

Fagan, Colette, González Menéndez, Maria C. & Gómez Ansón, Silvia (eds.) (2012). *Women on Corporate Boards and in Top Management. European Trends and Policy*. Basingstoke: Palgrave Macmillan, £46.80

While Viviane Reding the European Union's Commissioner for Justice (amongst other things) muses about how a quota for women at corporate boards can be made legally binding, the book edited by Fagan, González Menéndez and Gómez Ansón seeks to provide a blueprint about the best way to increase women's representation on corporate boards. In particular, the volume aims (1) to describe trends of and international differences in women's representation at board level, (2) to depict different state policies and their influence on women's representation at board level and it wants (3) to answer the question whether there is a business case which can be made for increasing women's presence on corporate boards (p.8). These aims are descriptive in essence and, accordingly, it comes as no surprise that the 12 chapters of the book mainly consist of descriptions of legal regulation and women's shares in the workforce and at corporate boards. Framed by an introductory chapter, a second chapter, which is meant to present the state of the art of research into women's representation at board level, a third and methodological chapter which addresses rather briefly the problems attached to international comparison (which include mostly problems of semantic equivalence) and a concluding and summarizing chapter readers are – in the eight chapters in between – mainly about existing (or non-existing) regulation and women's shares at board level in eight countries, i.e., Norway, Sweden, Finland, the United Kingdom, France, Spain, Slovenia and Hungary.

Selection of countries is – as the authors reassure us – not arbitrary and alludes to a weak attempt to emulate a most different country design as described by Dogan and Pélassy (1990): "... the eight country case studies included in the study were strategically selected on the basis of their different policy frameworks and trajectories with regards to models of promoting women's employment and gender equality, with particular reference to different models of Corporate Governance and approaches to increasing women's representation at board level" (Fagan & González Menéndez, 2012, p.246). This "strategic selection" refers to a rather crude criterion that contrasts countries with legal regulations forcing publicly listed companies to reach certain quotas of women in boardrooms such as Finland, Norway, Italy or France, with countries such as the United Kingdom, Slovenia or Hungary in which no legal action to increase women's

representation at corporate boards has been taken. Sweden constitutes a special case insofar as a threat for introducing legally binding quotas to increase women's representation has been issued, but quotas have not been introduced so far. [Comment by Mike Buchanan: I understand no mention is made in this book of the impact of the THREAT of quotas in the UK. In 2010 13% of new FTSE100 directors were women, in 2011 – under the threat of quotas – it had risen to 30%. The trend is still accelerating, and over March – August 2012 it's been 55%. All the new female directors in 2012 have been non-executives, while all 18 new executive directors have been men. How about *that* for a gender gap?]

Apart from a rather tiring account of numbers differentiated by gender, some of the chapters included in this volume come up with rather interesting results. Teigen states that while the legal obligation to include 40% of women in boardrooms of Norwegian publicly listed firms showed that the required amount of women were available, they had “to be detected” (p.89). Korvajärvi (p.126) reports for Finland that the main problem and concern with the introduction of a legally binding quota for women in boardrooms has been the issue of competence, and he offers a circular solution to this problem, namely that mandatory inclusion of women in boardrooms will in the end give them the necessary experience which they lacked before entering the boardroom. Gonzáles Menéndez and Martínez González show for Spain what has been shown for Finland and Norway as well: Introduction of legally binding quotas make firms quite desperate to find suitable and able women who can be included on their boards. In Spain, firms had to search “outside the private sector” to find suitable female candidates (p.196). Although largely ignored in the remainder of the volume, these results show quite clearly that introducing quotas will result in less able women being introduced in boardrooms because the number of capable women suited for a job as board members is insufficient (or to put it in more euphemistic terms, as used in this volume: able women will have to be discovered and drawn from all places in society. A fact which will give Human Resources Managers sleepless nights.). It is here that one has to ask what kind of justice the authors advance. Clearly to promote less able women into board rooms is a gross violation not only of the concept of equity but of meritocracy as well. However, both concepts (I will elaborate on this further) do not bother the authors assembled in this volume. They are only concerned with equal or almost equal shares between groups, with collective figures that socialist planners may find engaging, but enrage and upset all those individuals confronted with the results of such planning.

Bohman, Bygren and Edling (p.107) showed for the Swedish case that threatening legally binding women's quotas forced Swedish companies to add women to their boards, but they did so by increasing board sizes. Teasdale, Fagan and Shepherd in their chapter about the United Kingdom offer a further aspect of equality which has not been addressed so far, when they report that women's share in corporate boards varies with their share in the respective work force: "Our analysis of the top 150 public companies in the UK has shown that the representation of women on company boards tends to be greater in sectors where women constitute a sizeable proportion of the workforce" (p.148). These results, interesting as they are, cannot be found in the conclusion of the volume. Instead the concluding chapter is mainly concerned with the question of how to increase women's representation at corporate boards and comes to the not unexpected conclusion that "regulations help raise women's presence at board level" (p.251). Also, it comes as no surprise that "mandatory quotas are generally more effective than voluntary recommendations" (p.251), since throughout the history of mankind it's been much more effective to force individuals to do what they didn't want to do, than leave it up to them to decide whether they'd do something they didn't want to do. More interesting, though, is that in their concluding chapter Fagan and González Menéndez admit that *there is no business case for the introduction of women's quotas*, or in their words: "The results from empirical studies are inconclusive about the link between women's presence at board level and firm performance" (p.255). This sobering statement is drawn from chapter 2 in which Gómez Ansón reviewed 26 studies that analysed the link between boardroom composition and firm performance. In the absence of clear evidence of a positive relationship between increased representation of women at corporate boards and firm performance, the claim for more female representation rests entirely on the issue of "equality". Strangely enough, however, issues of justice and equity are not addressed in the volume edited by Fagan, González Menéndez and Gómez Ansón. That unequal shares must be the result of inequality, hence, a sign of injustice and discrimination, is taken for granted, best illustrated in the notion of "underrepresentation of women at corporate boards" (p.2). That the premise of discrimination against women in corporations is put into question by their own results must have escaped the attention of, e.g. Fagan and González Menéndez, which is all the more surprising as Fagan herself contributed an astonishing aspect of equity to the entire discussion by reporting that the share of women in UK boardrooms varies with the share of women in the respective workforce. It is here that the entire argument of "underrepresentation" disintegrates for the first time: To treat all corporations equally by deploying mandatory quotas violates the principle of equity, because firms whose workforce consists of mainly men will have to introduce a 40% quota of women in their boardroom as will

corporations whose workforces are more evenly divided between the sexes. Furthermore, to demand a quota of (say) 40% of women on boards assumes that candidates divide along the same share, i.e. that candidates consist of 40% female and 60% male candidates. However, as Catherine Hakim (2001, 1991) has shown in her research, that while (depending on the country) about 10% to 30% of women are devoted to a career, about 40% to 80% hover between family and career, while about 10% to 30% are devoted to family and not to career. In Britain, 14% of women are in this last Group. Because men have no choice between family and career, the pool of men who are willing to invest in their career and who want to advance in top management positions is bigger than the respective pool of women. In its very nature the equality argument put forward by proponents of women's quotas is a collectivist argument that defies equity and brushes aside individual differences. Since you cannot have distributional equality, which is the main aim of quotas and equity at the same time, the entire representation of women argument reveals itself as a gross injustice that tries to implement distributional equality by violating individual equity, by assuming that women and men share not only the same aspirations, by assuming that career input made by women and by men are of equal magnitude and, most importantly, by assuming that devotion to a career, ability and motivation are not influenced by gender. The latter assumption finds its imprint in odd statements that assume diversity, ideas and creativity in boardrooms increase as a mere result of more women being included in boardrooms. This, however, is a crude biological argument that claims women to be more resourceful and creative than men which, given historical evidence, has not much credibility. Finally, equality claims pretend to address women as compared to men. Board quotas, however, will benefit middle class women, not working class women. Consequently, board quotas will increase inequality between middle class women and working class women.

Nevertheless, the premise that underrepresentation must be the result of discrimination against women or a 'glass ceiling' in corporations which prevents women from advancing into the higher echelons of management is the foundation of the entire volume. Without this premise, the book becomes meaningless. It is most astonishing, though, that the 'underrepresentation because of discrimination' thesis is put forward but not backed up with evidence. This gives the entire volume the distinct smell of a religious catechism which you will tend to believe if you are a feminist. If you *are* a believer in and worshipper of feminism, the book will show you the extend of "discrimination". If you are not a believer in feminism the book has nothing to offer. Science in its very essence is distinct from religious beliefs and, therefore, it is not surprising that recent research has proven the belief in widespread discrimination against women in corporations, a

‘glass ceiling’ preventing women from reaching the top of corporations, is wrong (Ochsenfeld, 2012). Nor does it come as a surprise that the collective myth of women being hindered from advancing in corporations is destroyed by referring to individual choices made, in most cases, by women who seek family life rather than board membership.

Markus Piscapore-Caruana, Corporate Communications Officer of the British Equality and Human Rights Commission, recently wrote a letter to Mike Buchanan, Chief Executive of the Campaign for Merit in Business, in response to Mike’s Freedom of Information Act request.. One subject of the request was an the request for evidence to support claims made by the Equality and Human Rights Commission (EHRC) according to which the introduction of women’s quotas in British listed companies would be a ‘good thing’ to do. Answering Mr. Buchanan’s question about the empirical evidence upon which the EHRC bases that claim, Mr. Piscapore-Caruana wrote: “We would wish to draw your attention to an authoritative new book, *Women on Corporate Boards and in Top Management* (Palgrave Macmillan, 2012), which was published in May 2012, after our own study by Cranfield University referred to in our previous email. Edited by Professor Colette Fagan of the University of Manchester and two Spanish academics, ..., the book provided the most detailed review of the available evidence on the business case for gender diversity of which we are aware”. Mr Piscapore-Caruana goes on to state that this evidence does not prove a positive link and retreats to the position that more research is needed to provide evidence about the existence of a business case for a quota for women. It is this kind of reasoning that one often encounters when lobbyists and ideologues try to argue their case. Results that are inconclusive at best, which means that they do not prove a positive relationship, are dismissed, and further research is proposed to prove that what has not been found so far is still there. While you can always dismiss evidence at hand and wait for future research to prove the contrary, the claim to do just this would be more convincing if it were accompanied by a suspension of all activity to bring a women’s quota into being. Activists would not want to harm business... or would they? However, while these activists are quick to dismiss evidence that proves their claims to be wrong, they never stop campaigning their cause, which leaves only the conclusion that they go ahead irrespective of empirical evidence, because they are not interested in what is good for business, but what is good for *them*, they are, to put it economically, interested in rent seeking only, rent seeking being defined by Gordon Tulloch as everything that has a “negative social impact” (Tulloch, 2005, p.9), which simply means that rent seekers favour their own benefit at the expense of all others. Further proof of this reading of the truth behind the women’s quota movement is provided by the EHRC, a commission that has been established

to foster human rights. However, by contrast to most philosophers from Thomas Hobbes to David Hume, and from John Locke to John Stuart Mill, the EHRC sees human rights not as a property owned by an individual. They regard human rights as a property awarded to *groups* only. Hence, it is not Mrs. Smith that has human rights, but women. Hence, if Mrs. Smith opts for family rather than career she has abandoned the human rights the EHRC strives for. To put it bluntly, the EHRC is a sad caricature of an institution for human rights, rather it is an institution that wants to advance collectivist definitions of how people belonging to groups are expected to live. This in its very nature is a violation of individual freedom of will and therefore the EHRC, while trying to foster human rights assigned to groups, violates human rights owned by individuals.

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