

Corporate Board Quotas and Gender Equality Policies in the Workplace

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“Deep-rooted patriarchy and misogyny have created a yawning gender power gap in our economies, our political systems, our corporations, our societies and our culture.”



– UN Secretary-General António Guterres, Remarks at the Observance of International Women's Day 2020

Table: Countries with Gender Quotas for Corporate Boards of Private Listed Companies

Country	Year Adopted	Threshold	Sanctions?
Norway	2003	40%	Yes
Spain	2007	40%	No
Iceland	2010	40%	No
Belgium	2011	33%	Yes
France	2011	40%	Yes
Israel	2011	>0	Yes
Italy	2011	40%	Yes
United Arab Emirates	2012	>0	No
India	2013	>0	Yes
Netherlands	2013	30%	Yes
Germany	2015	30%	Yes
Portugal	2017	33%	Yes

Research Question

Do corporate board quota laws lead companies to increase attention to gender equality issues within the workplace ?

Quotas in Business & Politics

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Large literature focusing on whether and how corporate quotas impact financial performance (Ahern & Dittmar 2012, Matsa & Miller 2013, Ferrari et al. 2016, Comi et al 2018), and increasingly other outcomes like women down the management chain (Maida & Weber 2019, Bertrand et al. 2019).

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Political QLs have effects beyond pure numbers of women, including: party attention to equality (Weeks 2019), national spending & policy outcomes (Chen et al. 2010, Clayton & Zetterberg 2018, Weeks ND).

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Thus far, no study on impact of corporate quotas on company attention to gender equality issues.

Argument

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If quotas change norms and expectations around gender equality within the workplace, companies ought to respond by increasing attention to gender equality issues (H1).

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Image from Women on Boards

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Image from Women on Boards

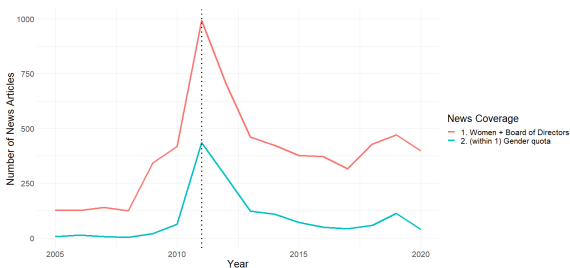
But not all women are feminists ('Queen Bee' phenomenon; Derks et al. 2016) & women may not have sufficient opportunity to direct HR policy

Argument

How do quotas change policies? 2 explanations:

(2) Spillover

Quotas can have spillover or “policy feedback” effects driven by learning, public opinion, & fear of backlash (Pierson 1993).

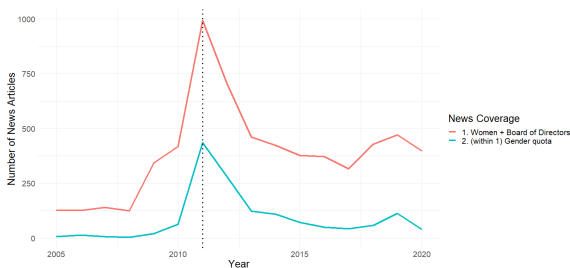


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→ Effects of quotas independent of women on boards (H2).

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If firms are serious about tackling gender inequality, we would also expect them to increase attention to pay gap and underlying causes of gender gaps in leadership and pay – work-family issues (H4)

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Don't expect increased attention to sexual harassment and discrimination (H5)

Argument

Summary:

H1: Quotas → ↑ attn. to gender equality

H2: Effects not driven by women on boards

H3: Especially like to see ↑ attn. to women in leadership

H4: But also ↑ in attn. to pay gap, family care

H5: Companies unlikely to ↑ attn. to sexual harassment / discrimination



DēLonghi Group

2013

Annual report at
31 December 2013



KENWOOD

BRAUN

Ariete



saipem sustainability
2012



saipem

The Cases: Italy and Greece

'Treated' Case: Italy

- 2011 gender quota law for listed companies
- Requires 20% women from 1st renewal after Aug 2012, then 33% in subsequent board renewals
- Sanctions: steep fines + annulment of board
- Relatively quick passage of law unexpected in 2011

The Cases: Italy and Greece

Lettori: 3.056.000

CORRIERE DELLA SERA

29-GIU-2011

Diffusione: 539.224

Dir. Resp.: Ferruccio de Bortoli

da pag. 21

Svolte / 2

Quote donne, c'è la legge
Rivoluzione a tappe nei Cda

di Virginia Piccolillo
e Maria Silvia Sacchi a pagina 21

Parità Carfagna: un successo per tutti. Bindi: l'Italia è più vicina all'Europa

Un terzo di donne nei Cda Le quote rosa sono legge

«Sì» bipartisan, l'obbligo per le aziende quotate

Donne ai vertici



Marina Berlusconi
Consigliere di amministrazione
di Mediaset

Jonella Ligresti
Presidente del Cda
di Sai Fondiaria

Ana Botin
Consigliere di amministrazione
di Generali

Lucrezia Reichlin
Consigliere di amministrazione
di Unicredit

Elsa Maria Fornero
Vicepresidente del Cda di Intesa
Sanpaolo e Cda Buzzi Unicem

The Cases: Italy and Greece

Control Case: Greece

- No gender quota law for private, listed companies

Italy and Greece are both Mediterranean welfare states characterized by :

- low rates of women's employment
- low government spending on family policy
- (pre-quota) very few women on boards

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Share of women on boards in IT and GR:

2010: 5% (IT), 6% (GR)

2019: 36% (IT), 9% (GR)

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Other potential control cases (ES, FR) also have quota laws.

Data & Methods

Strategy: Difference-in-differences approach:
Results interpreted as changes within companies over time, compared to control group

Data: Annual and sustainability reports, 2007 – 2017
962 company-year observations (519 IT, 443 GR)

DVs: % report devoted to gender equality
Test 4 sub-categories: gender leadership gap, gender pay gap, family care, sexual harassment

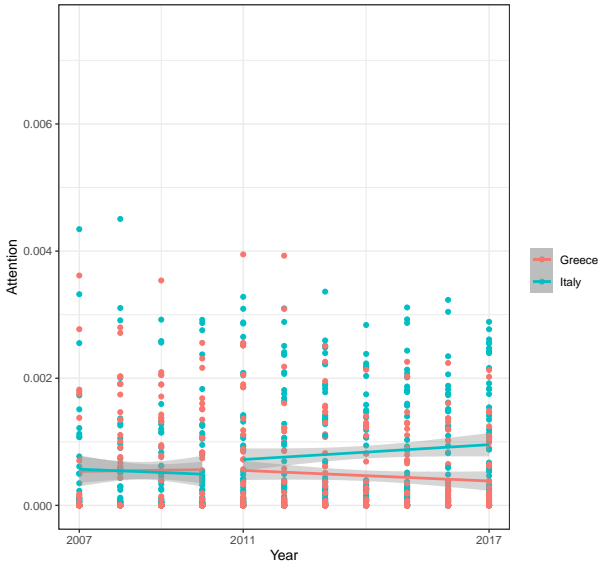
Main IV: Quota Law
Women on boards (sum, share)

Control for: report type

Gender equality dictionary words

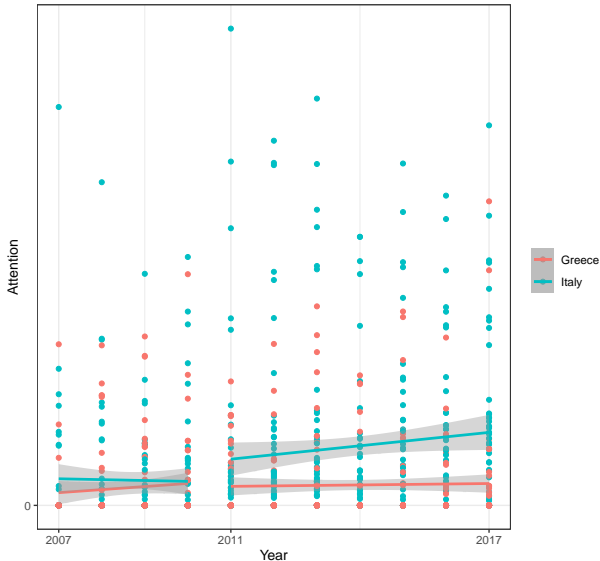


Overall attention to gender equality issues,
before and after quota law (2011)

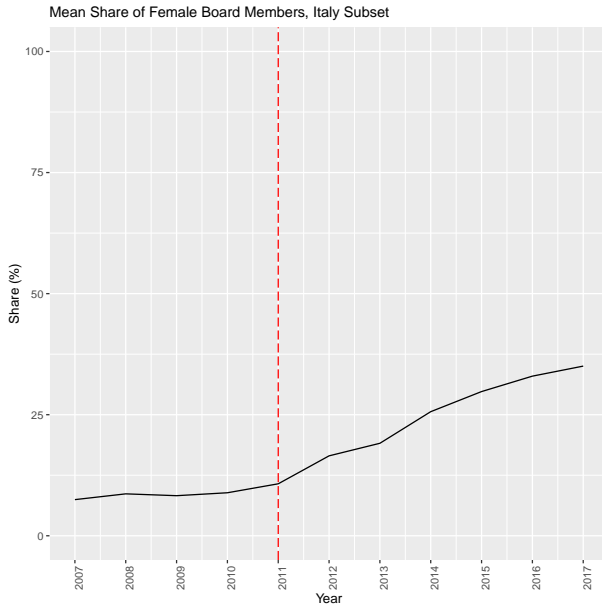


Corporate attention to gender equality issues before
and after quota law implementation

Attention to gender gap in leadership,
before and after quota law (2011)



Corporate attention to gender leadership gap before
and after quota law implementation



Mean Share of Women Board Members in Italy

Summary of results

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H5: Companies unlikely to ↑ attn. to sexual harassment / discrimination

Summary of results

H1: Quotas → ↑ attn. to gender equality ✓ + 50%

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+40-90%, but $p < 0.10$

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Results robust to controlling for type of report, including leads to check for pre-trends.

Qualitative Analysis

Does increased attention result in meaningful policy change ?

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The Gender Balance Program

The pillars:

MEASUREMENT

- establish KPIs Groupwide, to be supported by a new measurement and reporting system
- track and monitor HR processes to assess the number of female executives being recruited and promoted throughout our Group

CAREER DEVELOPMENT

- identify investment priorities with the object of leveraging the yearly EDP cycle
- establish tailored career plans and a mentoring program with a focus on our female talents
- define a monitoring process that will enable us to evaluate results

WORK LIFE BALANCE

- introduce new work-life programs aimed at helping employees, both male and female, effectively manage professional and personal challenges
- evaluate programs that offer greater work-life flexibility with respect to working hours (e.g., part-time employment, telework)

COMMUNICATION & SUSTAINABILITY

- update the communication plan and related internal and external tools to ensure that stakeholders are informed about and involved in our gender diversity initiatives

BEST PRACTICES

- ascertain internal and external best practices and extend their implementation Groupwide

impact of our current initiatives. For this purpose, a cross-functional, cross-border Gender Balance Program was launched at the end of 2011. Five working groups, each led by both an HR executive and a business leader, were formed to identify activities that will contribute to the professional development of our female employees. The project will be implemented in 2012.

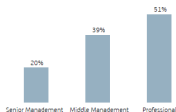
We continued to leverage the UniCredit Women's International Network (UWIN) to strengthen our female leadership. In 2011, our efforts concentrated primarily on a mentoring initiative and the *Shaping My Future* program, a learning experience that aims at improving individual ability to plan professional and personal life. In Italy, 14 sessions of the program were held, with more than 200 colleagues participating. Eight more sessions were held in Austria, the Czech Republic and Romania.

In Italy, the network elaborated on the theme of women's leadership by organizing several theatrical performances. *La Scelta* (The Choice) was held in Rome, Pescara

Unicredit 2011 sustainability report

Valuing our Colleagues

Female presence by tier, 2013



Source: Gender Balance KPI Dashboard

In Italy, we have worked to increase the percentage of women in leadership positions. We have identified 116 colleagues with high potential, and we are monitoring their progress to ensure they enter our leadership pipeline. We also launched initiatives to raise awareness of the value of diversity and to foster cultural change. In particular, we organized a number of *Leadership Lab for Inclusion* sessions for roughly 150 male and female managers. Further, a learning module that was designed at Group level for local implementation, *Inclusion@work*, addresses gender differences and their implications for our business. It is our intention to continue these initiatives in 2014.

In Germany, we are committed to increasing the number of women in managerial positions to 30% by 2017. To that end, we launched the *Shared Future Officer* program. In this program, officers are nominated by each board member to serve as sounding boards for their respective divisions or competence lines. They are charged with being role models and with helping board members set explicit goals in the field

To raise awareness of this topic and demonstrate the CEO's commitment to it, we organized a series of outreach activities, including meetings with senior managers, town hall meetings and regional management meetings. We also continued to offer mentoring opportunities to female colleagues involving members of the board, senior managers and the HVB Women's Council.

In Bulgaria, we organized a one-day event for talent management review participants called *Leadership Through Diversity and Agility*. At this event, successful Group leaders delivered inspiring career stories and discussed the value of fielding diverse teams at different levels of the organization. Of the 79 employees who participated in this event, many will join *Inclusion@work* workshops in 2014.

Managing different generations

At the beginning of 2013, we launched our first *Diversity and Inclusion Survey*, which involved almost 8,000 people in seven countries. Survey results indicated that age is a pressing relevant issue in all of these countries.

The survey confirmed the importance of managing different generations at work. Our Group's population is distributed across three generations. This affects our development strategies, management styles, teamwork and welfare policies. It is also why we launched a series of initiatives in 2012 to solicit our colleagues' input on generational issues. We began to respond with appropriate initiatives in 2013.

In Italy, we surveyed colleagues aged 55 and above to better understand their perceptions and needs and to develop initiatives to increase their level of engagement. More than 5,500 people, representing 66% of those over the age of 55, completed the survey.

Unicredit 2013 sustainability report

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In **Greece**, reports over the time period tend to discuss the same policies and issues each year.

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Implication: gender quotas not only increase women on boards, but also help change corporate policies and culture for the better. State policies can encourage firms to promote women's equality.

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Questions: Decision-making process within firms? Is it what women want? How do these policies affect women and men (backlash) ?