

# Made in Norway

How Norwegians have used quotas to increase the number of women on company boards

This booklet has been produced by Eva Tutchell and John Edmonds following the Conference on the Norwegian Quota Law which they organised in the House of Commons in January 2013. The booklet draws together the presentations of the five Norwegian experts who spoke at the Conference. Eva and John are very grateful to Agnes Bolsø, Arne Selvik, Elin Hurvenes, Mai-Lill Ibsen and Morten Huse for their contributions and to Dame Joan Ruddock MP for chairing the Conference so ably.

Eva and John thank the Labour Finance and Industry Group (LFIG) and the Fabian Women's Network for their sponsorship and support in producing this booklet. A note from each of the sponsors is given at the end of the booklet.



Special thanks go to Jim Flood for his advice and expertise in ensuring that the booklet has been produced to a standard that matches the high quality of the presentations and to Nadja Guggi for her design expertise, so speedily and sympathetically delivered.

## Foreword

I was delighted to chair the Conference when five Norwegian experts told us how Norway have used quotas to achieve a dramatic increase in the number of women who sit on company Boards.

What has been done in Norway is very important. It might well become the model for EU wide legislation. So we should not rely on the sort of uninformed stories that have sometimes circulated in the UK.

What the Norwegians told us dispelled many of the myths. Quotas have not damaged Norwegian business. In fact many of the most notable opponents of quotas now accept that the Quota Law has been a success.

The general view in Norway is that having women from a variety of different backgrounds in the Boardroom improves the nature of debate and the quality of decisions. Norwegian Boards now work better than they did in the past.

And quotas have not meant that a few Norwegian women have grabbed most of the Board positions. Tables presented by two of the experts show that the figures for men and women who hold multi-directorships in Norway are quite similar.

The Coalition Government has rejected quotas and put its faith in a voluntary approach. The lesson from Norway raises serious questions about whether a voluntary approach can be successful. In Norway progress was very slow until the law was brought in. As one of the Norwegians made clear, Norway was not prepared to wait a hundred years for equality in the Boardroom. However he tactfully added that Britain is a patient nation!

Not all the Norwegian experts thought that the Quota law is perfect. However the lessons from this important Norwegian policy initiative should be taken fully into account by the current British Government – and by the next.

*Dame Joan Ruddock MP*

# Chapter 1: How the quota law came about

## **Agnes Bolsø**

*Professor, Department of Interdisciplinary Studies of culture,  
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The Quota Law that requires women to make up at least 40% of company boards in Norway has caught the attention of politicians, researchers, journalists and business managers all over the world.

‘You’re fired’, was the war-like head line in The Guardian in March 2006, referring to all the men who would now have to find other things to do.

The public in general, including feminists of all sorts, were taken by surprise when the law introducing quotas was pushed ahead by a Christian-Centre-Right Government in Norway. What was equally surprising was the fact that it was the Minister of Trade and Industry who figured as the initiator and spokesperson for the reform, and not the Minister for Equality.

## **A leap forward for reform**

From the 1970’s, feminism in Norway was associated with the political left, as it was in other Western countries. The women’s movement addressed a broad range of issues, including raised awareness and reforms in the public sector. However for many years, the issue of women as executives in the corporate sector was not on the political agenda. During the 1990s this all changed.

Gender quotas had been applied in the public sector in Norway since the 1980’s, and women held a relatively equal share of management positions in publicly owned enterprises. Quotas had been used in the political parties since the 1970’s. Compared to other Nordic countries, Norway has been



**“You’re fired!”**

much more willing to think about equality in terms of outcomes rather than merely focusing on equality of opportunity.

However, the private corporate sector was still lagging behind. This difference between the public and the private sector captured political attention at the end of the 1990s and management in the corporate world came to be regarded increasingly as the last male stronghold that women needed to conquer.

Mainstream opinion in the corporate world did not believe that direct action was necessary. The general view among businessmen was that in due course a gender balance would evolve. After all, women were studying economy and management in ever increasing numbers.

Before it became a serious parliamentary issue, the idea of a quota law was circulating within the social democratic party and its various political agencies, amongst feminist politicians from a range of political parties, and feminists in the civil service.

In 1999 the Gender Equality Act was under review. A consultative document was produced and one of its proposals was the introduction of gender quotas to corporate boards parallel to that in the public sector. At this stage the argument for a quota law was based on the principle of gender equality: women should have equal representation in all positions of power and influence; this included corporate boards. The reform was passed in

Parliament, but the proposal regarding quotas for corporate boards was sent back to the government for further consideration.

At this stage, the idea of a quota reform was criticised within the corporate sector but the proposal did not cause too much concern. The initiative was simply perceived as “too far out” to be taken seriously. However the corporate sector was increasingly paying attention to the role that Boards of Directors could potentially play in ‘good corporate governance’ and in a company’s value creation. In these debates ‘competence’ and ‘diversity’ became buzzwords.

**Action against the “boys club”**

In 2002 Norway had a Three Party Christian-Centre-Right government with the conservative Ansgar Gabrielsen as the Minister for Trade and Industry. In the spring, he sent shock waves through the Norwegian media by declaring that he was ‘shit tired’ of ‘the boys club’ because they did not take women on board. He warned the “boys” that if they did not pull themselves together, he would take action. To everyone’s surprise he said that he would not rule out the idea of a quota law.

Gabrielsen’s initial rhetoric revolved around gender equality, but that was not to last very long.

**“People will be surprised to see the radical means I’m willing to apply” (22 Feb 2002)**



*Minister of Trade and Industry, Ansgar Gabrielsen (Conservative Party)*

## The Corporate response

Gabrielsen's statement caused a furore. In the days that followed his media statements, the newspapers were filled with disturbing questions from corporate executives. They worried about whether there were enough women with the required level of competence. Whether women wanted this policy themselves? Was enforced recruitment by a quota law the best way to make change happen?

Chief Executive Officer, Une Amundsen, regarded himself as typically representing corporate opinion when he asked,

**“Who could find these women? Where would they be? Will we find them on a website as another escort service?”**

Ola Mæle, investor and businessman, was another opponent of quota legislation.

**“One has to merit a board member position through experience and qualifications. The battle for gender equality is done a disservice by such a law”.**

In principle, of course, everyone welcomed women into the board room, and there was, supposedly, no resistance to appointing women as executives. All the CEOs and the investors said that they thought it was time for a change. It was only the coerciveness of the quota that they were against. Director for Gender Equality, Ingunn Yssen, summed up the reaction of the corporate sector at the time.

**“The corporate sector is not against an increased number of women, but they don't like to be deprived of the right to choose men.”**

## A change in the rhetoric

The public debate that followed Gabrielsen's intervention reshaped the political argument as the government set about carrying the quota law through parliament. Indeed, the political rhetoric was specifically re-built to counter the resistance from the corporate sector. The Government did not completely abandon the arguments for gender equality. However, Gabrielsen, the government and the Ministry of Equality, all realised

that an argument based more strictly on economic reasoning was crucial to convince the opponents and the sceptics that the quota law should be supported.

The reformers' new rhetoric was highly influenced by language about “good corporate governance” and “the value-creating board” and by what Siri Øyslebø Sørensen has labelled ‘corporate feminism’.

The new argument used by the reformers ran like this: the full use of the complete pool of talents will produce economic and competitive advantages, both for society and for individual enterprises. By this means, it was argued, profitability will increase. The tactic proved successful. By incorporating profitability into the argument for the quota law, it became very difficult for former critics to oppose the proposal. As an advisor from the Ministry of Equality said:

**“This debate started within circles concerned with gender equality and justice. But thereafter the argument continued within circles where the attention was aimed at reaching out to the business sector, and the idea was to use their reasoning and logic to do so. The justice and equality reasoning was forced into the background, and I would say we have seen a clear shift to profitability as the main argument.”**

For some political groups, equality remained the most important argument for the quota. However the views of these left of centre groups were of limited interest to the policy-makers because the left was already committed to support quotas and no effort was needed to win them over.

## Diversity becomes the meeting point for equality and profitability

Equality is such a strong principle in Norwegian public life that to oppose equality would be interpreted as a sign of being anti-women. In ‘Gender-Equal Norway’ taking that path would be too risky for any politician, CEO, manager or investor who was involved in the debate. Seen from the policy maker's point of view it was best to keep gender equality unquestioned as a good value, and to avoid opening up a debate about alternative interpretations of gender equality and the measures to achieve it. An executive officer in the Ministry of Trade and Industry accurately summed it up:

**“Well, whether you argue with reference to justice or profitability... It is just hard to reject. I mean this is the right thing, you know!”**

So does anyone care whether it is equality or profitability, when enforcing a quota law is regarded as the right thing to do? Quotas were given a new label in the course of the law-making process. “Good for business” was added to the old “equal opportunities” label. From then on the two labels were united in the notion of “diversity”.

When the proposed law was debated in parliament on 27 November 2003, the Minister for Equality ended her speech by saying:

**“I won’t call this a gender quota. We are talking about diversity, diversity in the board room”.**

During the debate, Ansgar Gabrielsen, the Minister for Trade and Industry, used the same vocabulary:

**“My engagement in this particular case has as its starting-point what I primarily will call the importance of diversity in corporate boards in general and the gender perspective included”.**

‘Diversity’ had replaced ‘equality’ as the pivotal concept in the discussion of the quota law. This conceptual shift was connected to the argument about economic efficiency. Diversity sounded much better to the corporate sector.

## Implications for gender theory

This change in the argument raised many questions for feminists. The social scientists Mari Teigen and Hege Skjeie published an article in DagensNæringsliv, Norway’s main business newspaper:

**“We feel quite certain that showing the will to be just and fair is good for business in the long run. In our opinion, the slogan ‘Gender equality pays off!’ is hardly palatable. The idea that the end justifies the means does not work. One should not argue for gender equality by notions of money-making. Women are not here to be used, and gender equality is not about profit maximization.”**

Later in their article Teigen and Skjeie go on to ask a crucial question. Is male dominance acceptable if it could be proved that female participation does not increase profits?

However important these arguments appear to feminist scholars, they did not feature in the speeches of politicians. The policy makers could not afford to make room for this kind of critical reflection when their main objective was to convince the corporate sector.

Two other questions came to the fore after the law had been passed in parliament. Given all their apparent differences from men, will women be seen as second-rate board-members? Will the fact that women’s membership is regulated by quota cause them to be regarded as having inferior positions on boards of directors? As the public debate unfolded, the answer seemed to be ‘no’ to both questions’.

## Not that big a deal after all?

The Quota Law was implemented in 2008 and that was the time that former opponents converted and became supporters.

One of the most high profile converts was the same Une Amundsen who had raised the idea of going to escort agencies to find women board members. However in November 2007 Amundsen had reached a fifty-fifty balance of women and men on the Board of his company. According to him the women are ‘super-clever’ and it has been a very positive move. All the members of the board are focused on what is best for the company. He was even on the front page of a major national newspaper again, this time saying that Board meetings now contain less dirty talk. As for the rest, it is business as usual.

Amundsen’s current view is that the debate was blown out of all proportion. He is still a bit reluctant to agree with the coerciveness of the law but otherwise he now seems very pleased!

What is especially interesting is that Amundsen now thinks that, “A company that wants to be up to date must have female members on the Board of directors”. Apparently a company that has only men in top level management is now perceived as being trapped in a backwater.

The concern that an appointed woman might be seen as a second rate board member seems to have faded too. A few anxious voices can still be heard

**Aftenposten** ONSDAG 28. NOVEMBER 2007. UKE 48. NR. 553

# ØKONOMI

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Arbeidstager med lønnsøkning  
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DAGENS 1. NOVEMBER 2007

## - Mye mindre griseprat



- Jeg har ingenting mot kvinner, jeg elsker kvinner. Men det beste hadde vært om de frivillig ble rekruttert i styrene, og ikke kom inn ved tvang, sier SuperOffice-gründer Une Amundsen.

Kvinnenes lovpålagte inntog i norske styrelser har endret samtalemønstre i styrevervene. - Det er jo mye mindre griseprat nå, og det er kanskje like greit, sier gründer og styreleder Une Amundsen i SuperOffice. Side 2 og 7

### “No more dirty talk”

saying that women might be regarded as token women rather than as skilled and competent board members. But it is much more common to hear the voices of women, and men, within the business elite who started out as critics of the quota law, saying that quotas might have been the only possible way to make a real change in the business world, at least in their life time.

Anne Kathrine Slundgård, former mayor of Trondheim, and a member of several corporate boards before the reform, used to be against gender quotas. Now she speaks of herself as a convert. Through experience she has learnt that quotas could be the necessary means of improving women's opportunities. Her reasoning is representative of a new mainstream opinion within the corporate sector:

**“To hold a board position is not a right that anyone can claim, neither men nor women. On the other hand this is about social responsibility and value creation. We cannot afford to let half of the talent pool stay unexploited!”**

She no longer questions the competence of the women appointed to Boards.

The Norwegian Co-ops quickly followed up, and implemented the 40% requirement even before the law actually applied to them. Who wants to lag behind and look old fashioned and ridiculous? The practices of Norwegian Co-op and Norwegian Agricultural Co-op illustrate one of the effects of the law: it strengthened general gender awareness outside the catchment area of the law.

### Effects of the quota law

The implementation of the quotas took the proportion of women on boards of PLC companies from less than 10% to 40% in just a few years. This in itself gave a positive signal about justice from the business sector to society. Women have more corporate power than ever before. The quota law has prompted useful research. There are projects going on to study women's networks, and also whether new forms of gendered hierarchies occur in management

Decades of corporate mentor programs, gender research, seminars, registrations, networking, 'state feminism' did not help. On the other hand the effect of the Quota Law in terms of numbers was immediate.

In our collaborative project *Power and Privilege, Meaning and Management* funded by the Research Council of Norway, we have indications that women on boards do not make much of a difference in terms of the actual decisions that are made in the board room. Internationally, the research is inconclusive on this issue.

**The effect of the Quota Law was immediate** And why would the decisions be different? The women are mostly recruited from the upper classes of society, just like their male counterparts. They have attended the same schools, presumably hold similar values and, importantly, they have the same goals about market profitability for the companies they are elected to manage.

However, we do have research concluding that women seem to change the character of the boardroom for the better. When women are present the board meetings are more pleasant, the paper work tidier, and the board members are better prepared. All in all, it seems that the main argument around profitability worked very well politically. Nevertheless, the reality is that the Quota Law is, in fact, a move towards gender equality, because it grants women at least some of the corporate power that used to be held by men.

There is no single correct policy for equality and for improving democracy in organizations, and in this case, no single way of improving gender balance in the corporate sector. It seems as if Norway was warmed up and ready for quotas.

Our advice to other countries is that if your country is not ready, then warm it up! If not for the quotas themselves, then for challenges to male dominance, for raised consciousness and for other improvements along the way. Quota policy is a democratic signal that is very important in these times where democracy is under attack in many parts of the world, and where those attacks are so often putting women at risk.

## Chapter 2: The stories behind the Quota Law

### Arne Selvik

*Director of Communication of the Administrative Research Institute in the Norwegian School of Economics with extensive experience as a member and chair of private and public companies across a spread of industries in five countries.*

Most of what I will tell you about women on boards of listed companies in Norway is upside down and inside out.

My perspective is that what Norway has done, should not – and cannot – be copied in any other country. It is an insane idea. But there is an important story to be told, or should I say, there are a number of important stories to be told.

Although I have been working in universities most of my life, my background in corporate governance is basically practical. I have chaired and been director on approximately 50 boards, mostly in privately owned companies, some family firms, some listed companies and some public institutions like the Norwegian Broadcasting Corporation (NRK). Over the last 20 years I have undertaken consultancy work for something like another 100 boards of directors. I have been invited to observe them, give seminars and lectures, and perform board assessments. Companies actually pay me to be their external, independent critic.

Although I warn against copying, there might be something to be learned from such a vast social and economic experiment as the Norwegian Quota Law. To that end, I have identified five learning points.

My story goes like this:

1. The Gabrielsen Law was not really the work of a male Minister. He just got the recognition. Or should I say, he stole it. In fact, it was not even a new law. It is an amendment to the existing Public Limited Companies Act and to the State Owned Companies Act with a small sub-paragraph. The reference is ASA §6-11a if anyone wants to look it up.
2. Waiting for women to get executive experience before they get board positions is a waste of time and not necessary. Quotas have created op-

portunities for ambitious Norwegian women. They are ready to get onto boards, even though many of them have been against the quota principle.

3. Women on boards of listed companies do not automatically make the board better, or improve the bottom line. But, I think they might make the men better.
4. A “balanced” board changes the attitude to risk in the board room, because the average level of testosterone naturally goes down and the cortisol level increases.
5. Women on boards should not be rated a success until the men laugh at jokes told by the women as much as they laugh at the jokes told by men.

### Stealing the recognition

First I refer to Ansgar Gabrielsen, who was a relatively anonymous member of Stortinget – the Norwegian Parliament – before he was appointed to the government in October 2001.

As a young member of the conservative party, only 46 years old, he became the head of the Ministry for Trade and Industry in the three party moderate conservative Government, headed by the Christian Democrat, Kjell Magne Bondevik.

But in reality, it was two female Christian Democratic ministers in Kjell Magne Bondevik’s Governments who actually did the groundwork of preparing their party colleagues and Norwegian society at large for the Quota Law. Valgjerd Svarstad Haugland and Laila Dāvøy, strongly supported by Arni Hole, Director General of the Ministry of Family and Equality Affairs, initiated discussions, drafted the law, completed the work and finally presented the Government’s proposal to the Parliament in 2003.

So when you hear about the Gabrielsen Law, remember it was not his idea, it was not prepared by his Ministry, and it was actually presented to the Parliament by the Minister of Family and Equality Affairs, Laila Dāvøy, not by the Trade and Industry minister, which is what the business community and the media tend to think.

I personally checked this out with Laila Dāvøy in a lengthy conversation last month, and I personally heard Gabrielsen speak six days ago in Oslo and he



*Laila Dāvøy*

did not devote a single word to this part of the story. Nor did he give any credit to his former female colleagues from the Bondevik Governments.

Catching the right moment, taking his boss – Prime Minister Bondevik – by surprise, shocking his Ministry, as well as his conservative colleagues and making headlines in the media was a demonstration of courage – and undoubtedly a skillful piece of public relations work.

After he left politics in 2005, Gabrielsen has earned his living as a successful communication consultant, and he seems to have learned his lesson of story-telling well. Laila Dāvøy told me that she recently confronted Gabrielsen with the fact that it was she and not he who was the rightful “parent” of the law. Looking a bit shamefaced he acknowledged that she was one of the mothers, but begged to be recognised as the only father.

This story of fatherhood and motherhood would not be complete without mentioning the pioneering work and relentless efforts to improve gender equality by Norway’s “National Mother”, Dr. Gro Harlem Brundtland. Aged

42, she formed her first government in 1981 with 4 women. Her second government had 7, and her third government in 1990 had 10 female ministers, which meant that half of the Ministerial posts were held by women.

The importance of recognised role models plays a part in the process of creating gender balance in any society. When I recently mentioned to Gro Brundtland that I was going to speak at the House of Commons, she told me of an encounter she had with Margaret Thatcher in Oslo. Asked why she had no women in her Cabinet, Mrs. Thatcher replied: "There wasn't one with the necessary skills." Gro, not satisfied with this answer, advised Thatcher to look for competent women outside Parliament, as she herself had done.



*Gro Brundtland*

### **Waiting just wastes time**

My second point is that waiting for women to get executive experience before they can move into Board positions, is a waste of time and not necessary. Executive experience is one of many required skills for directors on boards of listed companies. Integrity, available time for the task, relevant education, cognitive style, creativity, professionalism, interest in the company are some of the other qualities that are asked for in a board member at the top of the business world. This goes for male directors, as well as for female members of the Boards.

My observation of Norwegian Boards – and assessments that I have performed for quite a few of them over the last decade – tells me that there is more to board diversity than gender. Indeed, gender is probably overrated as a variable in the recruitment of board members.

Let me explain what I mean. When I observe Boards at work, I am struck by the homogeneity of Board members in terms of behaviour and strategic and ethical perspectives, across gender. I find more control freaks than are needed, I find too much politeness and respect for the Chair and for the CEO, and I find more group think and myopia than good corporate governance should tolerate.

I am looking for more courage, more constructive critical thinking, and more real independence in Board members. I find that increasing the number of women on boards in Norway has contributed to a more sophisticated type of diversity in the way boards work. I also find that artists, entrepreneurs, college professors and researchers from a broad range of disciplines bring new dimensions to company Boardrooms. Professionals from outside the business world may be difficult to deal with, but they certainly play the role of the Devil's Advocate very well.

### **Professionals from outside the business world play Devil's Advocate very well**

The opening up of the Boardroom through the quota system seems to have affected executive aspirations among Norwegian women. Our institute for executive training (AFF) at The Norwegian School of Economics (NHH), which is listed in The Financial Times ranking of open enrolment programs, has experienced a steady growth in female participation in our most demanding eight week programme, the Solstrand Program. We had 26% women in the program in 2002, down to 19% in 2004, moving up to 46% in 2009 and 2011.

Our AFF Leadership Survey, which has representative data from 2002 and 2011, shows a similar trend. The proportion of Norwegian women who report to have top executive positions increased from 11% in 2002 to 23.5% in 2011. These data are from all types of companies, government agencies and institutions, and are not representative of listed companies. The increase is, however, greatest in the private sector, from 8% to 22%. My experience from coaching quite a few of these women over the last decade supports this observation. An increasing number of women are seeking line manager positions, rather than support staff jobs, and more of them are heading for the Boardroom.

## Making the men better

My third learning point is that women on Boards of listed companies in Norway do not automatically make the board better, nor improve the bottom line, but it might well make the men better. There is a growing body of research trying to document the impact that the diversification of the Boards of listed companies might have had on the bottom line. I am not sure it is possible to isolate a quota effect from other factors so early in the process. Factors like the financial crisis, global depression, shifting business cycles in industries like shipping, and very profitable growth in petroleum related industries in Norway probably play more important roles in explaining the variation of profitability and share prices.

However, getting more women on Boards of directors may have an effect on the men. Norwegian listed companies have the smallest Boards of directors in the world. Norwegian Boards count 6 members on average. They form tightly knit groups with a rather long period of service among the members.

As in any other social group, a change in the composition of a group basically changes the character and the productivity of that group. The reason is this – as groups form, there is a tendency for the group to gradually shift the attention from an external to an internal focus.

The relationship between the members, and the stability of the power play, tends to lower the productivity of the group. In a Harvard Business Review study of product development groups the authors recommended that at least one member should be replaced every six months. If this works for this kind of group, imagine what an impact it might have on the workings of a board when one old buddy after another is being replaced by an unknown female director.

I imagine that in some Boards, the male members may form a protective subgroup to defend their roles and dignity against intruders from the opposite sex. In other Boards, however, they will face the competition bravely and strengthen their efforts to look good in front of women who are 8 years younger with better education than the average male director.

## A changing attitude to risk

My fourth learning point is easier to substantiate. There is some good updated research to support the argument that a “balanced” Board changes the attitude to risk in the board room, because the average level of testosterone naturally goes down and the cortisol level increases.

**Too much testosterone** In a study at Columbia and Harvard Universities, the researchers demonstrated that taking an open, expansive masculine posture, results in a significant increase in the level of testosterone in the participants, and a reduction in the production of cortisol. This goes for both men and women. Taking a more closed, contractive feminine posture has the opposite effect.

The implications of these findings are that male postures increase the feeling of power, and the lowered cortisol production increases the actors’ tolerance for risks.

The neuroscientist (and former Goldman Sachs Wall Street trader) John Coates of The University of Cambridge has studied the biology of financial risk taking in his book *The Hour Between Dog and Wolf*. In the last part of his book he sums up as follows:

**What all these endocrine differences between men and women add up to is the following: when it comes to making and losing money women may be less hormonally reactive than men. Their greater numbers among risk takers in the financial world could therefore help dampen the volatility.**

## Laughing at the women’s jokes

**Diversity reached in 70 years: Britain is a patient nation** My fifth and final point is that women are not fully accepted in the board room until their male colleagues laugh as much at their jokes as they do at the men’s jokes. Some of you may recognize Lucy Kellaway’s voice in this argument. In her Financial Times column *On Work* in November, 2012 Kellaway refers to a study by Judith Baxter from Aston University. Baxter has observed meetings in seven big companies and noted that three quarter of the women’s jokes tended to be met by stony silence. Kellaway notes that, “If laughter varies with gender, it varies even

more with power". Response to laughter is highly correlated to status and group belonging.

In concluding my remarks, let me make clear that the somewhat cynical tone of my presentation should not be misinterpreted to think that I am against quotas or, worse, that there is nothing to be learned from the Norwegian experience.

In fact, I can easily think of a number of areas of human endeavor outside the Boardrooms where quotas should be introduced. I, for one, would recommend low quotas on stupidity, warfare, subprime loans and markets for financial derivatives.

Without quotas for female Board participation, it would take a hundred years for the many male clubs and brotherhoods to experience the thrills of being challenged and inspired by more independent and risk-averse directors. I understand that Lord Davies has estimated this process to be faster in the UK. As nature and business life goes, you will reach the summit of diversity within 70 years. I wish Britain all the best of luck. Britain is a patient nation.

As for the Norwegian experience, I will recommend that people who think it is a good idea to use the full potential of the human race, get women on board, literally speaking.

## Chapter 3: Making the Change

### Elin Hurvenes

*Founded the Professional Board Forum to create an arena where Chairmen and board-ready women could meet and get to know each other. By the end of this year the Forum will operate in five countries.*

I am delighted with the chance to talk about women on boards – it is my job and my favourite subject.

A very brave politician laid his career on the line for one of the boldest political decisions in recent Norwegian history. He forced Norwegian boards to use the full talent pool and also managed to place the issue of women on boards on the global agenda.

### Unchanging Boardrooms

Since the 1950s Norway has educated men and women in almost equal numbers yet our boardrooms had barely changed.

My first reaction to the Norwegian quota legislation was one of shock and dismay: shock at the level of interference in shareholders' business and dismay for talented women. There are many excellent arguments against quotas; I developed a few myself. But then I realized we were not dealing with a shortage of board-ready women. We were dealing with conscious and unconscious biases firmly ingrained in our business community.

Two of Norway's most successful businessmen made the following remarks on television.

One said,

**"It would be ridiculous to replace good people on the Board with women"**

Another advised,

**"Let us not get ahead of ourselves. Let nature take its course."**



*In the 1950s*



*In the 1990s*

**I am sure that in a hundred years there will be as many women as men on our Boards”**

For me, these statements brought to light the enormity of conscious and unconscious biases. Attitudes and tradition were keeping women out of the boardrooms, not a lack of merit and skills.

Traditionally in Norway board members were recruited from the circle of friends and business associates of the Chairmen and the shareholders. In this circle there were few women but without really applying myself I compiled a list of women who would be an asset to almost any board.

None of them had Non-Executive Director roles. This puzzled me and I started talking with Chairmen, investors and CEOs to find out why they were not interested in these skilled and experienced women.

### **Unrealistic expectations**

I started talking with Chairmen and investors about what they would look for in a women NED and the answer was:

1. Good first degree plus MBA or PhD;
2. Solid work experience;
3. CEO experience;
4. Board experience.

The first two made perfect sense. Brains and experience are essential to a board.

But then followed the two requirements:

**“Women need CEO experience AND board experience to be appointed as Non-Executive directors.”**

I wondered how it would be possible for anyone – male or female – to get CEO or board experience until they were appointed to these positions.

Intrigued by this Catch 22 I scrutinized the boards on the Oslo Stock Exchange and found no boards where all the Non-Executive Directors had CEO experience. When I asked a Chairman why only one of his six male NEDs had CEO experience he laughed and said:

**“Heaven help me if I had a Board with seven CEOs. We would never get anything done!”**

Clearly Chairmen and investors had too high and unrealistic expectations of women Non-Executive Directors.

As I was planning to set up the Professional Boards Forum I also had interesting conversations with CEOs. I asked them to recommend women for Non-Executive Director roles. It was like drawing blood from a stone – getting recommendations was very hard – they simply knew no-one to recommend.

## The Professional Board Forum

It was the lack of board-ready women in Chairmen’s networks that led me to set up the Professional Board Forum. A Non-Executive Director role is about skills and competencies but it is also about personal chemistry and trust. It is about what you know but also about whom you know.

So my idea is very simple: I wanted to provide an arena where Chairmen and board-ready women can meet and get to know each other in a very structured format.

The Forum hit a nerve with Chairmen. It is informal, efficient and inexpensive and they meet a large group of talented women they would otherwise not know about. Since the start-up in the UK in 2009 FTSE100 Chairmen participate regularly and more than 60 new Non-Executive Director roles have been awarded to our alumnae.

## A changing role

### The largest transfer of power since women got the vote

The Board quota was the largest transfer of power in Norway since women got the right to vote. It changed the mindsets of some very influential people.

The quota legislation also made Norwegian boards re-define the role, the purpose and contribution of the Non-Executive Directors. In the past a Board role was a late-life reward for past services without focus on skills and background and suitability to a particular company. Today that has all changed as one investor told me recently:

**“In the past Boards were unimportant. Today we scrutinize both the Board and the executive team before making an investment. The two teams are equally important.”**

After the initial grumble the Norwegian business community took the legislation in its stride. Today it is business as usual and no longer part of the public debate.

The Statoil case helped to shift public opinion about the role of women on Boards.

In 2005 Statoil, Norway’s largest company became embroiled in a corruption scandal involving cash for oil contracts in Iran, the so-called Horton case.

Rumours were flying and the media had a field day. An internal investigation was initiated but the following Board meeting came to the conclusion that nothing unsavory had taken place. However, after the meeting the three women on the Statoil Board felt the Board had not got to the bottom of this. Together they called for an emergency Board meeting the next day and demanded further investigations. It then transpired that cash for oil contacts had changed hands. The CEO resigned and was followed shortly by the Chairman who no longer had the confidence of the shareholders. The company later admitted to the corruption charges and had to pay large fines.

This event brought home to Norwegians that our quota legislation had not turned women into second-class Board members but they were important and, in this case, very courageous contributors.

If we asked Norwegians now whether they want to get rid of the law and go back to the time when women made up only 6% of Boards members, their answer would be:

**“Not in a hundred years!”**

## Chapter 4: Entering the Boardroom

### Mai-Lill Ibsen

*A business woman with more than 20 years of top management level experience in financial institutions. For the last 6 years she has worked as a Non-Executive Director in Scandinavia, with listed companies, private companies and foundations.*

I am pleased to have the opportunity to discuss Board work, women and the whole Norwegian experience.

After saying just a little about my background I will talk about the demographics in Norway, our typical Boards and explain my view of the Norwegian story of gender quotas. My conclusions are, of course, subjective, based on my own experience and my own opinions.

I should say upfront that I am generally not in favour of quotas, but I am very much in favour of diversity – and competent women – in Boardrooms.

### My career

I have a quite colourful background, working in many sectors and companies! But in reality I am just a banker who jumped ship some years ago to work full time as a Non-Executive Director. I spent more than fifteen years with the Norwegian export credit agency, Eksportfinans, before joining Citigroup as Head of Norway and co-head of Nordic operations. My last executive position was as CEO of the Norwegian derivatives clearing house, nos.

My Board work is centred around financial markets. But I also work with energy and shipping companies. It is hard not to, as these are such important sectors in Norway.

Currently my most important Board position is as Vice Chair of an institution called Folketrygdfondet, manager of the Government Pension Fund (domestic). This is the little sister of the famous Oil Fund but we still manage assets of around \$35 billion in Nordic equities and bonds. We own about 5% of all shares listed at the Oslo stock exchange.

When I joined this Board in 2006 we had a female Minister of Finance in Norway, a female CEO, and a Board with more than 50% women. This was quite a change from the male dominance that I was used to in the finance sector.

### The Norwegian Scene

Norwegian women are generally highly educated. More than half of university students are women. Women are also active in the labour force, with a participation rate of around 70%. Furthermore, we have excellent parental leave schemes, and universal child care of good quality.

However, despite high education and a good framework of support for dual career couples, women had not been moving up the ranks to the top levels of corporate Norway, or into the Boardrooms. This was the situation 10 years ago, and is basically what motivated the gender law.

Women were, and still are, definitely present in the corporate sector, but those moving up the ladder tend to end up in staff and not in line manager positions.

Another point of interest is that Norwegian women are few and far between as shareholders! Only every fifth private investor is a woman. And this may of course also have a bearing on why the Boards were so heavily populated by men.

It would be useful to share some facts about Norwegian boards in general. The key points are that:

- Norwegian boards are rather small, typically only 5–8 members and sub-committees were introduced quite recently in Norway.
- Board members are generally all Non-Executives, and the CEO cannot be Chairman, thus strong checks and balances exist in Norwegian board rooms.
- The Nomination Committee is elected directly by the shareholders; it is not a subcommittee of the board as it is here in the UK.

Board positions have some status in Norway, but they do not make you rich. According to a study of European boards by Heidrick and Struggles, Norway is near the bottom in terms of remuneration to Board members, and at

### A typical Norwegian PLC board

- 5–8 members
- Subcommittees – a recent phenomenon
- Mostly non-executive members
- CEO cannot be chairman
- The nomination committee elected by shareholders (not subcommittee of the board)

Directorship in Norway =  
low paid, work intensive, risk-reward relationship not good

the top in terms of the number of board meetings per year. So one easy conclusion is that Norwegian Boards should be perfect for women, who are used to working hard for a pittance!

### Introduction of the Quota Law

The main points of the law are:

- The Quota stipulates 40% of each gender, related only to shareholder elected board members. In reality the requirement is not exactly 40% but varies from 50% to 33% depending on the number of seats on the Board.
- Board members elected by and from the employees also have rules related to gender.
- The law is currently limited to PLCs and government owned/related companies, although it has recently been proposed to widen it to cover limited companies.
- The PLC proposal was made effective as law in 2006, and then there was a 2 year grace period for the companies to comply. And
- In the event of no compliance, the sanction was forced dissolution of the company, and not the expected sanction of fines.

Generally the quota law was successful in terms of ensuring its goal of 40%. It increased gradually: In 2004 to 9%, 2006 to 18%, 2008 to 36%. And then up to 40%.

But during the same period 40% of the PLCs changed their status and converted to limited companies, therefore no longer subject to the quota law. There were many reasons why companies might have chosen to make the change in status but one in three of those companies who changed their status said that the quota law was a major reason for the conversion – in reality it was probably higher.

There were many initiatives to “teach women the ropes”. One such initiative was the Professional Boards Forum, which has been described by its founder, Elin Hurvenes, in Chapter 3. I have participated in these forums myself, as a Nominations Committee member, both in Oslo and in London, and find these events very useful.

We should also remember that during this period, post Enron, there was an increased focus on Board work and responsibility. So the Boardroom was subject to many changes over a relatively short time, and the entrance of more women into the Boardroom was far from being the only reform.

### Who were the women and how did they fare?

The initial period when every Tom, Dick and Harry was out searching for the best women for their boards was quite interesting. If you had the right sort of background you felt sought after. And in some instances you felt that if you said no, it was taken as a maybe, and if you said maybe, that was taken as a definite yes!

The women came mostly from the corporate sector, both top and middle-management. But they also came from political life and the public sector. And some foreign women showed up – which added even more diversity to the picture.

I want to raise the issue of the so-called “Board queens” or “golden skirts”. They do exist. But it seems to me that their existence has been somewhat exaggerated during discussions of the Norwegian Quota Law in the UK. So let’s get rid of the smoke and look at the facts that have been produced by Statistics Norway. On Norwegian PLC boards,

- 83% of women hold one Board position compared with 89% of men;

- 15% of women hold 2–3 positions compared with 10% of men;
- 2% of women hold more than 4 positions compared with 1% of men.

So a few “golden skirts” do exist, but so do the “golden suits”. And I am sure you have them here as well even without quotas. But is this really a problem? In Norway the small number of women holding multiple Board positions seems like a typical consequence of a “demand shock” like the quota law and over time will probably even out.

In general most companies did not experience serious problems in finding competent women, even though some of the women were inexperienced in terms of Board work. And clearly, the experienced women became known as “Board queens” with numerous Board positions or “golden skirts” as we seemed to have been tagged here in the UK.

Then came the stage where the newly elected women actually entered the Boardrooms. As far as my own “network” has been telling me, the Boardrooms were fairly welcoming and you did not have to fight your way in. And that is definitely my own experience. But there were some examples of “push back” from the men. That was uncomfortable for the women involved, but the board room is not a kindergarten. You have to be confident to enter.

The women tended to start out in learning and listening mode – which is smart, but you cannot wait too long before taking active part in the Board dialogue. To quote our former Prime Minister Gro Brundtland:

**“Women with soft voices should be like the puppy that is growing up to be a farm dog, namely learn to bark.”**

To generalize – always wrong, I know – but it seems that women are more risk averse than men, having a greater focus on value preservation. That quality is not a bad thing in a Board, as long as others are proactive in judging and taking risks.

As I have mentioned, one traditional road to the Boardroom – through shareholdings – is not there to the same extent for women. As owners, men dominate the scene. Thus women tend to end up as the independent board members, with special focus on monitoring. I find that women are “over-represented” on the Audit Committees.

Life as a professional non-executive director in Norway is in many ways rewarding, but it also has negative sides; low pay, significant responsibility, no job security, no pension plan or other fringe benefits. Some of the women

## Entering the board room

- Most women were well received, but generally started out in passive/listening mode
- Women often focus on value preservation, not value creation – typically became Audit Committee members
- Women are “independent” board members, as generally not shareholders – taking the monitoring role
- After the first election period, a few women left the boards, new ones entered

did not see this at first, but soon caught on. Thus some of them left when their first election period came to an end.

## How have Boards changed?

What difference did it really make when the women entered?

One positive change in Norwegian board rooms post-quota is that the women are attending more meetings and are generally better prepared than their male counterparts. This seems to create a competitive spirit and improves participation and preparedness of men – and to me that seems like a win-win situation.

However, in my experience group-think can be strong in a board. A lot of confidence is needed to take a different approach or express a different view. The quota law gives women equal participation, in that you get a seat at the table, but whether you will be heard is up to you and depends on what you can offer when you are there. The use of quotas cannot ensure equal impact.

So if you are the only woman – and on some boards I am the only woman – you have to be an eagle rather than a swallow!

## Where quotas work best

National culture and attitudes are important for quota laws to work well. In Norway it was not politically correct for a man to be against quotas, so those who publicly stated their scepticism and opposition were to some extent ridiculed. The opposition typically came from the more macho among our business leaders.

The demographics also are important – you need to have a talent pool. Thus you need educated women already working in the corporate sector.

In Norway we also had a long history of quotas in politics/public sector, as well as employee board representation – both these facts helped quotas to be understood and accepted as a reasonable instrument in the corporate sector.

**A more gradual phasing in of quotas would make sense** I do think, however, that a more gradual phasing in of quotas would make sense. To build it up over 5 to 10 years, then you also avoid the very sudden shifts in demand and supply, which may also result in women leaving their executive positions to become full-time Non-Executive Directors.

The fact that quite a number of women at middle and top management levels left their jobs and became professional Board members was an unforeseen negative consequence for the executive suite. The thinking was that this move would give them the opportunity to use their education and experience while having more time for family and other interests.

For society – maybe these women may have done more good by continuing to move up the corporate ladder? But, would they have done so? It is not at all certain. Other women added Board positions to their already full schedules. The jury is still out on whether this is a good thing.

What has not been achieved is an increase in the number of women in top management positions in Norway. A study last year by the Norwegian business magazine Kapital showed that the number of women in Executive positions had in fact been reduced. And this trend is evident even in PLCs with significant government ownership.

It is evident that gender quotas work within PLCs but this does not necessarily result in strong positive ripple effects in spreading gender equality to corporate life and businesses in general.

And in my opinion – diversity in an Executive team, which works together on an on-going basis 24/7, is more important than in the Board of directors, which may meet only once a month.

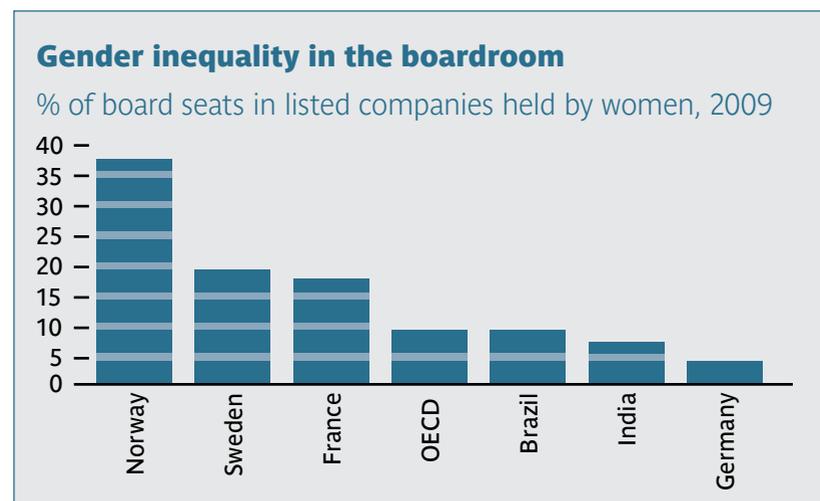
To sum up: We got there in terms of quantity, but did we succeed in terms of quality? There is not full agreement on this issue; the jury is still out. There is also disagreement on how to measure quality in this respect. But it is evident that board culture is changing, and the women are in for the long haul!

## Chapter 5: Has the Law been a Success?

### Morten Huse,

Reinhard Mohn Chair of Management and Governance, University of Witten/Herdecke, Germany and Professor of Organisation and Management, BI Norwegian Business School, Oslo

Norway now has about 40% women on boards in public companies. This percentage is almost twice as high as any other comparable country. This is illustrated in a table from The OECD Gender Browser 2009.



Source: OECD Gender Browser

The immediate background for this unique situation is the gender balance law that was implemented between 2005 and 2008.

The Law has attracted many approving comments.

**“Norway is considered one of the most progressive countries with regards to increasing the number of women on**

**boards – thanks to it being an early adopter of legislation to force companies to recruit women to the boardroom”.**

**– Elizabeth Harrin (Financial Times, London)**

But there have not just been positive comments. In July 2011 The Economist insisted that mandatory quotas do more harm than good. The arguments against the law have been that the law would ruin the Norwegian economy, that there would not be enough qualified women, that women do not want to be tokens and that the law is a transgression of private property rights because shareholders should have the freedom to select the persons taking care of their property.

**The law has been a success** My position is that the law has been a success, and my conclusion is based on about 20 years of research about women on boards. I have used various approaches to explore the questions. These approaches may be clustered in four different streams of argument. Two streams are related to the business case of women on board, and two streams related to consequences of the Norwegian law about gender balance. There are considerable overlaps between these streams, but it is important to understand the differences.

- The first stream is about “gendering boards” where I have explored boards from a gender perspective.
- The second stream is about the value creating contribution of women on boards. Focus has been on competence, diversity, board processes and variations in board task performance.
- The third stream is about exploring consequences in Norway from the law, including understanding who the new board members are.
- Fourthly, I am trying to observe the snowball that started rolling in Norway. This is about consequences for other countries from the Norwegian experience.

### What does success mean?

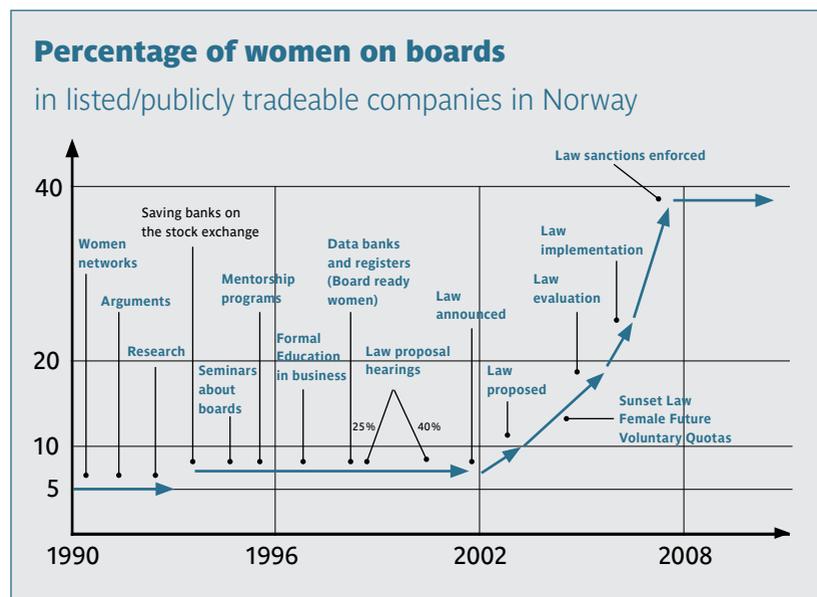
In considering success we need to know the objectives for the law in Norway, and also elsewhere. However, we easily see that that different actors place a differing emphasis on different objectives.

There is the societal case for increasing the number of women on Boards, the case for its effect on individual women and the business case. The societal case is about what is best for the society including justice, democracy, participation, conventions and in the general the welfare in the society. The individual case arguments are about what is best for the women. This raises questions about removing the glass ceiling and developing career possibilities for women themselves. The business case is about what is the best for businesses. The most used arguments for the business case are diversity, the use of the full pool of resources and that men often are too passive and not properly prepared in the boards.

Personally, I would not have supported a law if the business case had been the most important. Businesses should find out what is best for them. However, I find that a law may be needed when a societal good is not regulated through market mechanisms.

## Voluntary action versus regulations

The development of the number of women directors in Norwegian publicly traded companies is presented in the following graph.



The graph shows that the percentage of women on company boards stayed constant at around 5% from 1990 till 2002. No increase took place even though considerable efforts were made through a variety of initiatives. Programmes to increase the number of women directors mushroomed. Various programmes and seminars to train women to become board members were offered. These included business training as well as training in how boards functioning. Programmes to facilitate the selection of women were also introduced. They included mentorship programmes, and databanks, registers or archives of “board-ready women”. In 2000 a data bank provided by the Norwegian Equality Agency contained the names and resumes of several thousand women aspiring for Board memberships. Two public hearings about law proposals also took place, but no increase in the percentage of women on corporate boards was achieved.

The only change that shows up in the graph before 2002 was around 1994. This change was caused by the fact that new types of companies (mainly saving banks) were introduced onto the Oslo Stock Exchange.

However, we can see as a result of the law that there was an immense increase from 2002 till 2008 – from 6% to 40%. The law has been applied to ASA-companies (PLCs), but there has at the same time been a considerable increase in the ratio of women directors in large and medium-size AS-companies (Limited Liability Companies), and there are considerably more women CEOs in 2012 than was the case ten years previously.

## Multiple Board members

One experience in Norway is that the “old boys’ network” has been partly replaced by women with multiple board memberships. The women being recruited as a result of the law are generally independent of the Company they join. Executive directors and other directors close to the executives are rarely replaceable. The same is the case for those who sit on the board as investors or those representing them. This means that in practice only independent Board members have been replaceable, and it is thus generally this kind of position that women have filled. They also sit as independents on the major Board committees.

Independent Board member positions used to be filled from the “old boy’s network”. However, the women who sit on boards do not constitute a “women’s network”. They hardly know each other, and they are very rarely involved in any interlocking directorates with other companies.

Still we see from the figure below that the directors with the most board positions are women. This is quite natural as it has typically been a requirement to have board experience before becoming a board member. So companies tended to appoint women who were on other boards. However the number of women holding multiple directorships is, in fact, quite small – only 8 women hold more than 4 directorships and only 21 hold 3 or four. It is likely that as the pool for selection grows bigger the number of women who sit on multiple boards will fall.

### Multi-Board Directors in ASA Companies (PLCs)

2009–2010

Board Directorships	≥5	3–4	2–3	1–2
Men	2	9	48	157
Women	8	21	48	157
<b>Total</b>	<b>8</b>	<b>30</b>	<b>96</b>	<b>314</b>

### The so-called “golden skirts”

The men who have multi-board membership typically are investors (sometimes called “golden sacks”); the term “golden skirts” has been used to describe women making a living out of being board members in the ASA-companies. For the period 2007–10 I would define a group of 17 women as “golden skirts”. These are highly competent, but they have different characteristics, were recruited in different ways, and have different contributions on boards from the men. I have clustered them in four groups: analytics, controllers, decision makers and value creators:

- The **analytics** are young, smart and clever – having facts at their fingertips, often having mentors and are around 40 years old.
- The **controllers** are ambitious and pragmatic women – using the opportunities given by the law and are typically over 50 years old.
- The **decision makers** have the tough experience of top level politics and are also usually over 50 years old.

- The **value creators** have business experience from being board members before the gender-balance law and are typically over 55 years old.

### Can We Trust Business Case Findings?

Assessing the business case for women on boards is complex. I have written extensively on this issue and here are some of our business case findings about women on boards:

- *Value creation*: Who is defining value creation and how is it done? There may be differences for example between short term changes in market value on the stock exchange and long term sustainable value creating in the company.
- *Board tasks*: The impact of women varies with the focus of the tasks. In some studies we have seen that there may be positive results related to women directors’ contribution in strategy, but negative results for networking and advisory tasks.
- *Understanding diversity*: It is important to explore not only surface-level diversity but to go beyond an analysis by gender to understand the contribution of women. Not all women aspiring for board positions have female values, a feminist agenda or even feminine behaviour.
- *Using diversity*: Good Board leadership and good Board structures can influence the use of diversity. However, Boards are often set up for fast decision-making and the knowledge and skills of board members are rarely fully utilised. We cannot expect to see any differences if the knowledge and skills of the women are not used.
- *Gender role stereotyping*: The impact of women depends on how they are being received. A male in-group in the board may reduce the impact of the women if the women are excluded or just considered as tokens.
- *Critical mass*: The impact depends on whether the women are adapting to an existing culture. When there are only one or two women they tend to adapt to the existing board culture.
- *Tokenism*: Awareness about possible tokenism tends to increase competence and preparation. Nobody wants to elect tokens or women without the required competence, and the elected women do not want to be perceived as incompetent. The tokenism perspective thus encourages

the elected women to be highly competent and very well prepared. The tokenism discussion will be more related to the introduction of a law than most of the other points.

- *Gender related dynamics:* Things may change when women and men work together. The behaviour of men often changes when a women is present. We can often observe a more pleasant atmosphere in a Board with women than in Boards without women.
- *Learning effects:* Effects may change over time and place. We will in the future see more women with Board experience filling the Boardrooms.
- *Corporate governance:* A main focus in recent corporate governance debates has been on independent Board members who can monitor the management. Transparency and value distribution have been the objectives. The discussion of women on Boards has a focus on competence, diversity and the use of knowledge and skills. Strategic decision making and long term sustainable value creation have become the modern objectives.

## A snowball that is growing

The Norwegian law establishing a gender balance on Boards can be compared to a snowball starting to roll. But the snowball is becoming bigger and bigger, and it rolls faster and faster. Finally, it looks like an avalanche. We have seen an exponential international interest in what has been taken place in Norway. This interest has developed further by proposals from the EU Commissioner of Justice and Equality – Viviane Reding. She has proposed legal regulations in Europe for securing women representation on corporate Boards. Some actors in this debate think that a law may produce very good outcomes, while other actors are trying to mobilize against this avalanche.

**A snowball starting to roll** Spain, France, Netherlands, Italy, Belgium and Iceland already have implemented laws. Switzerland, Germany and Denmark are challenged by a law. Sweden and Finland will possibly achieve a gender balance without needing a law. Renewed reflections about a law are appearing in New Zealand, Australia, USA and UK.

## The law has so far been positive

It is far too early to reach final conclusions about the success of the law, but we can say that the legal requirement of gender balance has been met and that the Norwegian economy and Norwegian firms have not been ruined. The women that are on the Boards are generally highly qualified, and it has not been necessary to go to other countries, to other types of firms or to existing CEO positions to find Board-ready women. The women do not see themselves as tokens, and the law is now generally accepted. Many of those who at first were negative about the law have become positive.

However, some reflections are needed. What will be the consequences now that most of the independent Board members are women? Will women, as a result, now fill all the most powerful Board committees? What will be the consequences of the fact that most of the men serving on several Boards are the investors (the so-called “golden sacks”), leaving limited possibilities for young men who are not investors to be invited to boards? In Norway there have been no traditional Board networks for women, and there seem to be no spider webs of relationships, but will this be different in other countries? We have still to explore the consequences of the changed work-life balance for women, but many women seeking corporate careers may find that Non-Executive Board positions will be easier to find and more comfortable than top executive positions. Will this mean that the top Executive positions will continue to be held by men?

So in Norway we now have a gender balance in the boards of PLCs, but there is still work to do in influencing how the consequences turn out.

## The Contributors

**Agnes Bolsø** is Professor in the Department of Interdisciplinary Studies of Culture, the Norwegian University of Science and Technology, Trondheim. Her research interests are gender, power, sexuality, organisations, evolutionary theory and the culture/nature-debate. Bolsø is Head of Teaching in the gender studies section. She is also the Project leader of 'Mirror, mirror on the wall, who's most powerful of them all?' – a project funded by the Research Council of Norway, involving Norwegian scholars and international partners.

**Siri Øyslebø Sørensen** is Post.doc research fellow at the Department of Interdisciplinary Studies of Culture, The Norwegian University of Science and Technology, Trondheim. Her current research is on women managers in the NGO sector in affiliation with the Mirror, mirror – project headed by Professor Bolsø. She wrote her PhD thesis (2013) on the Norwegian gender quota reform, and is particularly interested in the dynamics of policy making, feminism in contemporary culture, theories of gender equality in addition to the topic of gender in organization and management.

**Arne Selvik** is Director of Communication at the Administrative Research Institute, the Norwegian School of Economics (NHH). He has an MSc, Norwegian School of Economics (1972) and MA (Sociology), University of Bergen, (1974). He was Honorary Fellow & Visiting Professor at the University of Wisconsin-Madison 1974–76, Managing Director of The Institute of Industrial Economics, Norway 1977–90, Principal Municipal Executive, City of Bergen, 1991–93 and is currently Editor/Senior Consultant/Communication Director at AFF/NHH. Arne has extensive experience as a member and chair of some 50 boards of directors in private and public companies across a spread of industries in Norway, us., Japan, the Netherlands and the UK. He also served at an OECD expert committee on Technology and Competitiveness (1986–90) and as a Government appointed mediator at the National Mediator's Office (1986–91). He has published, authored and edited fifteen books on industrial economics, leadership and corporate governance. He is now an advisor and trainer for senior executives and boards of directors, mostly in Norway.

**Elin Hurvenes** founded the Professional Boards Forum in direct response to the Norwegian “Quota legislation” in 2003. Her aim was to create an arena where chairmen and board-ready women could meet and get to know each other as NED roles is not only about what you know but who you know. The Forum has been a great success in Norway, the Netherlands and here in the UK where FTSE100 chairmen regularly participate. Elin is bringing the Forum to Poland, Switzerland and Hong Kong.

**Mai-Lill Ibsen** has for the last 6 years worked as a Non-Executive Director in Scandinavia, with listed companies, private companies and foundations. She is active as a speaker on Board work and corporate governance through her advisory firm **IBSEN RAAD**. She is currently Vice Chair of Folketrygdfondet, which manages the Government Pension Fund – Domestic, and holds various other board and nomination committee positions. Her executive background is in the financial sector, with more than 20 years top management experience including deputy CEO of the Norwegian Export Credit Agency, head of Citigroup in Norway/co-head of Nordics, and CEO of the Norwegian derivatives clearing house NOS. She has an MBA from Stanford University.

**Morten Huse** is a professor at BI Norwegian Business School and the University of Witten/Herdecke in Germany. During 2010–2012 he was President of the European Academy of Management. His research and academic work has focused on Value Creating Boards of Directors, and he has written several books on that topic. During recent years he has been highly involved in exploring issues around the Norwegian Law about Gender balance in corporate boards. He has made presentations for politicians, business leaders and scholars on this topic in about 20 different countries, including a presentation in the Italian Parliament in Rome, Italy. He is a member of Catalyst Europe Advisory Board. He has also earlier made presentations on gender balance in corporate boards in the UK, and he is collaborating with several British academics on further research into this issue, including two books.

## Sponsors

### **David Offenbach, Chair of the Labour Finance and Industry Group**

Labour Finance and Industry Group (LFIG) are very pleased to sponsor the publication of this very important and timely Booklet. We strongly believe that there should be more women on company boards (and in management positions) and the Norwegian quota system, which has attracted much attention around the world, should be recognised as an effective mechanism for change by political parties in Britain.

This is a moral issue, a fairness issue and an equality issue, and now – in addition – there is a growing body of evidence that a more diverse boardroom leads to better decision making and therefore a better company for shareholders, employees and is clearly in the wider public interest. Exhortation, encouragement and non-statutory codes can only go so far. Sooner or later legislation will be necessary to underpin progress. LFIG commends and congratulates the authors of this Booklet as a valuable contribution to this objective.

### **Ivana Bartoletti of the Fabian Women’s Network**

Our economy needs more women at the top. The Fabian Women’s Network has long campaigned for more diverse company boardrooms to promote equality, improve corporate governance and equip the UK for more sustainable growth. Research shows that bringing diversity into boardrooms leads to more sustainable profits and a more responsible approach to risk management: women seem to be less inclined to take high risks when under pressure. So appointing more women to management and leadership positions is a business imperative.

Women need role models. Having more women in top roles would encourage the rest of us to climb the career ladder and challenge gender stereotypes across society. This is why we welcome this publication on the Norwegian experience. Diversity in company boardrooms is an issue which Britain should put higher up the policy agenda.