not aggressively pursuing their career, they look for different aspects of the balance in life”. HHF5 was also very direct in her views of why there were so few females board directors, saying “Women don’t aspire to be at the top. They are not willing to do the stuff it takes to get to the top. Simple stuff like mobility or going to a meeting when it’s inconvenient.”

However, these two comments were by no means typical of the Chairs and head-hunters, the vast majority of whom thought that senior female executives were every bit as ambitious as male senior executives. As CHM6 remarked, throughout his career he had come across “plenty of ambitious women” at senior executive levels. Similarly, none of the female aspiring directors gave any indication of lacking the ambition for board level roles. AFD1 was clear in her belief that women were as ambitious as men, saying:

I think that's completely untrue [that women are less ambitious] and actually in many respects I think women are more ambitious. I think women really are as ambitious and we're just as competitive as men...And very many professional women will be looking, they'll have goals and they'll be looking out several years and thinking what they want to achieve

There was no perceivable difference in the expressed desire for work life balance between the genders and no indication that the females were less flexible or committed. With regard to being prepared to move locations or undertake

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international travel for work, 3 of the female aspiring directors had moved to different continents to take up promotions at some stage in their careers, compared with 4 of the male aspiring directors. 12 of the female aspiring directors held global roles which required large amounts of overseas travel, compared with 11 of the male aspiring directors. Therefore, it did not appear that the female aspiring directors were any less committed or flexible than their male counterparts.

Another argument proposed by one of the three Chairs and the other head-hunter who thought that lack of ambition was at least in part responsible for the lack of female directors, was that women start out just as ambitious as men, but “run out of steam” before reaching the highest levels in organizations. CHM1 and HHF9 both suggested that senior women sometimes decide to step out of the corporate “rat-race” with HHF9 explaining this by saying “A lot of women get to the [senior management] stage of their career and then actually do not want to live the same sort of life as lots of their male peers”. However, the aspiring female directors interviewed for this thesis did not show any greater propensity to step out of corporate executive life than their male counterparts. Of the 21 female aspiring directors, 6 were no longer in full time executive roles, although 3 of these six had worked in full time positions until they had reached 60, and so only 3 of them had stepped out of executive life early. Of the 23 male aspiring directors, again 6 were no longer in full time roles, with only one of them aged over 60, and so 5 of them had stepped out of full time executive roles early. The evidence from this sample was opposed to the view held by CHM1 and HHF9.

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In summary, the interview data did not give any indication that women in senior executive roles were less ambitious than their male counterparts. The female aspiring directors were just as likely to move and travel to pursue their career aspirations, and just as likely to be pursuing full time executive careers as their male counterparts. It is true that this sample of aspiring directors was relatively small and so may not reflect a greater cross-section of the aspiring director community. However, the interviewees came from a range of sectors and backgrounds, and there is no reason to believe that this sample was markedly different from the wider community. As discussed earlier, the head-hunters said that they had more than enough suitably qualified aspiring directors of both genders, this section suggests that the females are equally as ambitious in pursuing their aspirations as the males. As suggested in Chapter 1, the argument that women who had reached senior levels have already committed to their careers is supported by this research. It therefore does not seem that Preference Theory provides an explanation for the lack of women progressing from senior management to board level roles.

Attribution and Self-Efficacy

Chapter 1 explained that while Hakim (1995; 1998; 2006) contends that women are less ambitious than men, others contend that they are equally ambitious and that a more likely explanation for what some might see as lack of ambition in women is that their behaviours do not always signal their desire for advancement. It could be that one reason why women are less likely to promote their work and abilities actively relates to attribution theory. First proposed by Heider (1944) and built on by Weiner and his colleagues (Weiner, 1985; Weiner, *et al.*, 1972; Weiner & Kukla, 1970), Attribution Theory relates to how people make sense of and interpret events.

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For example, individuals make judgements about what causes work outcomes. In doing this they can attribute their and other peoples success or failure to either internal factors (such as effort and ability) or to external factors (such as help from others, market conditions, ease or difficulty of goals).

As argued earlier, previous research has shown that not only are others likely to attribute women's success to external factors rather than to their abilities, women themselves are also likely to attribute their success to their team or to external factors rather than to themselves (Beyer, 1990; Feather, 1969, 1992; Rosenthal, 1994; Zuckerman, 1979). Women's tendency to not take full credit for their successes may be due to conditioning or may be due to lack of confidence. Equally, it may just be a fairer reflection of the truth of working in organizations, as it is rare for one individual to deliver results in isolation from their team. Regardless, self-efficacy has long been associated with career success (Bandura, 1977) and research generally indicates that women have less self-efficacy than men (Davidson & Cooper, 1992). Whatever the cause, if women voice their success and failure attributions, they might inadvertently transmit a lack of confidence that is used by some to argue that they lack the confidence for board level roles. This research therefore sought to understand whether aspiring female directors portrayed a lack of confidence in their own abilities.

With regard to this, none of the head-hunters and none of the Chairs suggested that lack of confidence was contributing to women's failure to join corporate boards in substantial numbers. Similarly, none of the female aspiring directors indicated a lack of confidence was holding them back. AFD4 talked about making a point of noting

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her successes as they occurred so that she could write them up on her CV, saying “I’ve always, when doing my own self-appraisal, throughout the year when something occurred, a big achievement, I got a nice letter or something, I’ve always dropped those into a little folder so that I could remember and use them.” Clearly AFD4 was attributing her successes to herself, as was AFD21 who, describing her readiness for a board director role said:

I know I would make a great non-executive director. I’ve got loads of commercial experience in really challenging markets. I’ve delivered real results, not just vaporware. I’m a great team player and I know how to challenge in a way that is non-threatening to executives. I find it really frustrating that I don’t even get shortlisted when I see people who I know are less able than me getting on boards.

Scholars contend that early conditioning of how “nice girls” behave affects linguistic style, making women more likely to talk about “we” than “I”, and that this use of “we” could detract from how confident they appear to others (Oakley, 2000). However, this research did not find any support for this contention as all of the aspiring directors, both male and female used the word “I” rather than “we” when attributing their achievements during their interviews. The female’s attributions for their achievements and successes did not differ in any material way from those of their male colleagues. While lack of confidence may limit the pool of women who reach senior executive levels, the evidence from this research did not support the argument that those who have made it to senior positions lack the confidence required for board director roles.

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Chapter 1 also highlighted that it is argued that girls are conditioned to behave in a modest and unassuming manner, and this could lead to them behave in a less boastful way than men (Oakley, 2000; Rosenthal & Guest, 1996). Whilst this was not mentioned by the head-hunters and Chairs, there were some instances of the female aspiring directors conducting themselves in a more modest way than their male colleagues. The majority of the women felt that career advancement should be based on merit rather than on using contacts. They did not look for opportunities to publicise their successes, preferring to put their energies into doing a good job. Other studies with women at all levels of management have found that women do not engage in impression management and ingratiating behavior in the same way as their male colleagues (Singh *et al.* 2002; Singh & Vinnicombe, 2001). The results of this study indicated that this trait extends to women at aspiring board director levels. For example AFD4 explained:

I have never engaged in cozying up or brownnosing or whatever the expression is, people in order to get on. I've never done that. I think, again, I'm going to generalise, I think a lot of women, and I'm one of them, believe in fairness and they think if they work hard and do well it'll be so obvious

By contrast, the majority of the male aspiring directors felt that engaging in impression management was just part of working life, and even if they did not enjoy doing it, they still undertook it. For example, when talking about various meeting and events he had attended specifically to spend time with the board of his company AMD19 said "I fundamentally don't enjoy the whole process of schmoozing in order to progress my career. I just don't enjoy it. I'd much rather be rolling my sleeves up working to make this place a success, but it has to be done!"

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Beyond not partaking in impression management themselves, several of the women were very disparaging of other women who engaged in such practices, and viewed them with far more disdain than they would view a man displaying the same behaviour. For example, speaking of a female colleague who planned and executed her work activities so that she constantly mixed with board members, AFD21 said “heaven knows why she has not been caught out yet. She spends her whole life managing upwards instead of concentrating on her job!” This dislike of ingratiating behavior in women echoes the findings of Miller *et al.* (1992) who suggest that boastful women violate the norms of acceptable behaviour for women.

As described above, although there was evidence to suggest that the female aspiring directors were more modest than their male counterparts, there was no evidence to suggest that this was due to a lack of confidence *vis a vis* their male peers. However, in failing to seek out opportunities to impress influential contacts, the female aspiring directors may have inadvertently reduced their opportunities to expand and deepen their network ties with individuals who might make recommendations for board level roles. This could well have an impact on the quality of their networks, which is the topic of the next chapter.

Summary of Chapter 5

This Chapter has reviewed which of the reasons for the lack of female directors discussed in Chapter 1, other than Social Capital Theory, are supported by the research findings.

At board director level, no evidence was found to support the arguments based on Human Capital Theory: aspiring female directors were not found to possess fewer of

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the educational qualifications that are needed for director roles; they were not found to possess fewer of the skills that are needed for director roles; and they were not found to possess less of the right kind of work experience needed for director roles.

Nor was any evidence found to suggest that women who had reached aspiring director levels were less ambitious than their male counterparts. They were just as prepared to move and travel for their work, and did not step out of full time roles any earlier than male aspiring directors. The arguments based on Preference Theory were therefore not supported.

Arguments based on Attribution Theory and self-efficacy were also not supported by the evidence from the interviews. The research did not identify any difference in the confidence of male and female aspiring directors. The research did however find that women aspiring directors were less likely to look for opportunities to publicise their successes with senior influential individuals. They were more modest in their demeanour, expecting to progress on merit. In failing to seek out opportunities to impress influential contacts, the female aspiring directors may have inadvertently reduced their opportunities to expand and deepen their network ties with individuals who might make recommendations for board level roles.

Research Question 2 asked “How far can Human Capital Theory, Preference Theory, Attribution Theory and Self-Efficacy explain the lack of progress of senior women to board level roles?” The evidence from this research is that none of these theories substantially explain the lack of progress of senior women to board director roles. As argued in Chapter 1, Human Capital Theory does not explain the lack of women on corporate boards, as women now outperform men at all educational levels

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and those in the pool for consideration for board level role have accumulated substantial relevant experience. Preference Theory does not explain why women in senior management are not progressing in substantial numbers to board levels. Ambitious career women who form the pool for potential directors have already made a choice to concentrate on their career. Finally, lack of confidence does not appear to be an issue for women with potential for board positions. If this is a problem it is more likely to impact women in lower and middle management roles. It does not appear to be a problem that impacts women who have already achieved senior executive roles and who will have demonstrated their confidence in many situations.

In turn, this supports arguments that Social Capital Theory and networking behaviours offer particularly fertile ground to explore why women in senior positions are not progressing in substantial numbers to corporate board director positions. The next chapter will present the evidence from the interviews in relation to whether the quality of the networks of the female aspiring directors is poorer than that of their male counterparts. It will also present the findings relating to why aspiring women directors might have poorer quality networks and poorer networking outcomes than their male peers. It will report the evidence relating to any differences in networking behaviours between the genders, particularly in relation to the scale and scope of the networking undertaken by aspiring male and female directors. It will also report the evidence which shows how far homophily affects the networking activities of male and female aspiring directors, and also whether homophily impacts access to mentorship and sponsorship.

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Chapter 6: Social Capital Theory Results

Do women have poorer quality networks than their male peers?

Chapter 1 concluded that in contrast to Preference Theory, Human Capital Theory, Attribution Theory and Self-Efficacy, Social Capital Theory and networking behaviours offer particularly fertile ground to explore why women in senior positions are not progressing in substantial numbers to corporate board director positions. Chapter 2 reviewed the theory and research relating to the gendering of social capital and networking. It highlighted the importance of being central to those in position of power (Brass, 1984; Ibarra & Andrews, 1993) and it also highlighted the importance of having a network with strong ties to offer friendship and support, and a wide range of weak ties to ensure access to non-redundant information and for the ability to bridge and broker across networks (Burt, 2004). It explained that at junior and middle management levels, research demonstrated that men tend to be more central to networks than women (Brass 1985). It also discussed how network centrality might be an important feature in gaining board level roles but that the extant literature did not specifically look at board level individuals. Centrality has been shown to be a key factor in giving access to information and resources, but studies with a cross section of the workforce have raised doubts about whether women are as central as men to the dominant coalition (e.g. Brass 1985). The third research question “Do aspiring female directors have poorer quality networks than their male peers (in the sense being less central and having fewer strong and weak ties to influential others)” seeks to explore this issue.

This might be deemed to be a particularly relevant issue, given the results presented in Chapter 4 with regard to the demand side roles of social capital and

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networking in corporate board selection processes. Chapter 4 demonstrated that the likelihood of being considered as a serious contender for a board level role increased significantly if aspiring directors were connected to and recommended by Chairs and other senior directors. The way in which the selection process works will clearly disadvantage women if they have poorer networks and less social capital. The discussion below therefore reports evidence relating to whether women do indeed have poorer quality networks.

None of the Chairs and only 2 of the head-hunters suggested that women aspiring directors may not be as well networked as their male counterparts. In talking about how fewer women were recommended to them by Chairs, HHM3 remarked that “Women tend to be more self-contained, whereas men, there's no question, they tend to spread themselves high and wide” and HHM15 commented that “They [women] are not very good at networking.” The fact that the other head-hunters and the Chairs did not comment on the quality of women’s networks is not necessarily surprising. Women who are not well networked are likely to be invisible to Chairs and head-hunters because of the nature of the sourcing process: their names will not be suggested by respected contacts, and they will not be in evidence at the events and functions attended by Chairs and head-hunters. As a result, the head-hunters and Chairs may not realise that suitably qualified aspiring female directors exist but are not in their networks.

The interviews with the 21 female and 23 male aspiring directors explored their centrality to the powerful individuals who make recommendations for and decisions on corporate board director roles. As explained in the section above on Human

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Capital, the male and female interviewees were well matched in terms of their educational background and the level of seniority and type of roles they had undertaken in their executive careers. As a result they would arguably have met a similar number of powerful individuals through their education and work experience. To gauge their centrality, they were questioned about how they knew influential people. The interviews explored the richness of aspiring male and female directors' centrality to those who make board selection decisions.

All of the respondents, both male and female, talked about knowing powerful individuals from their current work activities. For both men and women these relationships were with the senior executives and board members of the organizations where they worked, and with senior executives in customer and supplier organizations, as well as in regulatory and financial bodies. There was very little difference between the genders in terms of the number of linkages they had with the types of senior individuals they needed to interact with to undertake their current roles. They all talked of dealing with their CEO, Chair and other board members, and with individuals at similar influential levels in customer, supplier, financial institution and industry body organizations in their day to day work activities. From their descriptions, it appeared that the men and the women had equal centrality when a snapshot was taken of their current role and their linkages to the immediate senior power coalition for that role. This research did not, therefore, replicate the findings of McGuire's 2002 study which suggested that women occupied jobs that limited their ability to form networks that allowed them to draw upon resources as rich as the men. This may well be because the McGuire research

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was not limited to individuals at very senior levels, but related to a large sample of individuals at all levels in financial services roles.

However, there is a difference between interacting with an individual in a tactical way to achieve a specific work task and building a trusting relationship. Most previous research exploring the centrality from a gender perspective has used a name or position generator method to ask individuals *who* they know. This research sought to go beyond understanding *who* aspiring directors know; it was interested in understanding the richness of the relationships between the aspiring directors and their powerful contacts. The aspiring directors' relationships with the powerful seniors they dealt with in their day to day work roles were therefore explored in more detail.

Outside of specific work tasks, the male aspiring directors appeared to have stronger informal relationships with the power coalition relating to their immediate job area than their female counterparts. To understand the mechanisms which might have created this difference, the aspiring male and female directors were asked to describe not only *who* they knew at work but also *how* they knew them. The vast majority of the male aspiring directors talked about going for dinner or having drinks with individuals holding the most senior roles in their organization or market. For example, AMD7 talked of meeting his CEO and various non-executive directors of his company “for dinner, for coffee, for a drink after work, just for the purpose of getting together and actually exchanging news and views.” Two of the male aspiring directors mentioned spending afternoons playing golf with their immediate main board director boss. The males described a warm and friendly relationship with

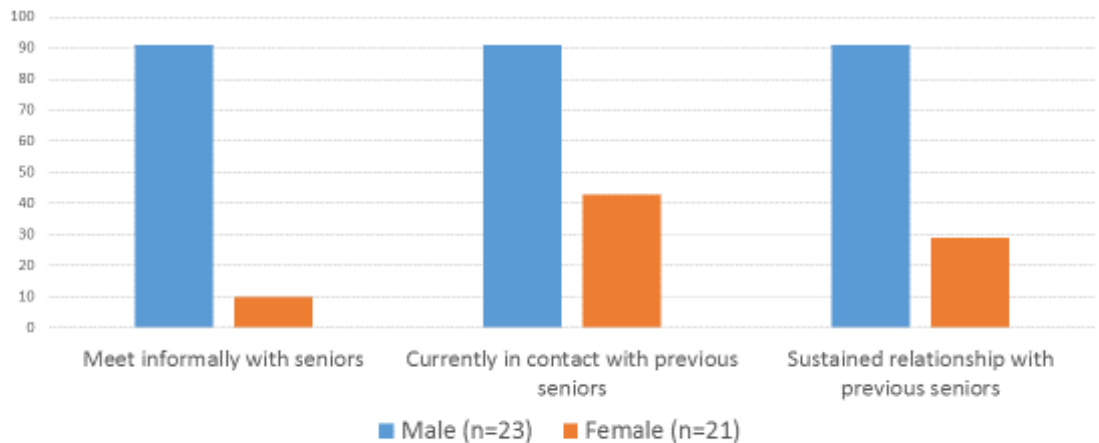
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many of the senior influential contacts in their networks. By contrast, only two of the female aspiring directors talked of meeting informally with those holding powerful positions relating to their current role. While they would on occasions attend a specific work dinner with a client or as part of a team go to dinner with their CEO or Chair, they did not describe informal dinners and drinks with their bosses or other senior individuals. For example, ADF2, when asked if she met her boss for dinner or drinks said “No. No. Never, unless he’s in a group.”

This building of informal relationships with the power coalition may go some way towards explaining why there was a stark difference in the number of powerful individuals that the men and women had kept in touch with from the past. The male and the female aspiring directors all described previously working for and with individuals who had progressed during their careers and now held Chairs and other board director roles. 21 of the 23 male aspiring directors were still in contact with a wide range of these previous bosses and peers, compared with only 9 of the 21 female aspiring directors. Furthermore, 3 of the 9 female directors said that they had only recently reached out to reconnect with previous peers and bosses having been advised to do so as part of their personal development plan by a mentor; they had not maintained a relationship over a long period of time.

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Table 8 : Relationships with influential others



Not only did the aspiring male directors appear to be adept at keeping in contact with previous peers and bosses, but also with other senior individuals they had worked with in customer, supplier and advisory capacities and many of these had also progressed to board level roles. Likewise, the male aspiring directors had built and maintained relationships with head-hunters over a number of years while the female aspiring directors only dealt with the head-hunters in a tactical manner. Consequently, when looking at a wider view of how central aspiring male and female directors were to those who might nominate individuals for board level roles, the male aspiring directors had greater centrality than the female aspiring directors.

This research therefore suggests that women do have poorer quality networks when compared to their male peers. Most of the male aspiring directors had built and maintained relationships with a large number of individuals who made decisions on who to nominate and select for board level roles. They had a good number of strong

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ties and a wide range of weak ties to influential people and were in positions where they could bridge and broker information between different groups of influential people. Network theory would suggest therefore that the male aspiring directors were in a much better position to hear of board level vacancies than their female counterparts. Because they had maintained relationships with a range of influential people from different roles and backgrounds, network theory would also suggest that they would be perceived as being more politically astute and knowledgeable than their female counterparts, and as a consequence they would be more likely to be recommended for board level roles by their important contacts. This in turn suggests that since the female aspiring directors have networks of poorer quality than their male counterparts, and given that board director positions are still filled on the basis of networks and social capital, this will have negative implications for them gaining board level roles.

With regard to the third research question (Do aspiring female directors have poorer quality networks and less social capital than their male peers, and does this matter?) the results displayed above show that aspiring female directors do indeed have networks of poorer quality than their male peers. Since the board selection process is very heavily reliant on word of mouth recommendations (as detailed in chapter 4), aspiring directors need to be central to those making the recommendations if they are to be considered for board level roles. Consequently, the research suggests that female aspiring directors are less likely to be nominated for board director roles as they lack the required network centrality.

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Why do aspiring female directors have networks of lesser quality?

As well as understanding that men's and women's networks differ, it is also important to understand why they differ, as this understanding may be helpful in highlighting areas for consideration in redressing board gender diversity. Chapter 2 proffered two potential reasons for gender differences in network quality, homophily and the behaviours which influence the scale and scope of networking activity. This section will provide evidence in relation to these two areas and will answer the fourth research question, "Why might aspiring women directors have poorer quality networks and poorer networking outcomes than their male peers?" This will require a consideration of:

- a) Whether the behaviours which influence the scale and scope of networking undertaken by aspiring female directors are different from that of their male peers?
- b) How far homophily affects the networking activities of the three parties (the aspiring directors, the Chairs and other directors and the head-hunters) involved in board selection processes, and also access to mentorship and sponsorship?

Networking behaviours

The literature review revealed potential behaviours which might explain the difference in the quality of the aspiring directors' networks. Chapter 2 reviewed the extant literature pertaining to gender differences in behaviours which influence the scale and scope of networking. It explained that some commentators suggest that women are less comfortable with networking per se (Kumra & Vinnicombe 2010;

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Singh *et al.*, 2002). It reviewed the debate relating to whether women prefer to network for friendship and support (van Emmerik, 2006; Vinnicombe & Colwill, 1995) or whether senior women network predominantly for business reasons (Durbin, 2011).

The literature review also highlighted that time restrictions resulting from domestic responsibilities not shared by their male peers reduced their ability to have time to engage in networking activities (Kumra & Vinnicombe, 2010). Much of this literature relates to managers at all levels.

However, very few scholars have researched these issues at board director level with most research focusing on female networking behaviours more generally. The section below seeks to shed light on these matters by reporting the evidence in relation to the first part of the fourth research question (are the behaviours which influence the scale and scope of networking undertaken by aspiring female directors different from that of their male peers).

Do aspiring female directors actively promote themselves through networking?

As discussed above, previous research has suggested that women are less keen on networking than men, and that they do not like to promote themselves in the same way as men (Kumra & Vinnicombe, 2010; Singh *et al.*, 2002). The evidence from this research suggests that these traits are as evident in the behaviours of aspiring female directors as they are in women in general. In relation to this, having built trusting relationships with peers and bosses and other work contacts, over half of the male aspiring directors described a proactive relationship management programme which they had employed throughout their careers to ensure that they kept in touch

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with all of their important contacts. ADM15 described how he kept in contact, saying:

I do actually have a list of people who I keep in contact with, and do make a note of when I've [seen them]...I realise that, unless I keep a track of people, I just won't speak with people, so I have to make myself call people and touch base.

ADM 22 described a relationship management system where contacts were categorized depending on their importance and influence, with the most highly rated being more regularly contacted. ADM11 described how one of his male friends had suggested to him that he put google alerts on the names of influential contacts, and on their companies and their favourite sports teams, so that he could regularly find some reason to make contact with them.

With a number of the male aspiring directors this proactive management of important contacts also extended to maintaining relationships with influential head-hunters even when they were not actively looking for a role. 12 of the 23 male aspiring directors described actively maintaining relationships with head-hunters over the course of their careers, meeting them on a one to one basis for lunch or dinner to maintain contact, and also attending breakfast and dinner events held by the head-hunters. AMD3 described how he had kept in contact with three head-hunters over a ten year period, saying;

I went through five promotions in 11 years, but at each inflection point I reached out to those three head-hunters as an excuse to sound them out as to

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whether it was the right career move for me, and through that just built those relationships over time.

It was clear from the interviews that many of the male aspiring directors actively thought about maintaining a quality network which could help them with their career aspirations. For example, AMD18, describing a time when he went to live and work overseas, said:

When I went off, one thing I was conscious of was disappearing down a hole and not seeing anybody again. So in order to counter that, I made a very conscious plan at the beginning to establish relationships with not all of the head-hunters but two or three of the head-hunting firms, and a core group of friends. Because, anticipating being back in the UK for a week or maybe two weeks at a time a couple of times a year, you can't fill it up with all those things. So I was conscious of focusing on a core, and in keeping contact with a much wider group by email, so, hi, I'm still here, you know?

What AMD18 described was an active programme to nurture his strong ties and maintain his weak ties during his period of absence so that he maintained his centrality to the influential contacts who make recommendations on board positions.

By contrast the female aspiring directors did not talk about proactively managing their relationships with influential Chairs and established board directors, and none of them described any kind of relationship management programme. ADF7 was the only female respondent who said that she actively thought about keeping in touch with business contacts who might be useful to her in the future. She described how

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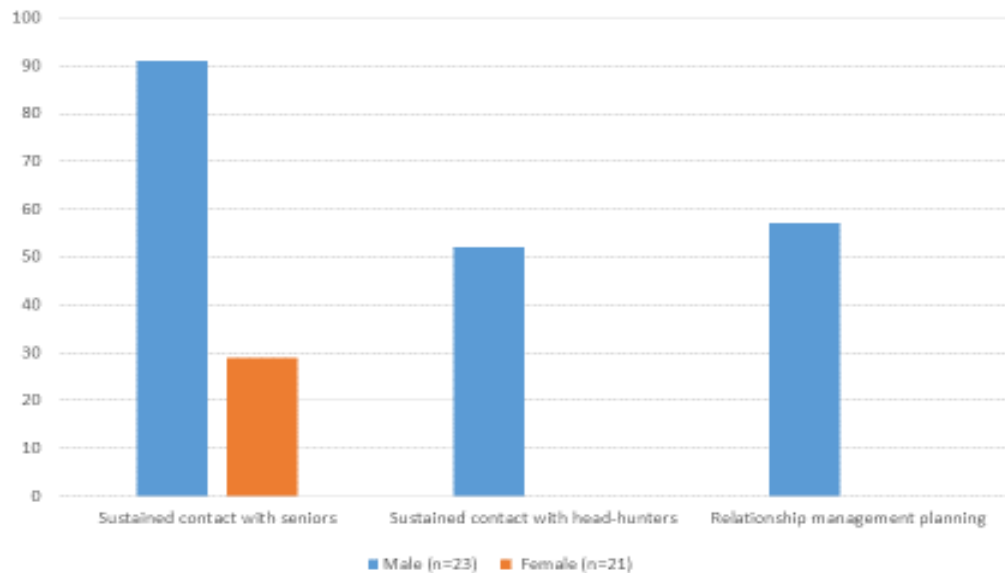
she set aside three hours every Friday morning to update her contact list to include new individuals she had met that week, saying:

It feels a bit mechanistic but blocking out three hours on a Friday morning, and I call it follow-ups, where I take all my business cards out, I say, hi, it was nice to meet you, I look them up on LinkedIn and I write on the business card where I met them so that I remember.

However, she did not describe any sustained follow up beyond this. The other five females who had maintained contact with previous bosses and peers over a number of years described a more ad hoc method of keeping in contact, sending infrequent texts or emails or sending Christmas cards. The female aspiring directors described a much more tactical approach to dealing with head-hunters, contacting them only when they were looking to recruit or looking for a job themselves. None of the female aspiring directors talked of having an ongoing relationship with head-hunters over the course of their careers compared with three quarters of the male aspiring directors. Table 9 below shows the comparison of the male and female aspiring directors behaviours with regard to relationship management.

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Table 9 : Relationship management



Do aspiring male directors spend more time networking than aspiring female directors?

The literature review highlighted the fact that males generally are more likely to attend networking events than women. Also, men are far more likely to use work related strategies such as seeking networking opportunities to promote themselves (Singh *et al.*, 2002; Singh & Vinnicombe, 2001). These findings relating to women at all levels were replicated in this research focusing on aspiring board directors. Beyond keeping in touch through emails and one to one meetings for drinks and dinners, the majority of the male interviewees made a point of going to industry or market focused events. They described being involved in briefing groups aimed specifically at their professional interest area (e.g. CFO forums or CIO forums) or at their particular market area (e.g. round tables held for senior people in

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telecommunications, media, and banking etc). For example, AMD18 talked of attending a dinner at a Michelin starred restaurant by saying:

they do an annual dinner for senior executives in the tech space at the Manoir, and I remember thinking, that'll be brilliant. I'll go along because I love the Manoir, I'll have a nice dinner and I might meet somebody. I was completely gobsmacked to go and find that... I walked into the room where we were having pre-dinner drinks, and I knew three quarters of the people. I'd forgotten just how many people I knew. So I knew three quarters of the people there and it was a fantastic networking event.

More than three-quarters of the male aspiring directors, but only a fifth of the female aspiring directors, also described attending events run by consultancy houses on specific business topics and joining elite business member-only associations and events (e.g. Critical Eye, The Briefing Circle, and The Chemistry Club). Their motivation for attending these events was not only to learn about topics which were interesting from a professional perspective, but was also to meet with important people they had worked with in the past. Their networking at formal events was focused, and they only attended events where they knew they would either re-ignite previous relationships or be able to foster new ones in small intimate settings. They described how they scrutinized attendee lists to ensure that the event would be worthwhile, with AMD19 explaining how he chose which events to attend by saying:

It's always the attendee list, the people who you think would be interesting to spend an evening with and if they have a speaker, which sometimes they

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do – they invite either a current CEO or somebody, or an academic expert – the level of interest in that person.

A number of the male aspiring directors specifically said that they avoided large networking events and only attended small events where they could have a better chance of building deeper relationships. For example, AMD2 said “...what I found is big networking events where you press the flesh actually aren’t that productive because you don’t get the quality time to actually build a connection that endures and there’s a follow-up on.” And AMD 18 made a point that he felt the need to only attend events where relationships could be developed or furthered saying “ I personally feel a strong need for contacts to be on a... at least the beginnings of a friendship basis, you know. So I’m fairly likely to turn down events that just look like a cold networking opportunity”.

Four of the male aspiring directors but only one of the female aspiring directors, spoke of their involvement with the Confederation of British Industry (CBI) or with Business in the Community (BITC), where they worked on committees and sub groups with a range of influential business leaders.

What the male aspiring directors described was a behavioural pattern which consciously nurtured and grew their strong and weak ties, enhanced their centrality to business decision makers and increased their social capital. These behaviours were not evident in the female aspiring directors and their network quality was not therefore enhanced in the same way. The male aspiring directors met senior influential businessmen including many Chairs and existing board directors on a regular basis in small intimate settings.

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Over half of the male aspiring directors talked of maintaining and building relationships with influential contacts through “business social” events, such as golf days, shoots, and attendance at corporate hospitality events at occasions such as Ascot, Henley, Wimbledon and the Chelsea Flower Show during work time. AMD3 was particularly keen on using golf as a way of building relationships with his important contacts “Yes, I do go and play golf, and the best golf days are either one-on-one or where you’re one of four, because you spend four-and-a-half hours with an individual or a group of four individuals where you really build and cement relationships”. He was especially keen on golf as a means of maintaining contacts as it did not eat into his family time, saying;

The beauty about golf is you play it in your employer’s time, it’s accepted. You can go and play golf on a corporate day, then you go back into work the following day and people say, where were you yesterday? I said I played golf, and they don’t go “skiver” they go, how did you play?

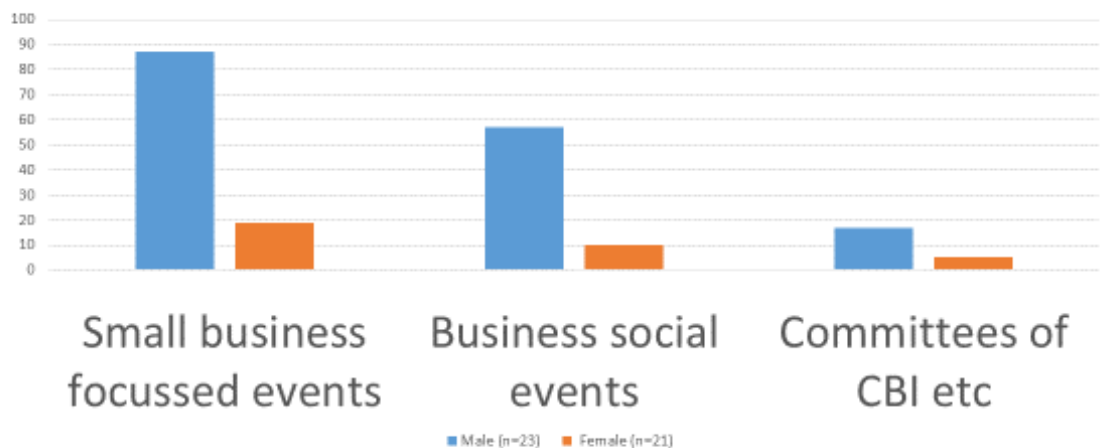
AMD12 was aware that he was likely to reconnect with important contacts at invitation only hospitality events saying “I signed up to a private viewing of the Summer Exhibition at The Royal Academy in a few weeks’ time. I’ve got an invitation to the Chelsea Flower Show so I’ll do those things”, while AMD18 had recently attended a corporate hospitality event at Ascot where he “met other Chairs, CEOs and senior executives in the space, and had a good catch-up with lots of them”.

By contrast to the male aspiring directors, only one of the female aspiring directors played golf, and she had learnt specifically in order to maintain relationships with

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important clients, and none of the female aspiring directors mentioned attending business social/hospitality events, with AFD18 describing herself as too busy to attend such events, saying “I wouldn’t go to Wimbledon or Ascot or any of the [other corporate hospitality events]... I don’t need that stuff.” There was a marked difference in the attitudes of the male and female aspiring directors to attending sporting and hospitality events in work time, with the males considering it a normal part of corporate life, and the females considering it a “jolly” and a waste of time. By avoiding these business social events the female aspiring directors were missing an opportunity to develop their strong and weak ties to influential business leaders, and as a result it is likely that their network quality would suffer.

Table 10 : Attendance at Events



The literature review also highlighted that some commentators suggest that women prefer to rely on their work to get on (Singh *et al.*, 2002). With regard to this, the female aspiring directors did not only shun business social events during the working day. They also considered attending business focused networking events

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during the working day a distraction from their day job. With regard to industry focused events and round tables, many of these are scheduled for first thing in the morning and are therefore mostly held during the working day. The male aspiring directors were far more likely than the female aspiring directors to attend this type of event. The female aspiring directors were reluctant to spend time out of the office at such events, as they felt it was important to concentrate on the job they were paid to do. As AFD2 explained, she felt she should focus her efforts into doing their job well rather than attending events in work time “I find it quite difficult to justify the time to go and do things that are about networking. So I’ve got quite a busy operational job so I find it quite hard to actually justify finding the time if it’s within the work day”

The gender difference in attitude to attending events during the working day was marked. None of the male aspiring directors mentioned any worries about or reluctance to attending events during work time. This reluctance to attend business focused events during the working day not only reduces women’s ability to build and maintain deep and trusting relationships, but also meant that they may be missing out on keeping up to date with market and industry trends and on new products, services and innovations. Many of the women appeared to be blind to both the personal benefits and the wider opportunities and benefits that attending business focused and business social events during the working day could bring in terms of market knowledge and in building and maintaining relationships with influential others.

Even some of those who acknowledged that building trusting relationships with influential contacts might be useful still did not always seem aware of the other benefits of staying up to date with industry trends and market changes. For example,

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AFD2 knew that she was potentially missing opportunities on a personal level, but did not seem to realize that she might be performing sub-optimally in her day job if she was not up to date with what was going on outside her organization, saying “I know all this theory of what I should do but I don’t apply it because I put my day job first” and AFD21 said “I am always full of good intentions, but somehow they never translate into actions. I always seem to be too busy doing something else to do with my job.” Only one of the women, AFD16 said that she was reluctant to network because she might not get the return she was hoping for, saying “It seems quite a big investment of time for what seems quite a tenuous possibility of a payback”.

It was not clear why the male and female aspiring directors held such opposing attitudes to business focuses and business social events. There are various possible reasons, for example, early socialization, corporate organizational and cultural messages or lack of early experience of (and hence learning from) power networks and networking.

Do women network for social rather than business benefits?

As discussed in the literature review, commentators are divided on whether male and female business people network for similar reasons. Some suggest that in contrast to men, women network predominantly for social support (van Emmerik, 2006; Vinnicombe & Colwill, 1995), while other suggest that both male and female business people network for career reasons (Durbin, 2011).

Of itself, the fact that the male aspiring directors had more and deeper relationships with senior influential decision makers does not necessarily mean that their motivation in building and maintaining their network was their own career

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enhancement. Indeed, many of the male aspiring directors made a point of saying that they liked these senior decision makers, and that there needed to be a bond or a friendship tie to make the relationship work. However, most of them described their motivation for networking as being to deepen the relationship and to increase their understanding of business issues and their business market place. For example, AMD15 said “My networking for me is about knowing what’s going on out there”, and AMD2 remarked “It’s about deepening the relationship to do business now.” AMD10 explained “I want to know what’s happening”.

However, many of the male aspiring directors indicated in their responses that they were aware that networking with senior business leaders could bring collateral benefits. AMD1, describing how he kept in touch and met up with the CEO of a large company explained “I have regular chats with him to see how he’s going and so on. I don’t look at that as helping me but maybe keeping in touch longer term will” and AMD2 said “there’s not so much an ulterior motive of building a relationship for future networking or for future career opportunities, that’s the sort of spin off benefit”. Their understanding of the potential benefits of networking with influential contacts may not have been voiced as their main motivation for networking, but it clearly was a factor in deciding which events and meetings they would attend.

As discussed above many of the male aspiring directors studied attendance lists before accepting invitations to ensure that they were happy to give up their time to meet the other attendees. AMD15 was quite clear that he only wanted to mix with business leaders, saying “I’ve become extremely choosy about the events that I go to now, depending on the calibre of the other attendees. It sounds a little snobby I

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suppose, but I want to mix with businesspeople, not functional leaders, but business leaders.” And AMD23 was clear that he only networked with people who he could see “benefitting the firm or myself in the short and long term”

The actions described by the majority of the male aspiring directors clearly demonstrated that they saw networking as a transaction which could give them a payback. While they described liking the people that they mixed with, the fact that they rationed their attendance so that they only mixed with people who were influential indicates a level of self-interest and a desire to be part of the inner sanctum of the senior business world.

When it came to describing their motivation for meeting up with their contacts, five of the females (but none of the males) described meeting up primarily for social and friendship reasons, rather than for business reasons. For example AFD1 described her motivation for meeting up with contacts by saying “So it’s because I just happen to enjoy the company of this person. It might be a little bit of support sometimes, you know, I might want to ask them about something that I know that they've been through that I maybe haven't been through myself”. These five women described their relationships as mutually supportive, with AFD3 saying her motivations were “Predominantly social. There’ll be things where, they’ll ask my advice, because of my background. I might ask their advice” and AFD12 saying “it’s to meet and share... to meet other people and share experience”.

Half of the female aspiring directors attended networking events purely for women as described in the section on homophily. Often these events were structured around a specific business topic of interest to the attendee, and they described their motivation for attending as to learn, but in an environment which offered

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opportunities for friendship and support. The support was two way, with AFD13, talking about her attendance at a women's network where she knew a number of the organisers, saying "I might go if I felt I would let somebody down not to go, you know, they would expect me to be there and it would help them, so I go for that" and AFD14 explained her attendance at women's events as having "a purpose of not only straight networking but also trying to support younger women and it was networking within a context of [market sector] and it feels and felt focused and relevant."

While friendship and support were features of the motivations for attending these events they were not the only motivation. The findings of van Emmerik (2006) and Vinnicombe & Colwill (1995) have some support, but are not fully endorsed by this study, as the results demonstrate that about 50% of the women like to network for social support, but they also have a business motivation to learn from their networking. The other half of the women interviewed said that they networked primarily for business reasons, without mentioning the need for social support. Therefore, this study also supports the findings of Durbin (2011) in that senior women tend to network for business reasons.

However there were subtle differences in their business motivations compared to those of their male peers. The women were more likely to attend a networking event or meet up with a business contact to fulfil a specific requirement rather than to build or maintain trusting relationships with senior influential contacts. The majority of the female aspiring directors made a distinction between networking to further the aims of their business, and networking to further their own career aims, thus much of their networking related to activities which would help their business or help their own effectiveness in their current role. AFD11 who worked in a project based company

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and carried a revenue target said she attended events because “you’re always looking for projects, so you’ve got to find prospects, you’ve got to find customers.” And AFD9 said “At work, networking is quite often with horrible people that I would not invite to supper. But you are trying to do a deal, you are trying to make the connection into something, and I am quite comfortable doing that.”

When it came to maintaining contacts with influential people or attending networking events where they knew they might meet senior contacts, many of the women expressed views at odds with those of their male counterparts. For example AFD15 explained “I don't keep in contact with people who I think might be helpful to me personally. I probably should, but I don't” and AFD13 said “Of itself, simply doing things because it might be a good to my career would not be a sufficient reason for me to go to something to do with networking.”

The distinction between networking to further organizational aims and networking to promote their own careers was something mentioned by about half of the female respondents, but none of the men, and may be rooted in early conditioning. Kumra & Vinnicombe (2010) suggest that networking to mix with senior influential contacts with an aim of furthering one’s career is a more natural thing for men to do than women. The men’s and women’s explanations of their motivations for networking do seem to add weight to this argument.

Do domestic responsibilities stop aspiring female directors from networking?

Women’s reluctance to attend business focused and business social events during the working day as described above clearly restricts the opportunities they have to build quality networks. Over and above this, previous research (e.g. Kumra & Vinnicombe, 2010) and popular business media have suggested that women are less

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keen than men on networking as they have time restrictions from domestic responsibilities not shared by their male peers. This study found few indications that this was the case. While there were two male aspiring directors who were consummate networkers and were out every evening and most lunchtimes they were not typical. The majority of the men and the women said that they tried to limit the number of evening meetings and functions they attended to one or two. The main reason cited for limiting the number of evenings out was tiredness. For example, AMD3 said “it’s exhausting, you know; if you’re doing a full-time executive role, I will not do more than one or two evening occasions a week – that’s kind of my rule of thumb”.

Four of the women talked of limiting the number of evenings they spent out because they wanted to go home to see their partner and/or children. However, this was described as a choice, not a domestic burden. For example, AFD18’s explanation for limiting her evenings out to one or two was “I’ve got two small kids and I like to put them to bed ideally six times a week but definitely five nights a week. I really hate not doing five nights.” And AFD17 said “I’ve got children of all ages and my youngest one is only three, and I’m really passionate about spending as much time at home as I can because I know you blink and they’ve grown up and they’re gone”. While four female directors mentioned wanting to get home to their family, these sentiments were also expressed by an equal number of the male aspiring directors. For example, AMD1, who travelled a lot for business, said:

I’ve typically been doing a 12 to 14 hour day, and every week one or two days out of the country. When you’re in the country spending a night or two

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in London when your family hasn't seen you for two or three days – my priority tells me I need to be at home.

None of the men or the women interviewed said that they needed to get home because they had domestic chores to fulfil, more that they had domestic pleasures that they wanted to enjoy. The men and the women who were interviewed for this research study were all high achieving, high income and high net worth individuals. Many of them would have received “concierge services” as part of their remuneration packages. Other domestic chores not covered by the concierge services were outsourced to housekeepers, nannies and gardeners. It is therefore not surprising that this study did not replicate other studies which included a cross section of managers at all seniority levels.

Homophily

The differences in networking behaviours described above clearly created a negative impact on the quality of the female aspiring directors' networks. However, other forces were discussed in the literature review which could also explain why women have networks of poorer quality. Chapter 2 explained that homophily is the term used to describe the preference for individuals to interact with others who are similar to them, for example in terms of race, gender, background and interests. Research has shown that it is more likely for individuals to choose friends with similar characteristics to themselves, and that these similar characteristics make it easier to build trust and ease communication (McPherson & Smith-Lovin, 1987; Marsden, 1988; Lincoln & Miller, 1979). Since men significantly outnumber women at senior levels, arguably homophily makes it easier for men to build trusting relationships with influential senior contacts than women, and they can use this network of senior

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influential contacts for both friendship and support and instrumental help. By contrast, it might be more difficult for women to build trusting relationships with senior influential male contacts to provide instrumental help, and they might have to build a duplicate network with other women to provide friendship and support (Ibarra, 1992, 1993). Existing research does not explicitly cover women aspiring to board level roles, and so this research seeks to understand the impact of homophily for those aspiring to board director positions.

Many scholars have suggested that women are excluded from informal power networks due to the homophilic nature of the “old boys club” (Elliot & Smith, 2004; Linehan & Walsh, 2001; McDonald *et al.*, 2009), but as noted by Cotter *et al.* (2001) this phenomenon is rarely measured in studies. Other scholars contend that those in positions of power do not know where to look for female board candidates (Peterson & Philpot, 2007). It is important to understand these dynamics if the board gender inequality is to be addressed.

The literature review also covered the influence of homophily in relation to women only networks and it highlighted the differences in views on whether such networks were helpful (Kanter, 1977; Linehan & Walsh, 2001; Singh *et al.*, 2006) or harmful (Brass, 1985; Bierema, 2005; Lineham, 2001) to women’s career aspirations. Finally the literature review discussed the role of homophily in relation to mentoring and sponsorship, with Thaarenou (2005) finding that women tended to more often have female mentors and because women tend to hold less senior positions, that their mentors tended to be of lower rank than their male counterparts.

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As with most of the literature reviewed in Chapter 2, the major part of the body of research relating to homophily related to individuals at all levels of seniority. Very little research has looked at the most senior levels, and none of the research related specifically to those seeking board level roles. It could be argued that issues of homophily are even more acute for women at the most senior levels of corporate organizations, as so few CEO, Chair and director roles are held by women. It is important to understand the role of homophily in corporate board selection processes as a greater understanding of the factors at play could help to overcome some of the barriers to women progressing to the most senior levels in organizations. The second part of the fourth research question asked how far homophily affects the networking activities of those involved in board selection processes, and how far it affects access to mentorship and sponsorship. The following sections will present the findings from this study, looking at both the demand side and supply side.

Same sex ties

As discussed in Chapter 2, when left to their own devices individuals are likely to build networks of contacts similar to themselves. However, at the most senior levels in the workplace, men greatly outnumber women, and so women are likely to have their natural choices limited by a lack of availability of similar others with whom to bond. Chapter 5 explained that in relation to undertaking their current work role the male and female aspiring directors had networks of similar quality. However, far more of the male aspiring directors had kept in contact with previous peers, bosses and work contacts who had subsequently progressed to hold Chairs and other board level roles. The male aspiring directors had more strong and weak ties to a wide

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range of individuals who were influential in board selection processes. They were more central to the power coalition making hiring decision for board director roles.

This Chapter described how the male aspiring directors had built strong informal relationships with their peers and bosses. It reported that the vast majority of the male aspiring directors talked about going for dinner or having drinks with individuals holding the most senior roles in their organization or market. Almost without exception these senior individuals were male. It also reported that 2 of the male aspiring directors talked of playing golf with their main board director boss. Both of these aspiring male directors had male bosses. This Chapter also reported that 21 of the 23 aspiring male directors had kept in contact with previous peers and bosses. Again the overwhelming majority of these contacts were same sex homophilic (male) ties. Only one of the male aspiring directors talked of keeping in contact with a female peer once they had moved jobs. Whilst the males will have had fewer female peers than male peers, over 15% of executive committee members are female (Vinnicombe *et al.*, 2014), so on a pure numbers basis one would have expected a higher level on maintained contact with female peers.

By contrast only 9 of 21 the aspiring female directors had kept in contact with previous influential contacts and the vast majority of these were heterophilic female/male ties. Having not built the relationships over drinks and dinners when they were working with them, once their paths diverged they tended to keep in touch by email and Christmas cards rather than face to face.

The male aspiring directors described how they found it easier to like and be liked by their male peers and bosses, and this allowed them to build trusting friendships

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that were much more difficult for the female aspiring directors to achieve in a cross gender relationship. For example, when asked to describe his relationships with influential contacts, AMD6 said “The work was the introduction, it wasn’t the bond. The bond was completely personal” and AMD11 describing his relationships with senior contacts said “The best relationships are the ones where you actually like and care for the person, so you’ll ring them up and say, hi, how’s it going, did you have a nice holiday, you know, what’s been going on in your life.” By contrast, none of the female aspiring directors articulated this kind of bonding or friendship with their bosses or senior influential contacts. HHF12 summed up these homophilic tendencies by saying:

You don’t get the same bonhomie amongst men and women as you do amongst men if you know what I mean. They don’t go to the locker room together and, you know, pee in the same place and have all those informal conversations. They don’t want to stay up drinking half the night usually. Some might, but most don’t want to. So you don’t get that, kind of, level of social bonding perhaps.

Arguably because of this lack of bonding, the hierarchical divide was much more evident in the women’s descriptions of these senior influential contacts. They considered them respected senior business people, not friends or “mates” in the same way as their male colleagues did. As AFD7 explained, “I’m probably not very good at keeping in touch with previous bosses... I certainly haven’t in the past really been very good at doing that. If I’m being honest, I think some of it is being in awe of the senior people.” By contrast, AMD20 had a different view, saying “sometimes people

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move, don't they, particularly when you stop working for them, from being a boss to being more of a friend."

Because of the informal relationships they had forged, the male aspiring directors also found it easier to keep their relationships with senior influential contacts alive, with AMD19 explaining this by saying:

You know, there are people that if you've had a good working relationship with, then being blokes... five, ten years have passed between you having a conversation or working with somebody and then you basically picking the phone up to them and it's like, hello, how are you doing? You don't feel the need to actually do chit-chat in between. You know just pick up the phone and say, well, I used to work with you. It might be years ago but it's okay to do that.

The ability of the male aspiring directors to build trusting bonds with senior contacts of the same sex is just as scholars of homophily would predict, and explains why the male aspiring directors talked of their senior influential contacts as confidants and friends.

Contrary to previous research findings that women report feeling excluded from out of hours male bonding activities (Linehan & Scullion, 2008; Lineham 2001) none of the aspiring female directors reported feeling excluded from the males' meetings. Indeed, the majority of the aspiring women directors, given the opportunity, tried to make homophilic ties to other senior female businesswomen for their own female bonding activities, but were limited by availability. Just as the male aspiring directors bonded with male peers and bosses over drinks and dinners, the

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female aspiring directors did likewise with other female peers where possible. However, because there were fewer female peers and bosses there were limited opportunities to build and maintain a wide ranging group of senior influential contacts from this activity. This had a direct impact on the quality of their networks, as many of their female contacts were more junior to themselves, and were not therefore involved in making recommendations for board level roles.

As had been predicted by the literature review (Ibarra, 1992) the female aspiring directors built two networks: a friendship network with other women, and a tactical network with male work colleagues to execute their role. The female aspiring directors had kept in contact with their female friends over the years, just as the male aspiring directors had kept in touch with their friends. However the male aspiring directors' friends tended to be influential in relation to board selection processes, while the female aspiring directors' friends did not.

AFD1, who had previously held an NED role with a FTSE350 company said that she tried to keep in contact with the only other female non-executive director at that company, and AFD2 talked of having dinner with the three other female senior executives at her company, saying "I do socially see a small number of my fellow directors outside of work. We will go to dinner, the three female directors, we'll go to dinner together and we try and formally do that about once every three months." Likewise, AFD15 met up regularly with two other female Company Secretaries and AFD6 met up with one other senior female procurement director. The motivations of the female aspiring directors in forging these bonds was to share common

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experiences and learn from each other. Asked why she chose to maintain contact with a female ex-colleague but not with any of her male ex-colleagues AFD1 said

I feel more comfortable approaching another woman. The way I approached this person was to send her an email saying, hope you had a really nice summer, be really great to get together, don't mind if it's coffee, lunch or a drink. If I sent that same message to a man I'd be slightly worried that it would be misinterpreted.

AFD1's comments highlight how homophily makes it easier to communicate and quickly build trust with someone of the same sex, and many of the other female aspiring directors also expressed similar views, saying that it was easier and more natural to build bonds with similar others. However, senior female executives have limited opportunities to bond with other female senior executives. The next section reviews the evidence with relation to aspiring female directors seeking out opportunities to network exclusively with other women at women only networking events.

Homophily and women-only networks

Chapter 2 described the growth in women's only networks which allow women to share experiences, make new professional contacts and friends and receive help and support from other women (McCathy, 2004; Singh *et al.*, 2006). Travers and Pemberton (2000) found that women can sometimes prefer single sex networking, but existing research does not show whether this is the case for women at the most senior levels of organizations. For aspiring female directors this is of particular interest. If women spend time at women only networking events at the expense of

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mixed gender networking events, they will miss out on the opportunity of forging ties with a large number of (the predominantly male) business leaders who make recommendations for filling board director roles.

Of the 21 aspiring female directors interviewed for this study, 10 regularly attended events run by women's networks, and several of the women belonged to multiple networks for women. The majority of the aspiring female directors described these events as covering business focused topics, although some of them were purely for networking in settings that would appeal to senior women. For example AFD2 talked of attending a cocktail party at Mulberry (the leather goods and handbag company), and AFD21 had attended a women's network event at Stella McCartney (the designer of high end ethical fashion).

As both the business focused and the social events were exclusively for women, they did not attract the same level of very senior business people as there just are not that many women at the highest level in organizations. Most of the other women attending these events were less senior or at the same level as the aspiring women directors. Indeed, a number of the women found that they were approached by more junior women seeking their help and advice. For example, AFD7 said "Most of the attendees are junior, and I have ended up mentoring women as a result...several women".

Most of the women's networking events were held in the evening, and the attendance at these events may well have had an opportunity cost for the aspiring female directors. For example, AFD20 who was on the organizing committee of a women's conference that runs across financial institutions said "I limit myself to one

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night out a week and most often I will spend that night at some sort of diversity event. I get invited to all sorts of other things, but I prefer the ones where I can help the cause of women". Attendance at a women's networking event, where there are unlikely to be many (if any) senior influential people to build relationships with, was at the expense of attending a mixed event which might have offered far more utility in building networks with influential others.

None of the 10 women who regularly attended women's networking events expressed any disappointment that attendance at these events did not offer instrumental help in their aspiration to gain a board level role. Their motivation in attending was to learn about specific issues, enjoy the company of other women and offer help and support to women more junior to them. Five of the women were involved in organizing women's networks or acting as "champions" for women's networks and were happy to share their experiences and offer help and support to others. AFD4 believed that senior executives such as herself had a duty to help younger more junior women, citing Madeline Albright's famous quote that "There is a special place in hell for women who do not help other women" (Albright, 2006).

Of the 11 aspiring female directors who did not regularly attend women's networking events, only two held strong negative views of their value. AFD3 was not a fan, saying "I almost feel as if it's replicating what happens on the male side of things, which I just don't think is very healthy. I've just not found them particularly helpful; the two that I went to, I just thought, well that was a wasted evening. Sorry." Likewise, AFD11 was also not impressed with women's networks, saying

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All my life I've hated being put in a category. People making assumptions about you because you're a woman, because you're black, because you've got a long nose, whatever; I hate that. I always believe in evaluating people as individuals and trying not to have preconceptions about them, based on whatever, so I go to loads of networking events. Nothing against going to networking events, but I always feel it's a bit patronising having special ones for women. You know, can't we just fight our own case in general, in general networking events?

Since only half of the women interviewed for this thesis attended women only networks and events, this research does not give unconditional support for Travers & Pemberton's (2000) assertion that women prefer single sex networks to mixed ones. This research showed that *some* women may prefer single sex networks. It also shows that those senior women who attend women's network events are at least in part motivated by being able to help more junior women succeed. It suggests that for women at junior levels, women's networking events could provide instrumental career help, as it allows them to build relationships with senior women. However, for women who have already progressed in their careers and are holding the most senior level roles, women's networks do not appear to provide instrumental career help, and attendance at women's networking events may have an opportunity cost in missing out on potential instrumental help from alternative networking options.

Shared background ties

The influence of homophily extends beyond cementing links between same sex ties. Other similarities such as social and educational background can help to ease communication and build trust (Marmaros & Sacerdote, 2002). 28% of the male

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aspiring directors and 30% of the female aspiring directors had been privately educated, compared with a UK average of 7%. This research sought to understand whether the homophilic ties forged at school and university impacted the likelihood of gaining a board level role.

None of the individuals who were interviewed talked of being in touch with influential contacts from their schooldays, although AMD8 spoke of working with a board where two of the directors had been at school together. They were very friendly and it made AMD8 wonder how the recruitment process had taken place. He described the situation as follows:

And it was fascinating, the Chair who ended up in [company name] and the [Chair of Audit committee at the same company] were from the same school and referred to each on occasion by their nicknames even though both of them are in their 60s. And there is a part of me that understands that because these roles can be very, very high profile And I guess what you do in those situations is you just reach for someone who you really know you can trust and know is valued there. But I'm not sure that the roles are actually recruited in a particularly merit-based way. You know, it's those, kind of, corridors of power.

Bearing in mind how names are put forward for board director roles, as described in Chapter 4, it is not particularly surprising that this sort of situation could arise. Indeed, as many of the Chairs said they needed to know and trust someone before recommending them for a board level role, it is likely that homophily plays a part in the recommendation process.

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While none of the other interviewees mentioned bonds forged at school, many of the male aspiring directors, but only one of the female aspiring directors, mentioned influential contacts from university days, especially those who attended Oxford or Cambridge. All of the interviewees had attended university, and 17% of the males, 30% of the females, 27% of the Chairs and 25% of the head-hunters had attended Oxford or Cambridge. Although a higher proportion of the female aspiring directors had attended Oxford or Cambridge, all but one of them said that the friends they had stayed in contact with were not influential. It was not that they had not stayed in contact with their university friends, it was just that their friends were not running businesses. For example, AFD5 still met up with her three closest friends from university (all female) but she was the only one who had pursued a business career.

By contrast, AMD22 described his university contacts by saying “I was at Oxford and that’s still a powerful network in this country. So, I’ve got people in private equity, consulting, law, banking, entrepreneurs, so, quite a lot of people from that sort of group.” With one exception, the female aspiring directors did not benefit from homophily relating to shared university experiences: they did not have access to lifelong influential power networks forged at university in the same way as their male peers did. For the female aspiring directors, because most of their close university friends were female, and because there are so few females in positions of influence, their university friends did not create a quality network for gaining board director roles. By contrast, the male aspiring directors benefitted doubly from the influence of homophily (once through same sex linking and once from shared university experience) in forging links at university which added to the quality of their networks.

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As has been demonstrated above, homophily makes it much harder for women to build and maintain relationships with powerful male contacts and to maintain those relationships over time. Because of homophily, many of the women sought to forge trusting relationships with other females, but these did not result in networks of the same quality as their male peers as their female contacts tended to hold lower level roles. Homophily both enables the male aspiring directors to forge bonds with the organizational elite, while excluding women from this powerful elite network.

Many scholars have suggested that women are excluded from the informal power networks at the most senior levels in organizations and markets, and that the “old boys network” (which can be conceptualized as homophily in action) is at least partly responsible (e.g. Elliot & Smith, 2004; Lineham & Walsh, 2001). This research would suggest that this is true. Homophily encourages the “old boys” to bond with other “old boys” and also encourages the “old girls” trying to build their own “old girls network”. Sadly, the lack of senior influential women makes the “old girls network” a less instrumentally beneficial club to which to belong. Furthermore, the influence of homophily is amplified as it impacts networking behaviours, making far less likely that female aspiring directors will keep in touch with their previous bosses and influential contacts.

Summary of Chapter 6

As discussed above, the board selection process is very heavily reliant on word of mouth recommendations. Aspiring directors need to be central to those making the recommendations if they are to be considered for board level roles. This research has found that aspiring female directors are less central than their male counterparts to

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the power coalition making the recommendations for board level roles, and are therefore less likely to be nominated.

The research also demonstrated that the male aspiring directors were far more cognizant of the benefits of networking, and actively behaved in ways which allowed them to both maintain existing trusting relationships and grow new ones. They were far more likely to manage their relationships with existing contacts proactively to ensure that their ties remained vibrant. They were far more likely to attend business focused and business social events than their female counterparts, and they ensured that they only attended events where the other participants were influential. They focused their networking efforts on the meetings and events which were likely to bring them the most short and long term personal and business gain. Their networking behaviours were very similar to those described in Chapter 4 by the Chairs who are responsible for nominating individuals for board level roles.

By contrast, the women were more likely (although far from exclusively) to network for friendship and support, and did not attend business focused and business social events in the same way as their male counterparts. The female aspiring directors were reluctant to spend time away from their day job at networking events. As a result they did not regularly meet up with senior influential contacts and did not use these events to build and maintain the quality of their networks on the same scale as the male aspiring directors. When the female aspiring directors networked for business reasons they were more likely to be motivated by achieving an aim for their organization rather than a personal aim.

As a result of the behavioural differences, the male aspiring directors spent more time with Chairs and existing directors, and were more central to those individuals

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who nominate candidates for board director roles. Homophily makes it easier for male aspiring directors to bond with senior influential business contacts, and influences the behaviour of keeping in touch with them. That said, the male aspiring directors were more systematic in managing their relationships with influential seniors.

The fourth research question asked “Why might aspiring women directors have poorer quality networks and poorer networking outcomes than their male peers?”. Differences in networking behaviours, with the female aspiring directors being less likely to promote themselves through relationship management activities and attendance at business focused and business social events resulted in the male aspiring directors having more regular contact with senior influential individuals. Above and beyond these behaviours, homophily made it much harder for the aspiring female directors to build and maintain relationships with powerful male contacts and to maintain those relationships over time. Because of homophily, many of the women sought to forge trusting relationships with other females, but these did not result in networks of the same quality as their male peers as their female contacts tended to hold lower level roles. Networking behaviours and homophily both played a substantial role in creating networks of lesser quality for the female aspiring directors.

The corporate board selection process is based on word of mouth recommendations, and so those with networks of higher quality are more likely to be connected to the individuals making the board selection recommendations. The female aspiring directors felt that their work should speak for itself. Unlike their male counterparts, they turned down social and business events during the working

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day to focus on the roles they were employed to undertake. It would seem that far from being recognized for doing their jobs well, the female aspiring directors will be invisible to those making recommendations for board level roles. As was discussed in Chapter 4, it would appear that being well connected and visible to those in positions of power is considered a proxy for merit when considering who is the “best” person to select for a corporate board director role.

The next chapter will look in more detail at the outcomes which result for the quality of the aspiring directors’ networks.

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Chapter 7: Willingness and Ability to Leverage Social Capital

Introduction

Chapter 4 demonstrated that board selection processes are based on word of mouth recommendations. Consequently aspiring board directors must possess high levels of social capital such that they are well connected to those putting forward names for consideration. Chapter 5 reported that the female aspiring directors interviewed for this research had networks of poorer quality than their male counterparts. Chapter 6 presented the evidence which showed how homophily and behaviours created the differences in the quality of the aspiring male and female directors' networks. As a result, the male aspiring directors were shown to possess more social capital than their female counterparts. The final research question asks "In their quest to gain board level roles, are female aspiring directors as willing and as able to leverage their social capital as their male peers?"

Previous theory and research exploring gender differences at all job levels has shown that it is not just an individual's network quality and centrality which influences their ability to progress: their ability to leverage their social capital is also crucial (Brass, 1985; Ibarra, 1992; Ibarra 1993). It was evident that due to the combined effects of homophily and networking behaviours the male aspiring directors had more strong and weak ties to those making board director selection decisions. As described in previous chapters, the male aspiring directors had more (and more relevant) social capital and were known and visible to more individuals who make the recommendations for names to go on long lists. However, to gain board level roles individuals need not only to have social capital, but also to leverage it. If they are unable or unwilling to leverage their social capital they will not be

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recommended for board level roles. To explore this phenomenon, the male and female aspiring directors were asked to describe what they had done to actively further their aim of gaining a board level role.

Willingness to leverage social capital

Many of the aspiring male and female directors said that their first step towards fulfilling their board directors' aspirations was to get professional help to hone their CV to make it fit for a board level role. They saw the CV as a prime "selling document" in their quest to become a main board director.

All but one of the male aspiring directors said that their next step was to reach out to the senior individuals in their network to talk to them about their aspirations. They actively set about leveraging the social capital they possessed to increase their chances of gaining a board level role. Some of the male aspiring directors said that this phase was not about actively asking to be recommended for board level roles, but more about using the senior contacts as advisors, and lodging in their minds that the individual was looking for a director position. For example, in reference to looking for an executive director role AMD1 said "I started to draw on some contacts across where I've worked within the last ten years really in terms of who are now in relatively senior positions or in non-executive positions across a number of different markets just to start getting their advice, trying to tap into their contacts and yes, just go from there." Many of the male aspiring directors were very thorough in contacting everyone they knew who they thought might be able to help them. AMD6 planned to create a portfolio of global non-executive director roles when he gave up his full time executive position, and spent a year contacting a very wide range of contacts, saying:

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And so my starting point, to be honest with you, was just basically looking at all the people that I had contact with and who I felt might be useful to me in my brave new world of whatever I was going to do, and just contact them saying, I left [company name]. Be good to me to go for a cup of coffee and just to start the process rolling.

He described flying at his own expense to the USA, Japan and India to meet with his influential contacts to further his non-executive director aspirations.

The male aspiring directors therefore appeared to be very focussed in the way in which they were looking for board level roles, and were planning their approach to the market in the same way that they might plan a work project. For example, AMD19 described thinking about his skills and interests and then studying the FTSE250 list to pinpoint companies to see where he might best fit. He then reviewed his contacts to see if there was any intersect between the people he knew and the companies he was interested in so that he could ask the relevant contact to make an introduction to the Chair for him. The male aspiring directors showed no reluctance to leverage the social capital they possessed.

In contrast to the male aspiring directors, the female aspiring directors were far more reticent in leveraging their social capital. Only three of the female aspiring directors turned to their own networks as their first step in looking for a board director vacancy. For example, AFD5 said that she contacted a wide range of her contacts by email telling them that she was looking for board level roles and then followed up again by email with a handful of the most influential contacts, while AFD7 discussed her aspirations with the Chair of the charity where she was a Trustee

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The only female aspiring director who applied a focussed project based approach to her board level aspirations was AFD18 who had a high profile full time role and was very well connected to Chairs, CEOs and senior politicians through her work role. She was far from typical of the other aspiring female directors, describing a detailed plan of action which she employed to her non-executive director goals, starting with discussing her aims with a Chair who acted as her mentor. At the time of the interview she had just been appointed to a FTSE100 board as an NED and she described how this happened by saying:

I knew I didn't want to do a non-exec in the first 18 months in my exec role because exec roles take a year to learn so I was quite precise on time. When it got to the 15 month mark I had a really good external mentor who is a FTSE 100 Chair and I spent a bit of time with him. I worked out there were five criteria that were going to be important to me on a non-exec role so number one was how many other non-execs there were. I didn't want to be a tiny fish in a huge pond. Secondly is which industries I thought I would add value to and I would learn from and then I worked out the length of tenure of the chief exec and the Chair because you want a tenure that's had long enough to build a bit of a rapport. I then analysed the other non-execs on the board. I thought at least two or three "wow they would be brilliant to work with" and then I verified the location of the business and how many of the board meetings were abroad because I really don't want to spend my time going to San Fran for the board meetings just because I've got two small kids. I would just end up not enjoying it because I would think oh, I've got to travel. So I did all those and that got me to eight companies in the 1,400. I then worked out they were the only eight I

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was addressing so I decided to give it a year when I would only be interested in those eight at all. I told four recruitment consultants and my CEO, Chair and mentor and a few other important contacts I was interested in those eight and then did nothing. In the end three of the eight came up and I went through the full process for two of the three and [company name], who was my number one choice, offered me the role.

These three female aspiring directors demonstrate that women can on occasion be as willing as men in leveraging their networks, however they were very much the exception. Many of the female aspiring directors did not appear to understand how the board selection process worked with its heavy reliance on word of mouth recommendation and did not therefore realise that using their network might be important. It was not that they disliked asking their influential contacts for help, but rather that they had not understood that this would help them achieve their goals. Half of the female aspiring directors had not thought about asking their influential contacts for help or advice with AFD8 saying “I haven’t even thought of them in that way”. Indeed, during the course of the interviews with a number of the female aspiring directors they became aware, due to the nature of the questions that were asked, that they were missing out on potential routes to improving their chances of gaining board level roles. It had not occurred to them to use informal channels by telling their influential contacts that they were looking for board roles. It was not that they felt it was inappropriate to use their personal networks: indeed only two of the aspiring female directors said they would definitely not ask their personal contacts for help or advice. Rather, it was that the majority of the aspiring female directors

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thought that formal recruitment and selection processes provided the route to gaining a board appointment, with the head-hunters managing and gate-keeping this process.

With regard to this, 7 of the aspiring female directors (but only one of the male aspiring directors) just approached head-hunters as their first step in seeking a board level role. Bearing in mind the findings in Chapter 4 with regard to the head-hunters perception of the quality of individuals who write in to them without recommendation from established Chairs, it is not surprising that those who used the head-hunter route as their first approach were disappointed with the results, with none of them gaining any meaningful traction. For example, AFD21 had registered her interest for NED roles in commercial organizations with a range of head-hunters and was told by all of them that her experience was excellent and that she should have no problem gaining a role. In two years she had only had one approach back from these head-hunters and that was for an un-paid trustee role with sporting charity for which she had no affiliation with or affection. Likewise, AFD11 had also registered with a range of head-hunters, saying:

I got to know the names of head-hunters and I pounded the streets, going and talking to head-hunters: they talk to you and say, fascinating; there'll be no problem here. We'll be in touch in no time and then you never hear from them again.

As well as approaching head-hunters, half of the female aspiring directors also sought other formal routes to gaining board level roles rather than leveraging their existing social capital. This was evidenced by the fact that 11 of the aspiring female directors had attended specific networking matchmaking events aimed at introducing

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women who wanted to become board directors to Chairs who were seeking to fill board level vacancies immediately or in the foreseeable future. In attending these events the female aspiring directors may have been trying to enhance the quality of their networks and their resulting social capital by getting to know Chairs of large organizations. However, only three of the eleven had exchanged business cards with Chairmen at these events and proactively contacted them afterwards and only one, AFD1, was particularly positive about the experience. She recounted the event, saying

First of all it gave me an idea of what a non-executive role would call for from me, but it also kicked off my networking. So that particular event the chairmen I found very helpful, very friendly, collected lots of cards and followed up with probably about four or five of them afterwards. Now, at that particular event head hunters weren't allowed to attend, but thereafter some of the chairmen actually went to speak to the board search organisations that they'd been working with and I began to get a few calls from the head hunters.

The other two aspiring female directors who had exchanged cards had a less positive experience. AFD5 had also spoken to a number of Chairmen at the event she attended, and had exchanged business cards and followed up with them afterwards, but had not actually met with any of them. As she explained,

Well, I followed-up quite specifically on three people where I thought there was an immediate connection or where I thought I could do some value adding. I didn't manage to get to meet any of them. Two of them more or less said, well, you know, we're busy. One I continued to make arrangements to meet and then

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he was called out of the country and so on and so forth and in the end I, kind of, gave up after three or four attempts at this. So it didn't really result in anything.

The majority of the women, 8 out of the 11 who had attended specific networking events aimed at helping women gain board director roles, had not exchanged contact details and had not had any follow up with the Chairmen who attended the event. AFD4 had tried a number of formal training and networking events, but was disappointed with their effectiveness, saying;

Initially I attended a number of non-exec training sessions run by my former firm [a large management consultancy firm], The London Business School and CASS. I also went to various networking events that were arranged by different providers looking specifically to help women gain roles in the non-executive arena. I was rather put off by some of those things because I felt that what they were really looking for was you to sign up to be coached and mentored by them which would give them money.

AFD2 was typical in her reaction, saying "It was quite good for getting to know other people who are doing a similar thing, not sure it actually does anything for [gaining board roles]". AFD2 did not follow up with any of the Chairmen at the event, saying "It was quite hard to meet them because there was a large proportion of candidates, call it what you will, so there'll be one chairman to maybe ten or so women." Even women who had enjoyed the events and had talked to a number of Chairmen did not follow up with them afterwards, with AFD17 explaining:

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I met a couple of chairmen who I thought might be helpful. There wasn't opportunity to take everyone's contact details or anything, so I waited for the booklet to come out, and I have to say, that came out quite a long time after the event. So by then, I'd got embroiled in other activities and things, so I confess I have not done anything with the booklet.

Previous research has suggested that women are less keen on networking than men, and that they do not like to promote themselves in the same way as men (Kumra & Vinnicombe 2010; Singh *et al.* 2002), and Chapter 6 discussed how this research also showed that female aspiring directors are less likely to promote themselves than their male peers. Arguably the same mechanisms influenced their lack of proactivity at these events. A reluctance to self-promote may not only result in female aspiring directors having less social capital than their male peers and may also make them less willing to leverage that lesser social capital.

Chapter 2 discussed whether matchmaking events might overcome some of the problems associated with homophily, by allowing female aspiring directors to form trusting bonds with male Chairs. The evidence discussed above does not support this hypothesis. The Chairs were also asked for their perspective on these events. Three quarters of the Chairs had been invited to such events. Two of them had declined as they did not like the concept with CHM9 saying "I don't go to matchmaking things. I've been asked to speak at these matchmaking things, but no." and CHM71 declining because "I could not see how it was going to work. I was a bit sceptical of it". The other 13 Chairs who had attended had mixed views of their worth. Two of the Chairs said they felt the events were a waste of time and they would not attend

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another. 10 of the Chairs said that they had subsequently met up with one or two of the women for a coffee, but that the follow on meeting had not resulted in any further action. CHM6 was typical in this regard, saying:

When it's happened it's mainly because I've met somebody they said do you mind if I come round and have a cup of coffee because I want to talk to you about what I want to do, and get some ideas or have your input, whatever, I wouldn't mind half an hour of your time. And I normally say yes, you know. I don't always. And I wouldn't then do a repeat.

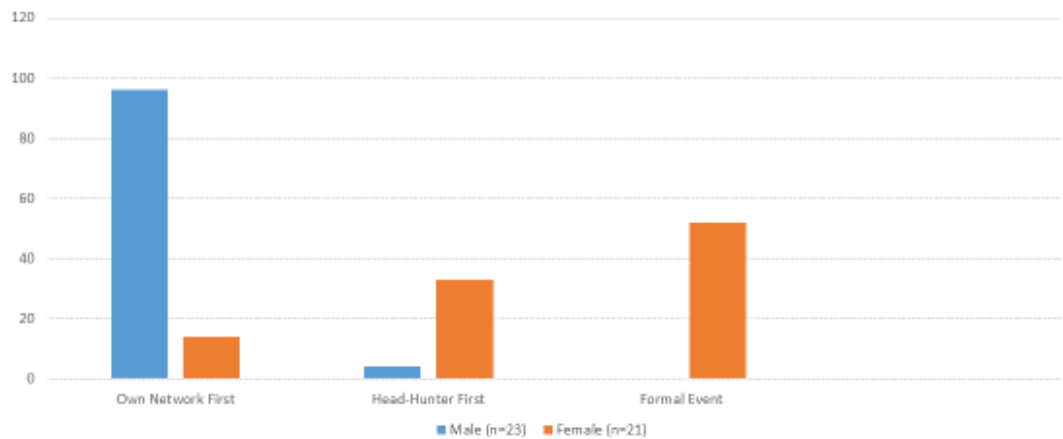
Like most of the other Chairs CHM6 was happy to give some mentoring advice, but this did not extend to sponsorship. Indeed, of all of the Chairs who had attended matchmaking events, only one had nominated an individual he met there for a board role. From the aspiring female directors' and the Chairs accounts' it would appear that while matchmaking events can on a small minority of occasions be helpful, they are not a forceful antidote for overcoming homophily and do not generally result in the formation of trusting network bonds between women and chairs.

In summary, as described above, the difference in approach between the male and the female aspiring directors in seeking a board level role was stark: 22 of the 23 male directors reached out to their own networks with an aim to leveraging their social capital as a first step in looking for a board role, compared with only 3 of the 21 female aspiring directors. The female aspiring directors did not attempt to leverage their social capital in the same way as their male colleagues, preferring instead to use more formal mechanisms to further their board director aspirations. This lack of willingness to leverage their social capital was at least in part due to a lack of knowledge of how board selection processes work, but arguably may also be

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due in part to a reluctance by aspiring female directors to engage in self-promotion. AFD9 summed up this reluctance by saying “I’d prefer people to approach me rather than me to approach them. I don’t like putting people in a position where they feel indebted.” Table 11 below shows the comparative approached to seeking a director role.

Table 11: Approach to Seeking a Director Role



Ability to leverage social capital

As demonstrated above, the male aspiring directors were more willing to leverage their social capital than their female counterparts. However, in order to be recommended for board level roles, they also have to be *able* to leverage the social capital embedded in their network relationships to benefit their career aspirations. It has already been established in earlier chapters that the female aspiring directors possessed less social capital than their male peers. This section examines whether they are equally able to leverage this lower level of social capital.

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The previous section explained that in reaching out to their own network, many of the aspiring male directors did not directly ask for sponsorship. Even though many of the male aspiring directors had only mentioned that they were seeking a board level role and had not actively asked their senior influential contacts to recommend them, they found that their contacts were nevertheless happy to put their names forward to head-hunters. For example, AMD17 said “I spoke to the former CEO [now a chair of a FTSE250 company] I used to work with and he has definitely mentioned me to head-hunters, because they’ve rung up in response.” In Chapter 2 and Chapter 4 the importance of receiving instrumental help from sponsors and mentors was highlighted. This instrumental help is the visible impact of an individual’s ability to leverage their social capital and the existing body of research looking at all levels of seniority has found that women received less instrumental help from their mentors (e.g. Ibarra *et al.*, 2010).

Many of the male aspiring directors interviewed for this thesis talked of the active sponsorship they received from their existing and previous bosses, CEO’s and Chairs. All of the male aspiring directors said that at some stage in their career they had been sponsored by a senior contact, and most of the males mentioned that an existing Chair was acting as their mentor and was actively sponsoring them with the head-hunters and with other Chairs, and half of these male aspiring directors talked of having multiple sponsors. These sponsors were contacts they had met in their current and previous roles, and who they had built trusting relationships with as described in Chapter 6. They considered them friends as well as sponsors, enjoying dinners and drinks with them at which career aspirations and goals were discussed. For example, AMD17 said “The proof is how helpful they are. [FTSE100 Chair

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name] took me out for dinner and said he would do lots of things, and he has been getting on and doing some of them. [FTSE100 established NED name] has certainly mentioned my name to head-hunters”, and when asked if any established Chairs or NEDs were sponsoring him, AMD11 said “Maybe I’m lucky, there seem to be a string of them”. Not only were the male aspiring directors willing to leverage their social capital, they were also actually able to leverage it.

There was a large contrast in the experiences of the female aspiring directors, with only two believing that their existing Chair and CEO were acting as their sponsors. One female aspiring director had a commercial arrangement whereby she paid for a mentor who was a FTSE100 Chair and was actively sponsoring her. However, two other female aspiring directors said they had paid for mentors who gave them advice, but did not actively sponsor them. AFD2 explained that her CEO said he would sponsor her, but never actually followed through on his promises, saying:

So my chief executive knows I want to do this, knows why I want to do it because this is about when I finish here and have a more plural⁹ career, and he is in a position where I think he probably could help because he meet lots of Chairs. And he says, oh, I must introduce you to so and so. I must introduce you. I said, yes, please do, and, of course, it’s not his priority so it falls off the agenda.

It would therefore appear that this research at board director level echoes the Ibarra *et al.* (2010) findings that males receive more active sponsorship and support from their mentors. The female aspiring directors were less able to leverage the potential social capital embedded in their mentoring arrangements.

⁹ A “plural” career refers to one where an individual undertakes multiple part time roles

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To study this phenomenon from the demand side of the board selection process, the Chairs were asked to explain who they sponsored. 14 of the Chairs talked of sponsoring individuals who they considered their protégés, who had worked for them some years ago and who they had kept in touch with and supported as their careers progressed, and were now championing for board level roles. When asked to describe the characteristics of these individuals the most common response was that they championed people who were committed, driven and ambitious. For example, when asked if there was a common thread in the people he sponsored CHM8 said “Work ethic, enthusiasm, conviction, flexibility!” CHM11 said “talented, driven people” and CHM2 said he only championed people who were driven and worked with conviction, because he was “intolerant of lack of commitment, passion and determination”. CHM6 also said ambition was something he looked for in individuals he sponsored, saying:

They have to be able and they have to be ambitious. You know, if you’re doing a fulltime executive job and you want something else you’ve got to be ambitious because you’re going to have to make compromises with your life. You know, some of your free time for playing golf has got to be diverted into doing a non-executive job.

Tellingly, many of the Chairs used male terms to describe their protégés, for example with CHM14 talking of the “guys” he had favoured and supported, and CHM1 referring to one of the individuals he championed as a “good chap”. In studies on stereotyping, both men and women have been found to expect leaders to behave in a competitive, aggressive and directive manner (Eagly & Sczesny, 2009) and this could partly explain why Chairs more often choose other men, rather than

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women, to sponsor. Only 1 of the 14 Chairs who talked of championing individuals they had worked with in the past had actively sponsored any females in this way, with the other 13 only sponsoring males. Interestingly this Chair, although he worked in what would be probably be considered a male dominated market (CHM13) cited different qualities in what he looked for in protégés, looking for both conventional and emotional intelligence. He explained this by saying:

there's no shortage of clever buggers, the world's full of them. The elusive candidates are the ones who could combine the intellectual rigour with what I would say the people, and emotional skills, and organisational skills to get people working for them - they're going to lead big teams.

In Chapter 4 the importance of being recommended into the head-hunters by a respected chair or senior director was highlighted, and the majority of the male aspiring directors described having this type of sponsorship from their influential contacts. The fact that the females did not enjoy similar levels of sponsorship is likely to have a detrimental effect on the board level aspirations. These findings align with those of Lyness & Thompson (2000) who found that women reported significant differences in the utility of their networks compared to their male colleagues. The previous section described how the aspiring female directors were less willing to try to leverage their social capital. This section has demonstrated that not only are they unwilling, but they are often also unable to leverage what little social capital they have.

Summary of Chapter 7

The behavioural differences in the approach taken by the male and the female aspiring directors when they started looking for board level roles was marked. The

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men tended to go to their own wide ranging personal network as their first port of call. They did not shun the head-hunters; rather they “primed” the market so that when they followed up with head-hunters their names were already being mentioned by the community who nominate individuals for board level roles. The female aspiring directors opted for a more formal approach, by either going direct to the head-hunters who they perceived as owning the board selection process, or by attending formal matchmaking and networking events aimed at increasing the number of women on boards. However, their lack of follow up after these events meant that they did not generally establish meaningful relationships which could be leveraged.

The results of this research suggest that many of the women interviewed did not understand the importance of having a quality network or establishing leverage. Beyond their lack of understanding, both homophily and networking behaviours impacted their ability and willingness to leverage their social capital. Homophily has an impact in lessening the quality of the females’ networks relative to the males, and also reduces the ability of the female aspiring directors to access the resources embedded in the contacts that they have. Where the female aspiring directors did attempt to leverage their social capital they achieved lesser outcomes. Networking behaviours have an impact not only on building a quality network, but also on the willingness and ability to leverage that network.

As explained in Chapter 4 the selection process largely limits the pool of potential candidates to those who are known and respected by Chairs. As corporate board level roles are almost never advertised, the only way to get on a long list is to be

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nominated either by an existing Chair or established director, or by head-hunters themselves. Whilst some of the head-hunters were open to casting a wider net in their search for potential, many limited their horizons to the “safe” choices of individuals sponsored by the inner circle of existing board members. It was clear from the analysis of the aspiring males’ and females’ interviews that the way in which aspiring directors build and maintain their networks is likely to result in a selection bias towards men.

It would appear that some of the female candidates did not understand the need to build long term trusting relationships with Chairs and head-hunters, approaching their interactions in a more formal manner, preferring organized networking events and “matchmaking” events to one on one or business focused meetings. Other authors have noted that power tends to flow through informal rather than formal networks and channels (Kanter, 1977; McGuire, 2002), and this research suggests that many aspiring women directors are adopting ineffective networking practices which bypass the power structures into which their male colleagues are tapping.

Because the male respondents were more proactive throughout their careers in building their networks with powerful seniors and head-hunters, and because they maintained their relationships in more informal and intimate settings, they were more central to the individuals making nominations to long lists. Centrality has been shown to be crucial to garnering resources (Brass, 1984; Ibarra & Andrews, 1993) and this research indicates that it is just as, if not more than, important at the most senior levels. Many scholars have suggested that women are excluded from informal power networks that are instrumental in filling the most senior level vacancies and

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many suggest that the “old boys’ club” is at least in some way responsible for this exclusion (Elliott & Smith, 2004; Linehan & Walsh, 2001; McDonald *et al.*, 2009).

This research would support those suggestions.

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Chapter 8: Discussion and Conclusion

Introduction

Since board diversity, and specifically the presence of a critical mass of female directors, is increasingly being associated with a range of positive organizational attributes, understanding the barriers to women's advancement to boards is important from both an economic and social perspective (Bilimoria, 2000; Konrad *et al.*, 2008; Galbreath, 2011). The information gained from this research may well be of practical use to organizations and individuals and could aid the progress of equality and diversity on corporate boards.

This chapter presents the findings and conclusions of this research, explains how this research contributes to the existing body of literature and highlights areas for further future study. As discussed in Chapter 1, lack of board diversity, including gender diversity, is an enduring issue in most countries. In the UK, despite some increases in female non-executive director representation on corporate boards since the publication of the Davies report (2011) female executive director, CEO and Chair representation remains dismally low. It could be argued that the recent increase in female non-executive director appointments is merely window dressing, as women are still largely absent from the real positions of power in corporate organizations. Evidence suggests that board diversity is beneficial as it can ward against groupthink (Maznevski, 1994), challenging conventionally held views and bringing fresh perspectives, leading to more balanced decision making (Bilimoria, 2000). Issues can be understood more thoroughly as women are more likely to ask questions when they do not understand information (Konrad *et al.*, 2008).

Additionally, it has been argued that women may be less rash than men in their

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decision making, leading to more effective board control and risk management (Nielsen & Huse, 2010; Muller-Kahle & Lewellyn, 2011). Thus, the continuing lack of women in positions of corporate power is likely to be economically and socially damaging to organizations as well as being morally undesirable.

As discussed in the literature review, Social Capital Theory and networking behaviours offer some fertile ground to explore why women in senior positions are not progressing in substantial numbers to corporate board director positions. Networking has been shown to be of importance at all levels of an individual's career, and arguably becomes more important as the level of seniority of the role increases (Elliot, 2000; Seibert *et al.*, 2001; McDonald & Elder, 2006). The scant previous research that exists suggests that the corporate board director selection process is heavily reliant on networks and networking (O'Neal & Thomas 1996; Faulconbreidge *et al.*, 2009). Corporate board level jobs are rarely advertised; names are put forward by Chairs, Heads of Nominations Committees, and specialist search firms. Despite calls for a transparent recruitment process for board appointments, the practice is not open or clear, and has not been subject to rigorous academic research. This thesis sought to fill this gap in the literature by researching corporate board director selection processes, for both executive and non-executive director roles to understand the role of social capital and networking.

If having social capital plays a major role in board selection processes, and if women are less central to the power coalition, or if women are equally central but less able to leverage their centrality, they will be less likely to be put forward as potential board level candidates and they will also be less likely to be successful in

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board selection processes. The literature reviewed in Chapter 2 suggested that the quality of men's and women's networks differ, with women holding network positions with less centrality to those in powerful positions (Brass, 1985; McGuire, 2002). Thus women have less social capital than their male peers. It would also appear that women are not able to leverage their social capital to the same extent as their male colleagues. The research reviewed in Chapter 2 did not, however, specifically explore the impact of networks and networking at corporate board director level, and this thesis aims to fill the gap in the literature relating to the gendering of social capital and networking and its impact on corporate board selection processes. The literature review indicated that the underlying causes of the inferiority of women's networks may stem from differences in their networking behaviours, and the powers of homophily which might lead powerful men to network with similar others (Ibarra, 1992; Ibarra 1993; Rothstein *et al.*, 2001; Kumra & Vinnicombe 2010) . Women may also miss out on instrumental mentoring and sponsorship due to these homophilic tendencies (Ibarra *et al.*, 2010). Hence they are likely to be less able to leverage the limited social capital they do possess.

In researching the role of social capital and networking in corporate director selection processes, the research also reflected on Preference Theory, Human Capital Theory, Attribution Theory and self-efficacy as potential explanations for the lack of progress of senior women to corporate board director roles. As discussed in chapter 1, it is doubtful how far these theories help to explain the lack of female progression into the boardroom. The research therefore sought to identify whether this doubt is justified.

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Discussion

Based on the gaps in the literature, five research questions were identified. This section will summarise the findings from each of these research questions and discuss the implications of the findings relating to each question in turn. A more holistic discussion of the findings in their entirety follows the review of the individual questions.

In relation to the first research question, little is known about the selection processes for corporate director roles. Hence, this research sought to validate how corporate director vacancies are filled. Specifically it focussed on the role of head-hunters, Chairs and other established directors such as Heads of Nominations Committees, and how they put forward names for inclusion on long and short lists. It explored how head-hunters research the market to find potential candidates, and how they decide who is, and who is not, worthy of consideration. It also explored how the decision makers know the individuals they are nominating and how they keep in contact with them. The research also reflected on the effectiveness of the aims of the UK Corporate Governance Code and the Voluntary Code for Executive Search Firms. Both of these codes aim to widen the diversity of corporate boards by broadening the pool of potential candidates by the employment of open and transparent selection processes unhindered by reliance on cronyism and “old boys’ networks”.

As discussed above, there is not a vast amount of existing literature pertaining to board selection processes. Finlay and Coverdill (1999) described the head-hunters process as one of cultivating extensive networks from which to source candidates. However, in contrast to the Finlay and Coverdill (1999) findings this research does

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not indicate that the networks are “extensive”, rather they are relatively limited and exclusive. This research shows that head-hunters research the market to find potential candidates by undertaking sourcing activities that leverage their own social capital and that of the business elite network of existing Chairs and board directors. The head-hunters all had numerous weak ties to influential business leaders, and in line with network theory (Granovetter,1973), gained insight into the market from these ties. The sourcing activities they use are heavily reliant on word of mouth recommendations and on the potential candidates being visible to and positively regarded by the relatively small pool of Chairs and existing board directors. The networks do not generally extend beyond the narrow confines of the business establishment. Echoing network theory (Brass, 1984) aspiring directors who are not central to the networks that are used for this candidate sourcing will not be nominated.

The behaviours described by the Chairs and the head-hunters in how they nominate and source candidates for board roles is strongly aligned with Coleman’s (1990) concept of social capital, which is reliant on closed networks where members have high levels of trust in each other. Nominating someone from within the closed network or referencing someone through the closed network gives a level of assurance that the individual will conform with the accepted norms of board directors. This is hardly a recipe for diversity. While half of the Chairs were committed to an open and transparent selection process which increased the diversity of their boards, the process still limited the potential pool of candidates to those known and recommended by the existing elite director network.

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The Voluntary Code for Executive Search Firms suggests that head-hunters work with Chairs to craft the role and person specification in terms of transferable capabilities rather than experience. Point 4 of the code says “In defining briefs, search firms should work to ensure that significant weight is given to relevant skills and intrinsic personal qualities and not just to proven career experience, in order to extend the pool of candidates beyond those with existing Board roles or conventional corporate careers”. If this were to occur a wider range of candidates could be considered for board director roles, not just individuals who have trodden the convention corporate career path and are central to the inner circle of the corporate elite. However, although the head-hunters themselves said that they challenged briefs, generally the Chairs did not believe the head-hunters had the knowledge to challenge their view of the requirements credibly. Thus, unless Chairs really want to embrace greater diversity, specifications are unlikely to change.

Faulconbridge *et al.* (2009) contend that executive search firms are now controlling the candidate nomination pool, and while this may be true to the extent that they are widely used especially for non-executive searches, this research showed that to some extent they are merely acting as puppets in this capacity, as they generally only control a pool of candidates known to and nominated by Chairs and existing directors. This argument is reinforced by the finding that head-hunters are far more likely to put an individual’s name forward as a potential board candidate if they are nominated by an existing respected Chair than if they come to the head-hunter’s attention through other means. Candidates nominated by the Chair of the company with the vacancy invariably are placed on the long list, and maintain an advantage throughout the process.

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As remarked by Finlay and Coverdill (1999) this research confirmed that the process does rely on listening to gossip and rumour. Reputational assessment was a major feature of the selection process, with discussions at shortlisting meetings relying on the personal opinions of existing board members to rate or reject candidates, with little or no moderation by the head-hunters. With one exception the head-hunters behaved in a subservient fashion, agreeing with rather than challenging the verdicts of the existing board. Thus candidates who are not central to the power coalition making the selection judgements will not be ranked as highly as candidates who are known and positively regarded within the director level network. Further reputational assessment was undertaken when the head-hunters and Chairs used their own personal networks to undertake informal referencing on shortlisted candidates. Much of the reputational assessment delved into the likely fit of the candidate with the culture of the existing board. Indeed, the sourcing, selection and referencing all seemed to be more geared to ensuring that the successful candidate would fit within the existing board rather than ensuring that they brought needed skills or experience to the board. It appeared that having high levels of social capital and centrality to those within the inner circle of existing board Chairs and directors was in itself deemed to be a validation of the required skills and competencies. Faulconbridge *et al.* (2009) suggest that executive search firms control the definition of what a talented candidate looks like, but again, this research suggested that they are merely vessels used to convey the Chair's view of what a talented individual looks like. Generally that view is a reflection of their and their peers' experience and behaviour.

For executive board director roles, often vacancies are filled without a competitive selection process involving head-hunters, with candidates identified through

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succession planning activities. Candidates identified in this manner have invariably received active sponsorship from the CEO and the Chair of the organization and by other established directors in the organization. They are well networked to existing board members. Arguably the role of social capital and networking in this area is equally if not more important than in non-executive directors board selections.

Where head-hunters are used for executive director roles, the selection process is more formal than for non-executive roles, however, it still relies heavily on word of mouth recommendations to source candidates, and informal referencing still takes place to validate the candidate's credentials.

For both executive and non-executive board director selections, therefore, the process works just as network theory would suggest. According to network theory (Granovetter, 1973; Burt, 1992, 2004) individuals with a large number of weak ties appear more knowledgeable and entrepreneurial, and are more likely to receive sponsorship, hear about job opportunities and be promoted. In this study those individuals who have a wide ranging network with strong ties to the most senior individuals at Chair and board level within their own organizations are most likely to receive patronage and sponsorship on succession plans for internal promotion to executive director positions. As argued by Elliot (2000), at very senior levels it is not so much that job seekers reach upwards to use their senior contacts to find a position, it is more that the senior contacts reach downwards to offer opportunities to the individual, creating a very active form of sponsorship. Just as predicted by Network Theory (Granovetter, 1973; 1974), in addition to strong ties to their existing board, those with a large number of weak ties to Chairs and directors at other corporate organizations are more likely to be nominated for non-executive and executive roles

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at other organizations. This was confirmed by the descriptions of the relationships that Chairs had to those they nominated. For board level vacancies within their own organization and for other organizations, Chairs and existing board directors tend to nominate individuals with whom they have worked closely. They built trusting relationships with them in the workplace, and they kept in touch with them over many years through attendance at business events and business social events.

Although since the publication of the Davies report (2011) Chairs appear to have become more aware of the need for board diversity, their actions do not always reflect this awareness. They do not appear to reflect on the construction or operation of their networks in regard to nominating and selecting individuals for board director roles. They and the head-hunters still rely on word of mouth recommendations and informal referencing to target potential candidates even when they are particularly keen to source a female candidate. This research suggests that the UK Corporate Governance Code has had only limited impact in improving the transparency of the filling of board level roles. Whilst half of the Chairs described a genuine desire to search widely for the most suitable board candidates using head-hunters to reach people they might not know themselves, the other half all described at least one occasion where they had initially nominated the winning candidate for a director role in their own organization.

When Chairs used their own networks to fill vacancies but still used head-hunters to manage the process they said that they wanted the head-hunters to benchmark their preferred candidate. Arguably, at least some of the Chairs may have been using head-hunters merely for reporting purposes, so that they could say they had met Corporate Governance requirements when in fact the selection result was a foregone

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conclusion. One would have expected this research to have shown different results from earlier research which took place in environments not subject to such governance requirements (e.g. O'Neal & Thomas, 1996; Sheridan & Milgate, 2005). However, that was not the case for half of the Chair respondents, indicating that the regulatory and voluntary codes lack teeth.

The findings, and their lack of divergence from previous findings, bring into question whether some of the Chairs have a real desire to increase board diversity at all. It would appear that around half of the Chairs do not possess this genuine desire, and are quite happy to maintain the status quo while paying lip service to governance requirements. The head-hunters are either ignorant of what is going on or are colluding with the Chairs in maintaining the status quo. The resistance to using advertising which would broaden the pool of potential candidates is further evidence of a desire to keep things as they are. Recommendation 7 of the Davies Report (2011) encourages companies to periodically advertise board director vacancies, however none of the head-hunters and none of the Chairs reported advertising any director roles. This resistance to advertising is not particularly surprising as previous research has contended that as the level of seniority of a role rises, the openness of the recruitment method closes (Clark, 1992). The head-hunters have a vested interest in maintaining the current way of working as it justifies their existence and maintains their revenues. Indeed, the changes to the UK Corporate Governance Code in 2010 massively increased the size of the market for executive search firms operating at board director level, and it could be argued that it has made them lazy. They are quite happy taking the additional revenues that were handed to them as a

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result of the governance changes, and have no incentive to “bite the hand that feeds them.”

As a result, despite calls for transparency in board selection processes, much of the process continues to rely on private conversations and recommendations.

Judgements on who to recommend, and who to select, are very rarely based on an objective analysis of capabilities and past performance. In an environment where the supply of potential candidates far outweighs the demand for candidates, merit often appears to be judged through association. Knowing and being well regarded by Chairs and existing directors is seen by head-hunters to convey worth regardless of what an individual is actually capable of or has achieved.

The research highlights therefore that the process works just as networking theory (Granovetter, 1973; Brass, 1985; Burt, 2000; Burt, 2004) would predict. Only individuals with high levels of social capital, who are connected and visible to those involved in board selection processes, are likely to be sourced as potential board candidates. It suggests that Vinnicombe *et al.*'s (2010) conjecture that there had been a move away from selection through the “old boys’ network” was premature. The liberal approach (Jewson and Mason 1986a) taken by the various codes and recommendations has resulted in a smokescreen of procedural changes. The improvements in female non-executive director numbers have not transferred power to women. Power is still held overwhelmingly by men who hold the Chair, CEO and executive director roles.

Beyond issues of diversity, it is questionable whether the current selection process sources candidates who are most able to contribute to the work of the board. Because the pool of potential candidates is limited to a narrow circle of known contacts, a

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large number of potentially able individuals are not considered. While the role of executive search companies is to fill vacancies with candidates who are both suitable and acceptable (Clark 1992), at board director levels head-hunters appear to equate suitability with being known and recommended by Chairs. If an individual comes to their notice by this method they are deemed to be capable of board director work. Having identified suitable candidates in this manner, they and the Chairs then focus predominantly on acceptability (Jewson & Mason, 1986b) requirements. There appears to be very little objective assessment and verification of an individual's suitability for a particular role with "chemistry and fit" being the deciding factors on many occasions. This may well make for a cordial board, but it does not necessarily make for an effective board. Since the role of a board is to set strategy, ensure governance and to challenge the executive, having too many like-minded people may not be the best recipe for success.

The interviews with the head-hunters and Chairs therefore evidenced a selection process heavily reliant on potential candidates possessing high levels of social capital. If female aspiring directors possess lesser levels of social capital than their male counterparts, this could work against them in their quest to gain board level roles. However, other potential reasons for the shortage of female directors have also been put forward and given this research question 2 investigated how far Human Capital Theory, Preference Theory, Attribution Theory and Self-Efficacy explain the lack of progress of senior women to board level roles

Chapter 1 argued that while these topics may explain the scarcity of women in middle and senior management roles, they were unlikely to provide a convincing explanation for the poor progress of women from senior management roles to

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boardroom director roles. One might expect women at senior management levels to have made a choice to focus on their career, and one might also expect them to have amassed substantial levels of Human Capital. Finally one might also expect them to possess high levels of self-belief and confidence. The research sought to explore these assumptions by asking aspiring directors about their preferences and their human capital and by noting their attributions and confidence levels. Head-hunters and Chairs were also asked to recount their experience of the levels of ambition and human capital and confidence they have found in aspiring male and female directors.

Contrary to some existing research (e.g. Smith *et al.*, 2013; Ng & Wiesner, 2007; Ng *et al.* 2005) no evidence was found in this study to support the arguments based on Human Capital Theory: the female aspiring directors were not found to possess fewer of the educational qualifications needed for director roles; they were not found to possess fewer of the skills needed for director roles; and they were not found to possess less of the right kind of work experience needed for director roles. Indeed a number of the head-hunters and Chairs commented that female aspiring directors often had higher levels of human capital than their male peers. These findings are not altogether surprising. Although previous research has shown that women generally tend to possess less human capital (in terms of work experience rather than education) than men (Ng & Wiesner, 2007; Ng *et al.*, 2005), or that they have progressed through different career paths (Smith *et al.* 2003) the women who have reached executive committee level and are thus in the pool for consideration for board level roles, are likely to have amassed substantial relevant experience. The findings from this study are more aligned to those of Terjesen and Singh (2008) who

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found that those women who gained corporate board director positions have human capital levels at least on par with their male peers.

However (and unfortunately for the female aspiring directors), as discussed in Chapter 4 judgements on who to recommend and who to select for board director roles are very rarely based on objective evidence of their capabilities and past performance. Having substantial levels of human capital does not in itself improve the chance of gaining a board director role, as having the relevant human capital appears to be a given in an environment where supply outstrips demand.

This research only looked at the impact of human capital in relation to women who had already reached aspiring director level. With one exception (who had previously held a role of national importance) the aspiring directors interviewed for this research had held very senior executive positions in public listed companies or professional partnerships. What the research did not do was look at the impact of human capital in relation to the potential pipeline of women at these very senior executive positions. As discussed in Chapter 1, existing research clearly shows that taking maternity leave or a more extended career break, or working part-time or flexibly to combine motherhood with career can have a major impact on an individual's human capital (Budd & Mumford, 2006; Grant *et al.*, 2005; Hoque & Noon, 2004). This current research should not be taken as a sign that the human capital gender battle has been won. To increase the pipeline of talented female aspiring board directors more effort needs to be placed on creating challenging and fulfilling part-time opportunities, and giving women the opportunity to return to

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work after having children without the need to constantly re-prove their abilities before they are considered ready for promotion.

Similarly, whilst there are clearly some women who choose (or due to shortage of childcare options and lack of quality part-time roles are forced) to concentrate on their family life rather than their career at junior and middle management levels, this research did not find any evidence to support Preference Theory (Hakim, 1995; 1998; 2006) at the aspiring board director level. The women who had reached senior executive levels were just as ambitious as their male counterparts. They were just as prepared to move and travel for their work, and did not step out of full time roles any earlier than male aspiring directors. However, just as with human capital theory, more cost effective childcare provisions and more access to quality part-time work might increase the pool of women who progress to become senior executives who form the pool of aspiring female directors.

Arguments based on Attribution Theory (Beyer, 1990; Feather, 1969, 1992; Rosenthal, 1994; Zuckerman, 1979) and self-efficacy (Davidson & Cooper, 1992) were also not supported by the evidence from the interviews. The research did not identify any difference in the confidence of male and female aspiring directors. Again, this is not surprising since women who lack confidence and who constantly attribute their successes to others are unlikely to have reach the senior executive levels held by the female aspiring directors interviewed for this research. Thirty five years after the publication of Schein's (1978) seminal work on gender stereotypes in the workplace, promotion and performance systems based on male management styles and attributes still "filter out" women who do not conform to the perceived

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wisdom of what “good” looks like (Agars, 2004). Women who attribute their successes to others are therefore likely to be absent from the pool of aspiring directors as they would have missed out on earlier promotions from junior and middle management roles.

Aligning with previous findings (Oakley, 2000; Rosenthal & Guest, 1996), this research did however find that women aspiring directors were less likely to look for opportunities to publicise their successes with senior influential individuals. They were more modest in their demeanour, expecting to progress on merit. In failing to seek out opportunities to impress influential contacts, the female aspiring directors may have inadvertently reduced their opportunities to expand and deepen their network ties with individuals who might make recommendations for board level roles. It may also have impacted their willingness to leverage their social capital by letting their influential contacts know that they were seeking board level roles and by asking for recommendations.

Research question 2 asked “How far can Human Capital Theory, Preference Theory, Attribution Theory and Self-Efficacy explain the lack of progress of senior women to board level roles?” The evidence from this research is that, with the exception of modesty limiting impression management activities, these explanations do not substantially explain the lack of progress of senior women to board director roles. However, as argued above, these theories cannot and should not be discounted as reasons for limiting the pipeline of aspiring female directors. 38.8% of all management jobs are held by women (ONS, 2013) but this drops to 15.6% at executive committee levels (Vinnicombe *et al.*, 2014) and it is these most senior

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roles that make up the pool of aspiring female directors. Without actions which increase the pipeline of aspiring female directors, board diversity will always be limited, and gender parity at the board level will never be achieved.

As argued in Chapter 1, in contrast to Human Capital Theory, Preference Theory, Attribution Theory and Self-Efficacy, Social Capital Theory and networking behaviours offer particularly fertile ground to explore why women in senior positions are not progressing in substantial numbers to corporate board director positions. The evidence from the research supports this argument. The board selection process is very heavily reliant on word of mouth recommendations and only individuals with high amounts of social capital are likely to be recommended or selected. Aspiring directors need to be central to those making the recommendations if they are to be considered for board level roles. Research Question 3 therefore investigated whether the female aspiring directors had networks of lesser quality.

Previous research has provided diverging results on how central women are to the power coalition in organizations. Brass (1985) argued that women were less central than their male peers in similar roles, while Ibarra (1992) contended that there was little difference in their centrality, although the males in her study were more able to leverage their centrality. In other words she suggested that not all centrality is equal, as the males' centrality conferred more social capital than the females' centrality. A more recent study (McGiure, 2002) in the financial services market found that the males held organizational positions which provided them with greater centrality than the females. All of these previous studies used employees at all levels of seniority, not just the most senior executives. This research, looking at aspiring directors,

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found that whilst female aspiring directors had similar centrality to their male counterparts in relation to the tactical needs of their current role, the male aspiring directors had built richer and deeper relationships, meeting informally with influential contacts on a regular basis. These findings are most aligned with those of Ibarra (1992), with both genders having equal centrality. It also provides a potential explanation for Ibarra's (1992) finding that the men were better able to leverage their centrality. Building rich and deep relationships through meeting informally for coffee, drinks and dinners is likely to improve an individual's ability to leverage their social capital.

The existing body of research mentioned above did not look beyond the current role being undertaken by an individual and their centrality in relation to that. By contrast, this research looked beyond the immediate role requirements and found that the majority of the male aspiring directors had kept in contact with previous peers, bosses and other contacts over a number of years compared to a minority of the female aspiring directors. They had also built and maintained contact with the executive search community. As a result the male aspiring directors had far more weak ties to a wide range of senior contacts across their markets and areas of functional expertise. They had the kind of centrality that Burt (1992, 2004) contends builds social capital. They were in a position to bridge structural holes and broker information across their network, and thus were in a position to make themselves appear to be politically astute and knowledgeable. Burt (1992, 2004) argues that not all networks are equal. Two individuals with the same number of connections will not necessarily have the same amount of social capital. Those who span structural holes between otherwise unconnected networks will have greater social capital than

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those whose contacts all operate in the same network. Because they had kept in contact with a wide range of individuals throughout their careers they were likely to be in a position to span disconnected networks.

Additionally, within their networks, the male aspiring directors also had a larger number of contacts to existing board directors and Chairs than their female counterparts, and here they were likely to benefit from being within the closed elite network of corporate boards. Belonging to such a network would in itself confer social capital (Coleman, 1990).

Network Theory would suggest that because they had a wide range of weak ties (Granovetter, 1973) the male aspiring directors were in a much better position to hear of board level vacancies than their female counterparts. Because they had maintained relationships with a range of influential people from different roles and backgrounds, network theory would also suggest that they would be able to bridge and broker information (Burt, 1992, 2004) making them appear to be more politically astute and knowledgeable than their female counterparts, and as a consequence they would be more likely to be recommended for board level roles by their important contacts.

Research Question 4 sought to understand why there might be a difference in the quality of the networks of the aspiring male and female directors. With regard to this the first issue that was considered was whether the behaviours which impact the scale and scope of networking undertaken by aspiring female directors are different to those of their male peers.

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Previous research has given conflicting views about whether women and men are similarly motivated to network to support their careers. Some contend that women may prefer to network for social rather than instrumental reasons (Vinnicombe & Colwill 1995; van Emmerik, 2006) while others argue that senior women network for business reasons (Durbin, 2011). This research would suggest that both these views are somewhat simplistic. Both the men and the women in this research networked with friends they had met at work. However, the male aspiring directors were far more cognizant of the benefits of networking, and actively behaved in ways which allowed them to both maintain existing trusting relationships and grow new ones. The majority of the male aspiring directors actively managed their networks and their networking such that they regularly met up with their powerful contacts while the majority of the female contacts did not. Considering the seniority of the people interviewed, it was surprising to note that some of the aspiring female directors appeared to be completely oblivious to the benefits of maintaining contact with influential people they had worked with in the past: it was not that they preferred not to network for instrumental reasons, it just did not cross their minds to do so. This is at odds with the findings from Kumra & Vinnicombe (2010), who found that women were just as aware of the need to network as men. However, the Kumra and Vinnicombe study was within a single consultancy firm, and individuals were asked whether they thought that social capital accumulation was important in that firm. This thesis asked broader based questions about networking not only within their organization but also across their market. It also asked about networking with previous peers and bosses. The different framing of the research questions could well explain the difference in the research results.

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Even those women who were aware of the need to network for instrumental reasons tended to make a distinction between networking for the instrumental benefit of their employer and networking for the instrumental benefit of themselves. This distinction was not apparent from the existing body of literature and provides new insights into women's networking behaviours. In line with the Durbin (2011) findings, the female aspiring directors were happy to network for business reasons, but generally only when that networking benefitted their employer. They were not as happy networking for personal instrumental benefit. While this can partly be explained by women's reluctance to partake in impression management as argued by Singh & Vinnicombe (2001), it went beyond this. The male aspiring directors were quite comfortable with networking during work time, while the female aspiring directors felt they had to be at their desks concentrating on their current job. The male aspiring directors took time during the working day to network with their influential contacts by attending business focused and business social events. They studied attendee lists to ensure that they only attended events where the other participants were influential. While the male aspiring directors were networking the female aspiring directors were concentrating on their paid employment. As a result of these behavioural differences, the male aspiring directors spent more time with Chairs and existing directors, and were more central to those individuals who nominate candidates for board director roles.

These differences in networking behaviours raise some interesting issues. It could be argued that women are just less strategic about networking and should learn how to do it more effectively. However, since it would appear that the best way to increase one's social capital (and thus the likelihood of being known by those

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making recommendations for board level roles) is to concentrate on one's personal objectives rather than work objectives, it could be argued that there is something fundamentally wrong with a system that rewards such behaviours. Either way, this does suggest that women may want to learn how to network more effectively to aid their careers.

This is not the first research to show that men spend more time networking than women. However, other studies have not attributed this to women's reluctance to network during the working day. Rather they have argued that women spend less time networking than their male peers outside of work hours due to domestic responsibilities not shared by their male counter-parts (Linehan, 2001; Linehan & Scullion, 2008; Kumra & Vinnicombe, 2010) . This study found no support for this contention at aspiring board director level. Generally the male and female aspiring directors both limited their attendance at evening functions to once or twice a week as in equal measure they wanted to spend time with their families. There are two potential explanations for the difference in findings in this research. Firstly, the participants in this study were senior executives who employed household staff such as nannies, housekeepers and gardeners to undertake their domestic chores. At more junior levels of management, where disposable income is much lower, such luxuries are probably not widely affordable and so if there is inequitable sharing of domestic chores between the genders then this may impact on women's networking activities. Secondly, the other studies referenced above only asked women if they perceived that they had less time available for networking than their male peers. Unlike this study, they did not compare the networking habits of female and male peers to judge how much time is actually spent in evening networking.

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While networking behaviours may go some way to explain differences in levels of social capital, they are not the only reason for female aspiring directors possessing lesser social capital. The literature review exposed a number of important questions about the role of homophily and how it impacts networking and board selection activities. From the literature and networking theory (McPherson & Smith-Lovin, 1987; Ibarra, 1992; Burt, 2000) it appeared that both of these factors could be equally important in leading to women having lower levels of social capital.

Echoing studies with individuals at all levels of seniority (e.g. McPherson & Smith-Lovin, 1987; Marsden, 1988) the research showed the power of homophily was evident in the responses on both the demand side and supply side of the board selection process. On the supply side, the influence of homophily goes some way to explaining why the female aspiring directors had poorer quality networks than their male peers. In line with previous studies (e.g. Ibarra, 1992), the male aspiring directors found it easy to bond with their male colleagues, many of whom were senior to them and held influential positions. Again supporting findings at more junior levels (Rothstein *et al.*, 2001), the female aspiring directors sought to forge trusting relationships with other females, but these did not result in networks of the same quality as their male peers as their female contacts tended to hold lower level roles. As with the Ibarra (1992) study, the female aspiring directors also built another network with their male bosses, colleagues and market contacts to ensure that they could fulfil their work objectives but these tended to be tactical relationships which did not continue once individuals moved to other roles. Both the male and the female aspiring directors had kept in touch with the friends they had made through building trusting relationships at work. However, the male aspiring directors, having made

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friendships with male peers and bosses, had kept in touch with a large number of influential individuals who progressed to hold positions where they made recommendations for board level roles. The female aspiring directors, having made friends with other women at work, had kept in touch with people who were not influential in board selection processes. It could therefore be argued that differences in networking behaviour relating to keeping in touch with senior influential contacts is at least in part driven by homophily. Thus homophily appears to have a greater effect than behaviours in creating lower levels of social capital for women, as its effect is amplified.

It is of concern that nearly twenty five years on from the Ibarra (1992) study so little has changed. Women still face the same struggle in the workplace due to the self-fulfilling and circular issue of being in a minority at the most senior levels and therefore facing hurdles in making trusting relationships with the holders of power in organizations. Moore's quote of a quarter of a century ago that even when women achieve high powered positions they remain "outsiders on the inside" is just as pertinent today (Moore, p566, 1988).

However, the literature review highlighted the emergence of women-only networks where females can network with similar others (McCarthy, 2004; Singh *et al.*, 2006). Previous research had suggested that women sometimes prefer to attend single sex networking events (Travers & Pemberton, 2000), and this was supported by this research with half of the aspiring female directors belonging to such networks. Scholars hold differing views about the utility of these networks with Kanter (1977) and Hersby *et al.* (2009) suggesting that women could gain visibility and power from such networks while others suggest that they can reinforce male dominance and

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prejudice (Bierema, 2005; Pini *et al.*, 2004; Lineham, 2001). This research did not find any evidence that they reinforced male dominance, although no men were asked for their views of such networks in this study, and so their view of women only networks was not evidenced. There was evidence that junior women might benefit from sponsorship and mentorship from the senior women who attended, supporting the Kanter (1997) and Hersby *et al.*, (2009) position. However, there was no evidence at all to support their utility with regard to the aspiring female directors themselves. Being the most senior women attending such networks meant that the aspiring female directors were givers rather than receivers of sponsorship through women only networks. Furthermore, attendance at a women-only event, which were most often held in the evening after work, had an opportunity cost as it ate into the time available for networking with influential contacts at other networking events.

As discussed above, the research established that female aspiring directors had less social capital than their male counterparts, and that this was due to the combined effects of homophily and networking behaviours. Since board selection processes rely on individuals possessing large amounts of social capital to be recommended and positively referenced for board director roles, this will inevitably place the male aspiring directors at an advantage. However, social capital has to be leveraged for this advantage to become operationalised. Research Question 5 therefore sought to understand whether there are gender differences in the willingness and ability of aspiring directors to leverage their social capital.

As noted earlier, previous studies have established that men are better able to leverage their centrality than women (Ibarra, 1992), and this research replicated that finding at the aspiring board director level, with the male aspiring directors receiving

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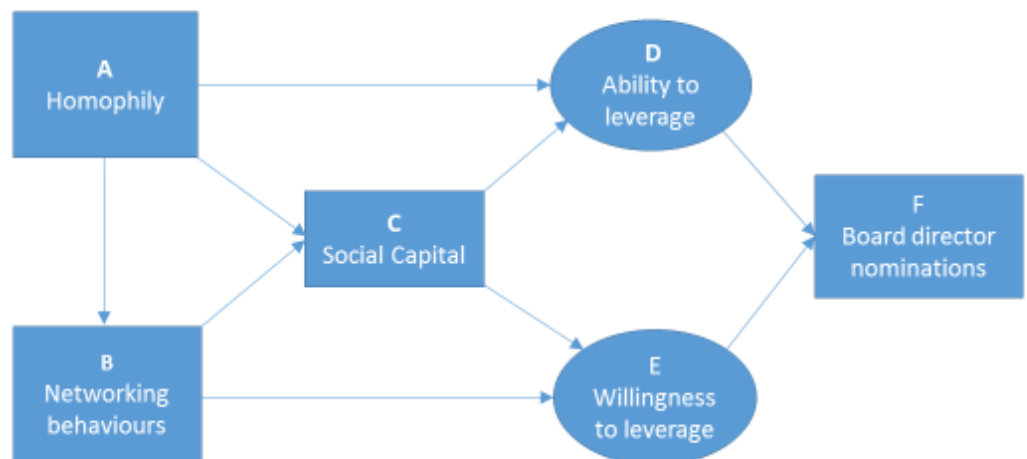
more help from their influential network contacts. However, the existing body of research had not investigated individuals' willingness to leverage their social capital. This research highlighted major differences in behaviour which related to the willingness of the male and female aspiring directors to leverage their social capital when they were trying to gain a director level role. The male aspiring directors were far more willing to try to leverage their social capital than their female counterparts, going to their influential contacts as their first port of call in their job search. They did not shun the head-hunters; rather they "primed" the market so that when they followed up with head-hunters their names were already being mentioned by the community who nominate individuals for board level roles. The female aspiring directors opted for a more formal approach, by either going direct to the head-hunters who they perceived as owning the board selection process, or by attending formal matchmaking and networking events aimed at increasing the number of women on boards. However, their lack of follow up after these events meant that they did not generally establish meaningful relationships which could be leveraged. While the body of existing research demonstrates that men are more successful than women in gaining the most senior level jobs through informal methods (McDonald *et al.*, 2009; McDonald & Elder, 2006), these studies have view the job seekers as being passive in a non-searching process. They have not highlighted the fact that men are more likely to use informal searching methods while women are more likely to use formal mechanisms.

This final research question asked whether having a poorer quality network and different networking behaviours had negative implications in gaining board level roles for women. The results of the research suggest that most of the women

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interviewed did not understand the importance of having a quality network or establishing leverage. Networking behaviours not only had an impact on the female aspiring directors' ability to amass social capital, but also on their willingness to leverage that network. Likewise, homophily not only had an impact in lessening the quality of the females' networks relative to the males, it also had an impact on their ability to leverage their social capital. As a result, where the female aspiring directors did attempt to leverage their social capital they achieved lesser outcomes. In summary, female aspiring directors not only have less social capital than their male peers, they are also less willing and less able to leverage it due to the combined influences of homophily and behaviours. This relationship can be seen in Model 1 below.

Model 1: The impact of behaviours and homophily on board director nominations



The model shows how homophily (box A) impacts social capital (box C) in its own right as it is easier for male aspiring directors to bond with senior male business

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leaders. It also impacts networking behaviours (box B), making it more likely that individuals will want to keep in touch with similar others. In turn, networking behaviours (box B) impact social capital (Box C) as more time spent proactively managing contacts and attending events with influential others builds relationships. Therefore the impact of homophily on networking behaviours is additive for male aspiring directors but subtractive for female aspiring directors.

Networking behaviours (box B) impact the likelihood of telling influential contacts that an aspiring director is looking for director roles thus impacting an individual's willingness to leverage their social capital (box E). Homophily (box A) makes it easier for male aspiring directors gain help from same sex relationships with influential others, impacting their ability to leverage their social capital (box D). The amount of social capital (box C) an aspiring director possesses, coupled with their willingness (box E) and ability (box D) to leverage that social capital drives the number of times they are nominated for board director roles (box F).

Contribution

The literature reviewed in Chapter 2 discussed the role of networking and social capital in gaining jobs, and also looked at gender differences in social capital and networking. A particular feature of the extant research is that much of the research on gender differences in networking structures and outcomes has looked at individuals at all levels of organizational hierarchies (e.g. Brass, 1985; Ibarra, 1993; Rothstein *et al.* 2001; McGuire, 2002; McDonald *et al.*, 2009). The existing body of research does not demonstrate whether those women who have progressed to senior levels network in a manner that is similar to their male peers or whether the differences found at more junior levels can also be found at more senior levels. This

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research looked particularly at aspiring directors and therefore sheds light on their specific circumstances and habits.

Additionally, the methodology employed by most networking studies does not aid the understanding of how individuals mobilize the resources in their networks. The most common methods used to map and gauge networks for centrality, homophily and instrumentality are the Name Generator method or the Position Generator method (Lin & Dumin, 1986; van der Gaag *et al.*, 2008). Both are similar in that they ask individuals to name the people with whom they link, or the position of the people with whom they link, for advice, support and instrumental help. Effectively they measure who networking takes place with, not how networks are built or how networking takes place. The research presented here took a different approach, using semi-structured interviews and template analysis to understand how central individuals are to those in power, and to understand how they mobilize their networks and leverage their social capital to gain board director roles.

The research is also unique in its adoption of an approach which focussed on both the demand side and the supply side of the board selection process to understand how aspiring directors' behaviours matched the requirements of the selectors and the selection process. The small number of previous studies which have taken place at board director level have tended to look at either the supply side (e.g. Davies-Netzley, 1998; Sheriden & Milgate, 2005; Cotter *et al.*, 2007) or the demand side (e.g. Arfken *et al.*, 2004; Pye 2004; Doldor *et al.*, 2012) in isolation.

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Overall the specific contribution of this thesis falls into four areas. It provides an empirical contribution, a theoretical contribution, a practical contribution and a policy contribution.

Taking each of these contributions in turn, the research provides a vast amount of empirical data about board selection processes, aspiring directors' networking behaviours and aspiring directors' job seeking behaviours. On the supply side of the selection process, very little previous research into the role of social capital in board selection processes existed. Little was known about how aspiring male and female board directors use the resources in their networks to get themselves on the long and short lists for board roles. This study goes some way to filling this gap, by shedding light on how aspiring directors build and tap into the networks that are populated by men in powerful positions. In particular this research has discovered that the networking behaviours of male and female aspiring directors are very different. Female aspiring directors are happy to network for business reasons when their employer will gain from the networking. They are less happy to do so when they would gain personally. Male aspiring directors are far more likely to network during work time than their female counterparts. Job searching behaviours are also very different, with female aspiring directors using formal routes and male aspiring directors using informal routes.

Also in relation to the empirical contribution, on the demand side of the selection process, very little was known of how Chairs, Heads of Nominations Committees, other director and head-hunters build and utilise their networks, and even less was known of how this might impact on board selection processes. The whole area of

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director selection was relatively barren of academic investigation, with Terjesen and colleagues, in a paper reviewing the current knowledge of women on boards and setting out a future research agenda, suggesting that appointment process dynamics which are all about networking and social capital employment, were worthy of more detailed investigation (Terjesen *et al.*, 2009). The research presented here adds to the body of knowledge in this area by providing the called-for detail on how the board selection process works. Additionally, it highlights previously unacknowledged differences in the processes used for non-executive and executive vacancies.

With regard to the theoretical contribution, the results from this research add to networking theory in a number of areas. Granovetter (1973) in his seminal paper “The Strength of Weak Ties” illustrated his hypothesis that weak ties are particularly instrumental in gaining jobs by citing and presenting research which studied blue collar, technical and managerial males. Other research, also using mixed bases of blue and white collar workers, has built on Granovetter’s 1973 paper, demonstrating that weak ties provide valuable resources such as sources of information, jobs, mentoring and patronage (Burt, 1992; Granovetter, 2005; Higgins & Kram 2001). However previous research has not demonstrated that Granovetter’s network theory (1993) applies at board director level. This research shows that Granovetter’s theory can be applied at the most senior levels by clearly demonstrating that for male aspiring directors weak ties provide a rich source of access to and sponsorship for potential board director roles.

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This research also adds to network theory in the area of homophily. Ibarra (1993) lamented the lack of a theoretical perspective in which to position research relating to women's access to and benefits from work-related networks. She suggested that such research could be viewed from a theoretical perspective 'that views network differences as reflections of purposeful strategic action within a context characterized by structural constraint' (Ibarra, 1993, p57). Her specific hypotheses relating to this theoretical perspective were discussed earlier in chapter 2 of this thesis, as were the findings of the research by Rothstein *et al* (2001) relating to these hypotheses. In essence Ibarra (1993) proposed that women's networks are a function not only of their choice of who to link with, but also of the organizational constraint of the lack of other females to bond with at a senior level and the difficulty of networking with senior males due to homophily. The previous limited testing of this hypothesis was undertaken, however, with reference to women at all levels of seniority. The research presented here therefore adds to the literature by testing Ibarra's (1993) hypotheses specifically at aspiring female director levels. It was clear from the research results that the female aspiring directors sought to forge trusting relationships with other females, but these did not result in networks of the same quality as their male peers as their female contacts tended to hold lower level roles, thus confirming Ibarra's conjectures.

The research also adds to network theory in supporting and potentially explaining Burt's (2000) suggestion that weak homophilic ties are longer lasting than weak heterophilic ties. This research demonstrates how homophily impacts networking behaviours in a way that is additive for the longevity of males homophilic ties but subtractive for the longevity of female heterophilic ties. This relationship is shown in

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Model 1 earlier in this chapter. The model shows how homophily makes it is easier for male aspiring directors to bond with senior male business leaders. Homophily also makes it more likely that the male aspiring directors will make the effort keep in touch with their senior influential contacts. Conversely, homophily makes it difficult for female aspiring directors to bond with senior male business leaders. Homophily also makes more likely that they will keep in touch with their less senior female contacts, not with senior male business leaders. The male homophilic ties are therefore likely to be longer lasting than the female heterophilic ties to senior business leaders. Future research might explore this phenomenon in greater detail.

Moving to the practical contribution of the research, it is likely to be of particular use to aspiring directors, head-hunters and Chairmen and organizations. A detailed discussion of this contribution is included in the section below “Implications of the Research Findings”. For aspiring directors the research gives insight into how board selection processes work and how aspiring directors can best approach seeking a board level role. For head-hunters and Chairmen it gives them the opportunity to consider whether the current process is optimising the quality and diversity of board directors. For organizations it provides insight for the encouragement, development and sponsorship of high potential female employees.

Finally this thesis makes a contribution in the area of policy formation, informing the debate on regulatory and voluntary codes, targets and quotas. The research findings raise conceptual implications in relation to liberal and radical approaches to engaging with disadvantage and discrimination which are discussed in detail in the section below “Implications of the Research Findings”.

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Implications of the research findings

This research has sought to shed light on the role of social capital and networking in corporate board selection process. What it has exposed is a selection process which is very heavily reliant on word of mouth recommendations with high levels of social capital being a key requirement for aspiring directors to be nominated, positively referenced and selected. It has also exposed that female aspiring directors tend to have less social capital than their male colleagues, due to homophily and networking behaviours. Compounding the problem of having lesser social capital, the female aspiring directors are less willing and less able to leverage their social capital.

It is too easy to jump to the conclusion that women need to change their behaviours so that they network in a way more similar to their male colleagues. Placing the blame for the lack of female directors on women would be a convenient mechanism for ignoring the fact that the selection process is not fair or open or transparent. Regardless, even if aspiring female directors did change their behaviours, in isolation it would be unlikely to have a lasting and sustained impact it would do nothing to improve the pipeline of female aspiring directors and furthermore the pervasive power of homophily would still encourage the sponsorship of male executives and the nomination by male Chairs of male aspiring directors. If there is a genuine willingness to drive towards greater board diversity, a more holistic approach to the issue would need to be planned and implemented at the institutional level, the process level, the organizational level and the individual level.

Taking the first of these levels, while the current liberal approach to board selection has had an impact on the number of female non-executive directors, it has

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not affected the number of female executive directors. Power remains steadfastly in the hands of men. Arguably a more radical approach is required. Quotas or targets imposed by governments and regulators are subject to debate and widespread resistance. However, as a temporary catalyst, despite causing some initial distortion, they can lead to sustained change (World Economic Forum, 2014). Those countries who have applied quotas have seen a greater improvement in diversity across a range of metrics. This application of quotas in some countries in part explains why the UK has dropped from 18th to 26th place in the World Economic Forum Global Gender Gap Report (2014). Quotas, not only for board director positions, but also for executive committee and senior management positions would drive change in selection and succession planning activities, increasing diversity in the pipeline as well as at board director level.

The Norwegian experience, where a quota requiring 40% of board positions to be held by females was introduced in 2003, shows how important it is to have quotas across a range of measures. While the 40% female board member target was achieved by 2009, only 2% of CEO roles of companies listed on the Oslo stock exchange are held by women (Storvik & Teigen, 2010). For power to be more evenly distributed, quotas need to be separately established for executive and for non-executive positions. Even if the EU introduces laws to enforce quotas as was agreed after a meeting in 2013¹⁰, it is likely to be a number of years before they will be introduced, and they are not likely to differentiate between executive and non-

¹⁰ European Commission Press release available at http://europa.eu/rapid/press-release_IP-13-1118_en.htm

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executive roles. However, even in the absence of government or regulator intervention, there is nothing to stop Chairs from championing the introduction of targets within their own organization. Such a move has been undertaken by Deutsche Telecom, who have self-imposed a target for 30% female senior managers by the end of 2015, to ensure they have the pipeline for similar levels of diversity at executive committee and executive board member levels (World Economic Forum, 2014).

In parallel to the radical approach of the introduction of quotas, and to remove the over-reliance on social capital in board director selection processes there is an argument to make changes at the process level. There is a need to introduce greater objectivity in attracting and selecting candidates. Openly advertising all board vacancies and assessing applicants against a set of pre agreed objective and measurable criteria would introduce such objectivity. However, since a voluntary call for more advertising has had no effect, without some intervention from regulators or Government, it is unlikely that there will be an appetite for such a move.

At the organizational level there are various implications arising from this research. Some of the Chairs interviewed did genuinely appear to want to improve the diversity of their boards, both for executive and non-executive positions. However, as discussed in Chapter 1, the drive for more women on boards since the Davies report (2011) has not had any impact on executive director diversity, which is where real power resides. As discussed in Chapter 4, these positions are very often filled by internal candidates who have been mentored, and more importantly, sponsored by the Chair and the Chief Executive. The research indicates that due to

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the power of homophily such sponsorship is more likely to be bestowed on male executives. If Chairs truly want to encourage wider diversity at the most senior levels in their organizations, they need to review their succession planning processes to ensure that at every level talented females are mentored and sponsored in the same way and on the same scale as talented males. There are deep rooted cultural issues which underpin the organizational acceptance of stereotyping and homophily. Educating senior managers on the dangers of stereotyping and on the importance of giving equal access of their time to their female employees may be useful.

Even if they are embraced, it is unlikely that societal or organizational level interventions will have an immediate impact. In the meantime, there are some actions that female aspiring directors can take for themselves. At the individual level, it would appear that some of the female candidates did not understand the need to build long term trusting relationships with Chairs and head-hunters, and nor did they understand how the selection process worked. Educating women about how the board selection process works might encourage some of them to rethink their approach to seeking a board role. If they knew that they had a greater chance of gaining a role if they were recommended in to the head-hunters by an existing Chair, they might be more willing to attempt to leverage their social capital. Equally with a greater understanding of the role of social capital they might decide to manage their network relationships more proactively. However, with no changes at the societal, process or organizational level these moves could have limited efficacy.

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To make a long term sustained improvement in gender diversity on boards requires change at every level and across a range of activities. Without a holistic approach it is likely to be many decades before true diversity is achieved.

Conclusions and areas for further research

This thesis has demonstrated that board selection processes are very heavily reliant on social capital. The process is based on word of mouth recommendations, and shortlisting and selection activities rely on informal opinions and informal referencing from individuals who know or know of the candidates. Only aspiring directors with high levels of social capital that they are willing and able to leverage are likely to be successful in this process.

Male aspiring directors were found to possess more social capital than their female counterparts, due to the combined effects of homophily and networking behaviours. Furthermore, the male aspiring directors were more willing and more able to leverage their greater social capital. It is therefore likely that male aspiring directors are advantaged in the selection process. Further longitudinal research is needed to prove this assertion. While men remain dominant in positions of power on corporate boards, this advantage is likely to continue, particularly in executive board director positions where sponsorship is arguably even more important. Further research into how sponsorship within organizations impacts succession planning and promotions could throw light on this area.

The power of homophily makes it easier for male senior executives to bond and forge ties with male Chairs and CEO's. Male aspiring directors are therefore more likely to be friendly with those nominating individuals for director roles.

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Additionally, male aspiring directors are more likely to manage their interactions with their influential contacts pro-actively, making sure that they remain visible and connected to those in power. It is not that male aspiring directors spend more time networking out of working hours in the evenings than female aspiring directors. Rather, the male aspiring directors are more likely to prioritize their own personal goals over organizational goals and therefore attend events and activities in their employer's time to ensure that they mix with business leaders who could influence their career. Far from being rewarded, the greater conscientiousness of the female aspiring directors makes them less likely to be well connected to those who nominate individuals for board level role and therefore less likely to be nominated. In the board director selection arena, the accumulation of social capital is seen as being worthy of merit in its own right.

Research into the effectiveness of quotas in other countries and within organizations might inform the debate about the effectiveness of such measures. However, without a range of activities and initiatives being rigorously implemented it is hard to see how the current situation will change dramatically and it is likely that words written over 35 years ago remain relevant:

“women populate organizations, but they hardly ever run them, especially large businesses and public establishments”

(Kanter, 1977, p. 16)

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Appendix A Interview prompts

Aspiring female directors

- Introduction of self and the research agenda and confirm consent
- Confirm interviewee interested in gaining director role. Confirm executive and/or non-executive.
- Ask individual to explain how they have gone about trying to gain director role?
- Have they used known contacts to seek director roles/ Who? How?
- Who do they know who might be influential in gaining board roles? How do they know them? How often do they see/contact them? How do they keep in touch with them? Do they share any interests or experience with them? What? How?
- Do they actively try to build their network to gain director positions? How do they do this?
- How much time do they spend networking? Do they network for friendship/support/getting on/all of these? Do they network with the same people for all of these purposes? Do they perceive networking to be effective? Does this influence the amount of networking they do?
- Do they attend any formal networking events? What are they? What is their format?
- Do they attend any women only networks? What do they think of these networks? What do they gain from them?
- Do they attend any “matchmaking” events to meet board Chairs? What do they think of the events? Have they had any ongoing contact with people they have met at these events? With whom? Have they been shortlisted for any roles as a result of these events?

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- Do they have a mentor/sponsor? What does that person do for them? Does someone sponsor and champion their director ambitions? Who? How do they know this person? What do they do for them?
- Do they think that they are well connected to those in power, or do they feel excluded in any way? Can they give examples?

Aspiring male directors

- Introduction of self and the research agenda and conform consent
- Confirm interviewee interested in gaining director role. Confirm executive and/or non-executive. If only one, why?
- Ask individual to explain how they have gone about trying to gain director role?
- Have they used known contacts to seek director roles? Who? How?
- Who do they know who might be influential in gaining board roles? How do they know them? How often do they see/contact them? How do they keep in touch with them? Do they share any interests or experience with them? What? How?
- Do they actively try to build their network to gain director positions? How do they do this? Who with? Where?
- How much time do they spend networking? Do they network for friendship/support/getting on/all of these? Do they network with the same people for all of these purposes? Do they perceive networking to be effective? Does this influence the amount of networking they do?
- Do they attend any formal networking events? What are they? What is their format?
- Do they have a mentor/sponsor? What does that person do for them? Does someone sponsor and champion their director ambitions? Who? How do they know this person? What do they do for them?

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- Do they think that they are well connected to those in power, or do they feel excluded in any way? Can they give examples?

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Head-hunters

- Introduction of self and the research agenda and confirm consent
- Could they explain their role?
- Could they explain a typical board director selection process? Is it different for executive v non executive? How?
- How do they formulate long lists? Who do they go to for input of names? How do they undertake research to find potential candidates? How do they identify new potential directors?
- How do they build their networks?
- How do they keep in contact with their ties? Where? When? How?
- Do they attend any formal networking events? What are they? Where? What benefits do they gain from such events?
- Do they attend any matchmaking events? What do they think of them? Have they made useful contacts from these events?
- What “mental shortcuts” do they use to identify suitable board candidates?
- Can they talk me through a recent selection exercise from start to finish?
- What do they believe are the causes of the lack of female directors?

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Chairs and Other Established Directors

- Introduction of self and research agenda and confirm consent
- Ask if they have been involved in nominating individuals for board positions.
How?
- How to the board selection processes they have been involved in work? Are they the same for executive and non-executive roles? How do they differ?
- Who (what type, not names) have they nominated? How do they know them?
When did they first meet them? How do they keep in contact with them?
- What features defined those they nominated?
- Can they talk through a recent example of a nomination?
- Who do they network with? How? Where and when to they meet with their network ties?
- Who do they consider their protégés? Who do they know them? Where, when and how do they keep in contact?
- Do they attend “matchmaking events? Do they find them useful? How? Why?
- Have they built trusting relationships with anyone they have met at a matchmaking event? How?
- Have they nominated anyone they have met at a matchmaking event for a director role?
- Who do they mentor and sponsor? Why these people? What do they do for them?
How?
- What do they believe are the causes of the lack of female directors?

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Appendix B Screenshot from NVIVO showing final breakdown of “Selection Process” theme

Node Name	Sources	References	Created On	Created By	Modified On	Modified By
Jackie	2	12	07/04/2014 15:38	MAB	00/02/2014 11:08	MAB
qualitative experience of the selection process	6	7	13/05/2014 15:32	MAB	10/02/2014 13:51	MAB
CHARACTERISTICS ABOUT CORPORATE CODE	3	3	10/02/2014 15:37	MAB	10/02/2014 15:36	MAB
clear drawing up person and role spec	15	37	01/05/2014 10:57	MAB	15/02/2014 10:35	MAB
clear case selection	7	9	13/05/2014 15:48	MAB	10/02/2014 15:39	MAB
clear low level forward condition	2	4	08/05/2014 17:02	MAB	10/02/2014 15:38	MAB
clear informal inference in network	12	15	08/05/2014 15:38	MAB	15/02/2014 11:02	MAB
clear long list	18	36	12/05/2014 15:30	MAB	15/02/2014 11:02	MAB
clear networking network in England	6	7	09/05/2014 15:36	MAB	13/02/2014 15:38	MAB
CHARACTERISTICS ABOUT CORPORATE CODE	11	13	12/05/2014 15:27	MAB	15/02/2014 15:50	MAB
Clear proposed candidate	10	24	16/05/2014 14:11	MAB	10/02/2014 15:51	MAB
CHARACTERISTICS ABOUT CORPORATE CODE	9	14	12/05/2014 15:28	MAB	10/02/2014 15:32	MAB
clear selecting candidate	7	13	12/05/2014 15:11	MAB	15/02/2014 15:40	MAB
clear selecting level female	15	36	12/05/2014 15:10	MAB	15/02/2014 15:47	MAB
clear short list	12	33	12/05/2014 15:10	MAB	15/02/2014 15:33	MAB
CHARACTERISTICS ABOUT CORPORATE CODE	1	1	12/05/2014 15:24	MAB	12/05/2014 15:34	MAB
clear view of head hunters	6	7	09/05/2014 15:38	MAB	15/02/2014 15:29	MAB
CHARACTERISTICS ABOUT CORPORATE CODE	9	11	12/05/2014 17:16	MAB	15/02/2014 15:29	MAB
challenge	10	12	07/04/2014 15:02	MAB	07/04/2014 17:47	MAB
CHEMISTRY	5	7	01/02/2014 14:45	MAB	15/02/2014 11:01	MAB
clear networking differences	4	9	07/04/2014 15:58	MAB	25/04/2014 22:37	MAB
gender and diversity	2	3	09/04/2014 11:27	MAB	09/04/2014 11:29	MAB
getting on headhunter database or network	1	1	06/05/2014 12:01	MAB	06/05/2014 12:01	MAB
getting on long list	4	6	11/04/2014 18:08	MAB	25/04/2014 23:04	MAB
headhunter from all they meet people in their networks	7	7	16/02/2014 10:48	MAB	16/02/2014 17:08	MAB
headhunter quotes about being recommended by chairman	6	10	15/02/2014 15:28	MAB	10/04/2014 12:17	MAB
head hunters obtaining forms recommending events	7	8	06/05/2014 10:28	MAB	06/05/2014 12:08	MAB
headhunter looking for new candidate	3	7	06/05/2014 10:28	MAB	06/05/2014 11:56	MAB
headhunter specifically looking for women candidates	1	1	06/05/2014 10:44	MAB	06/05/2014 10:44	MAB
HOW CHARACTERISTICS ABOUT CORPORATE CODE	3	9	12/05/2014 15:38	MAB	13/02/2014 15:47	MAB
IMPORTANT OF BEING WOMAN	2	3	11/04/2014 15:11	MAB	07/02/2014 15:33	MAB
London	10	15	14/04/2014 14:47	MAB	14/04/2014 14:47	MAB
London	5	7	14/04/2014 14:51	MAB	14/04/2014 15:38	MAB
LONGING FOR UNKNOWN CANDIDATES	2	2	11/04/2014 18:19	MAB	11/04/2014 18:29	MAB
meeting with client to discuss long list	10	25	25/04/2014 23:00	MAB	25/04/2014 00:03	MAB
new candidates	1	1	14/04/2014 14:27	MAB	14/04/2014 14:27	MAB
recommended by headhunter to get on database	2	3	11/04/2014 11:43	MAB	15/04/2014 15:14	MAB
meeting round contacts to get names	6	8	11/04/2014 11:41	MAB	14/04/2014 11:42	MAB
shortlisting	1	1	25/04/2014 00:00	MAB	25/04/2014 00:00	MAB
specification of role	11	15	07/04/2014 15:50	MAB	07/04/2014 17:47	MAB
who is the client	3	4	07/04/2014 15:53	MAB	07/04/2014 15:33	MAB

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Appendix C Consent

Information Note for potential interviewees. Aspiring Directors.

PhD Research Project. The Role of Social Capital and Networking in Corporate Board Appointment Processes

I am a PhD student at Birkbeck, University of London. I am seeking to interview recently appointed and aspiring Executive and Non Executive corporate directors to understand how they use networking and social capital in their activities to support their goal of becoming a main board director in a large corporate.

The interview will last for a maximum of an hour, and will be recorded. Subsequently the recording will be transcribed, and its contents, along with other interview transcriptions, will be analysed and written up as part of the PhD thesis. In writing up the research findings, general themes and topics will be discussed; individuals and their organizations will not be identified and quotes will not be attributed to individual interviewees. Confidentiality and anonymity will be maintained at all times.

You will also be asked to complete a short form outlining you work and educational background. Again, individuals will not be identifiable. The data produced will be used to look for common themes in the backgrounds of individuals.

The research findings may be used in whole or part in academic and non-academic publications, media articles and presentations, but again interviewees and their organizations will not be identifiable. Interviewees will be offered access to a summary of the research findings once the project is complete.

The recordings, background forms and transcripts will be stored in line with Data Protection Act requirements.

Should you agree to an interview, you have the right to withdraw from the research project at any time. Once the interview has started, you have the right to refuse to answer any particular question, and the right to ask for the tape to be switch off.

If you have any specific questions that are not covered by this information note, please feel free to contact me.

Your contribution will provide valuable insight to my research project, so thank you in advance for your time, your help and your co-operation.

Meryl Bushell

meryl@merylbushell.com

07802912244

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Information Note for potential interviewees. Nominators of potential candidates (Head-hunters, Chairs and other Directors)

PhD Research Project. The Role of Social Capital and Networking in Corporate Board Appointment Processes

I am a PhD student at Birkbeck , University of London. I am seeking to interview those involved in corporate director selection processes and/or those involved from time to time in putting forward potential candidate names for consideration for short list inclusion for Executive and Non-Executive Director vacancies in large corporate organizations.

I am seeking your agreement to being interviewed for this project.

The interview will last for up to one hour, and will be recorded. Subsequently the recording will be transcribed, and its contents, along with other interview transcriptions, will be analysed and written up as part of the PhD thesis. In writing up the research findings, general themes and topics will be discussed. Individuals and their organizations will not be identified and quotes will not be attributed to individual interviewees. Confidentiality and anonymity will be maintained at all times.

The research findings may be used in whole or part in academic and non-academic publications, media articles and presentations, but again interviewees and their organizations will not be identifiable. Interviewees will be offered access to a summary of the research findings once the project is complete.

The recordings and transcripts will be stored in line with Data Protection Act requirements.

Should you agree to an interview, you have the right to withdraw from the research project at any time. Once the interview has started, you have the right to refuse to answer any particular question, and the right to ask for the tape to be switch off.

If you have any specific questions that are not covered by this information note, please feel free to contact me.

Your participation will bring valuable insight to the research project. Thank you in advance for your help and co-operation.

Meryl Bushell

meryl@merylbushell.com

07802912244

Women on Boards: The Role of Social Capital and Networking in Corporate Board Director Selection Processes

Telephone number 02086933734____ Mobile __07802912244__

Email __merylbushell@googlemail.com_____

Date of Application:_____ Proposed starting date: _June 2012_____

Source of funding if relevant: _____

Is any other Ethical Committee involved: NO

If YES, give details of committee and its decision:

Brief description of aims/objectives of the study: Despite increased media coverage, and a Government study led by Lord Davies, women are still under-represented on Corporate Boards. At Feb 2012, in FTSE 250 companies only 11.4% of non executive director and 4.6% of executive director roles were held by women. It has long been known that social capital and networking are instrumental in career development and in gaining jobs. They are even more important at private sector board director levels, where jobs are rarely advertised, and where potential candidates'

names are put forward by Chairs, Heads of Nominations Committees and head-hunters. It has been suggested that the "old boys' network" favours males and excludes women from the networks used by those nominating candidates. However recruitment processes for board director roles have not been explored from an academic perspective, and so there is no body of research to affirm this suggestion. This PhD research project seeks to fill this gap in the literature by interviewing head-hunters and Chair and Heads of Nominations Committees in FTSE 100 and FTSE 250 organizations to establish how the short list formulation processes work. Aspiring male and female directors will also be interviewed to establish how networking is used in their director search activities.

How will participants be selected? Will the selection process have implication in terms of data protection etc? Head Hunters, Board Chair and Heads of Nominations committees will be approached directly by email and through referral. Aspiring directors will be approached either directly or by contacting HR and talent directors at selected FTSE 100 and 250 organizations (where the researcher has existing contacts) asking them to nominate individuals.

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Where will the study be conducted? Preferably in the offices of the interviewees, but maybe by telephone if travel/logistics prove problematic.

Briefly describe what participating in the study will involve: Participants will be interviewed for up to 60 minutes. For head hunters, board chairs and heads of nomination committees, questions will centre around how they nominate individuals to long lists (how they know the individuals, where they first met them, in what capacity, how often they keep in contact with them and how they keep in contact with them, why they nominate them). For aspiring directors questions will centre on who they network with and how they network with them.

Does the study involve the deliberate use of:

(i) Unpleasant stimuli or unpleasant situations?

NO

(ii) Invasive procedures?

NO

(iii) Deprivation or restriction (e.g., food, water, sleep)?

NO

(iv) Drug administration?

NO

(v) Actively misleading or deceiving the subjects?

NO

(vi) Withholding information about the nature or outcome of the experiment? NO

(vii) Any inducement or payment to take part in the experiment

NO

Does the study have any procedure that might cause distress to the subject?

NO

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Give details of any item marked YES:

What arrangements are to be made to obtain the free and informed consent of the subjects? Information notes (see attached) have been prepared and will be emailed to participants prior to interview

How will you maintain the participants' confidentiality? Participants and their organizations will not be named in the thesis or any other resulting presentation or publication. Information will be stored in line with data protection requirements.

Will the subjects be minors or suffer from learning disabilities? NO

If yes, outline how you will address the ethical issues raised.

If you feel that the proposed investigation raises ethical issues please outline them below:

No issues

Will the research involve any conflict between your role at work and your role as a research student?

(i.e. will you want to use data/colleagues that you have access/contact with in your job but as a researcher this data/colleagues would not normally be available to you)

No

Classification of proposal (please underline) ROUTINE

When you are ready to start data collection you and your supervisor should check the ethics form has been satisfactorily completed before signing the form and sending a copy to Philip Dewe.

I consider that my study conforms with the ethical expectations of management and psychological research

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SIGNATURE of investigator M Bushell

and supervisor K Hoque

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Appendix E Ethics committee approval email trail

From: Philip Dewe [<mailto:p.dewe@bbk.ac.uk>]
Sent: 06 July 2012 08:47
To: Meryl Bushell
Subject: RE: ethics committee

Dear Meryl, If you add the information as to contact details etc to your information sheet then you can begin the interviews. Best wishes Philip

From: Meryl Bushell [<mailto:merylbushell@googlemail.com>]
Sent: 05 July 2012 19:08
To: Philip Dewe
Subject: RE: ethics committee

Hello Philip,

I am so sorry I have taken a month to reply to you. Busy honing my first 3 chapters!

I intend doing a cover email to each interviewee to explain how I got their contact details and why I am contacting. Many of them I will have met already and I will reference where we have met and why I am contacting them. Others I will be referred on from people I know. So I won't have a one size fits all cover note; it will be personalized to meet the circumstances.

IS this OK?

Please can you let me know if I need to do anything else to get approval, as I am ready to start interviews now.

Many thanks

Meryl

From: Philip Dewe [<mailto:p.dewe@bbk.ac.uk>]
Sent: 07 June 2012 09:27
To: Meryl Bushell
Subject: RE: ethics committee

Dear Meryl, I am sorry it has taken me a few days to reply. In terms of your information sheets I wonder if you could add a sentence to them that indicates how you got the names

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of those you are inviting to be part of your research project. Someone getting your information sheet as it currently

stands may be puzzled as to why they have been selected or more importantly how you got hold of their name or email address. If this is unclear then please feel free to call me – (020) 7631 6749. Best wishes Philip

From: Meryl Bushell [<mailto:merylbushell@googlemail.com>]
Sent: 28 May 2012 16:26
To: Philip Dewe
Cc: Kim Hoque
Subject: ethics committee

Hi Philip,

I hope all is well with you.

I am nearing the point where I want to start my research. I can't find how to get ethics committee approval on the PhD area of Blackboard (I am sure it is there somewhere!) but I have found the process for MSc students. I am assuming it is the same process. I have completed the attached forms and have emailed them to Kim as my supervisor. My assumption is that Kim and I agree the content of the form, sign it ,and then send the form to you.

Is that correct?

Many thanks

Meryl

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