Bringing Women on Board: The Social Policy Implications of Gender Diversity in Top Jobs

Helen Kowalewska
ESRC Postdoctoral Research Fellow
Social Statistics and Demography, University of Southampton

H.R.Kowalewska@soton.ac.uk

Abstract

This paper argues that analyses of the gendered character of welfare states should be broadened to include women’s share of board and executive roles, as well as the affirmative-action policies (e.g. gender boardroom quotas) that overcome the gender stereotypes (e.g. women are ‘nice’, men are ‘assertive’) and opaque selection procedures at the root of this. Such indicators may seem beyond the remit of social policy analysis, which is concerned foremost with the analysis of ‘social risk’. Yet, drawing on research evidence from across multiple disciplines, this paper argues that achieving a ‘critical mass’ of women in board and executive positions can bring women’s issues onto companies’ agendas and lead to the adoption of female-friendly practices, policies, and cultures at the firm-level. In turn, these practices, policies, and cultures can help to reduce the incidence of gendered social risks (employment/care conflicts, economic dependence on a partner) and sexual harassment among women at lower levels of the labour market. Thus, the paper highlights another dimension to the social-regulatory function of welfare states that has, to date, been overlooked, namely legislative requirements on companies to achieve gender diversity in their leadership structures.

Keywords: body rights; discrimination; occupational welfare; sexual harassment; the regulatory welfare state; women as change agents
Introduction: Why Regulating Women’s Share of Top Jobs ‘Counts’ for Social Policy Analysis

Women have made significant inroads into senior labour market positions in recent decades. Even so, the latest data reveal that women make up only one-third of managers on average across countries in the Organisation for Economic Cooperation and Development (OECD, 2017). The higher up the organisational hierarchy we look, the worse the problem of women’s underrepresentation in top jobs appears to be: in 2016, just 20 per cent of board members of the largest publicly listed companies across OECD countries were women and only one in twenty of these companies had a female Chief Executive Officer (CEO) (OECD, 2017). No country is immune to this problem, including the ‘women-friendly’ Nordic countries, so-called because of their well-developed family policies and high female employment rates (Hernes, 1987).

Nevertheless, the issue of women’s underrepresentation in the very top board and executive-management levels that make up a company’s top leadership team has, to date, been overlooked in comparative social policy analysis.¹ Although mainstream scholars have taken up some of the themes highlighted by feminists for ‘gendering’ comparative social policy analysis, the focus has remained on women’s access to (any) jobs and the employment/family reconciliation policies that enable this (e.g. Esping-Andersen, 1999, 2009; Bonoli, 2013). This not only overlooks the kinds of jobs that women are doing; it also underplays sources of women’s employment disadvantages besides those linked to motherhood and work/family issues, but which are also at the root of women’s underrepresentation in board and executive positions.

True, women’s underrepresentation in board and executive roles stems partly from the exceptional demands these jobs entail (e.g. regular long hours, evening/weekend working, travel away from home, and responsiveness to ‘crisis’ situations), which are not always compatible with family life or women’s disproportionate care responsibilities (Seierstad and Kirton, 2015) and may discourage women from pursuing them (Hakim, 2006). Furthermore, whereas men in leadership and managerial positions are more likely to have a partner in part-time or flexible employment, or not in employment at all, women in such positions are more likely to have a partner who works similar hours or more; hence, women seeking top-level jobs potentially find it harder to negotiate a more equal division of domestic responsibilities.
Júlíusdóttir et al., 2018). Yet, as Orloff notes, ‘there’s plain old discrimination to deal with, too’ (2009b: p. 139). Research has shown that deeply- engrained cultural stereotypes of gender (e.g. women are ‘nice’, men are ‘assertive’) continue to subtly influence hiring and promotion decisions and processes for board and executive roles (Koenig et al., 2011). Thus, women may be held back from reaching these positions not simply because of the mother/caregiver role that they occupy or are assumed or expected to occupy; they may be held back simply because they are women.

Consequently, work/family policies alone are not enough for redressing the gender imbalance in board and executive roles. This holds for antidiscrimination laws, too. While such legislation prohibits firms from excluding women from selection processes for the top jobs, it cannot guarantee that women will be included in such processes. Hence, subtle barriers that are not intentionally gendered, but which serve to undermine women’s access to powerful positions, remain unchecked. For instance, while the reliance of recruitment to board and executive positions on informal networks and contacts is not deliberately exclusory, women’s weaker connections to such networks can exclude them from recruitment pools (Ibarra et al., 2013). Therefore, more radical affirmative-action policies, which mandate the deliberate inclusion of women, are required to ‘jump-start’ the current ‘gender stall’ in women’s progress to board and executive positions (Huffman et al., 2010: p. 274).

The gender composition of a small number of elite labour market positions and the affirmative-action policies that enable typically already-advantaged women to break into these positions may seem beyond the concern of the welfare state or social policy analysts. Traditionally, social policy is about ‘the public management of social risks’ (Esping-Andersen, 1999: p. 36), whereby ‘social risk’ encompasses losses to income and/or impediments to employment (e.g. Bonoli, 2005). Accordingly, what ‘counts’ as relevant for social policy analysis is typically limited to fiscal transfers designed to reduce income poverty and inequality (e.g. Goodin et al., 1999) and social services that ensure a minimum standard of wellbeing and/or enable employment (e.g. West and Nikolai, 2013). That said, a growing literature draws attention to the expansion of ‘occupational welfare’, i.e. policies and practices provided by employers at the firm-level to supplement or substitute for state-provided welfare benefits and services (e.g. Wiß and Greve, 2019). Other scholars have highlighted the ‘social- regulatory’ function of the state, which has become all the more important amid pressures to reduce and reform social spending. Unlike the ‘provider state’, whereby benefits and services
are provided directly by public agencies, the ‘regulatory welfare state’ intervenes in the behaviours and activities of market actors to provide protection against social risk, fulfil welfare goals, and correct illegitimate inequalities (Leisering, 2011). Examples include policies that support employment continuity, such as maternity and parental leaves (Bonoli, 2013), or provide economic security for (often low) wage-earners, such as the National Employment Savings Trust, which is a state-run but market-funded pension option for low-income workers in the UK (Benish et al., 2017).

This paper highlights another dimension to the social-regulatory function of welfare states that has, to date, been overlooked, namely legislative requirements on companies to achieve gender diversity in their leadership structures at the board and executive-management levels. This is based on evidence that the benefits of a ‘critical mass’ of women in board and executive roles can ‘trickle-down’ to women at lower levels of the company. Studies have found an association between gender-diverse corporate leadership teams and higher pay among female subordinates within the company, as well as smaller gender wage gaps and less workplace gender segregation (e.g. Cohen and Huffman, 2007; Konrad et al., 2010; Kurtulus and Tomaskovic-Devey, 2012; Stainback et al., 2016). Women in board and executive positions may provide direct opportunities which enhance the careers of subordinate women, such as mentoring and access to networks (e.g. Kurtulus and Tomaskovic-Devey, 2012; Gagliarducci and Paserman, 2015). Yet, even women further down the organisational hierarchy, who have no direct contact with the company’s leadership team or the women within them, can benefit from greater gender diversity at the top of the company. While women are a heterogenous group with diverse and sometimes conflicting interests, they arguably share certain ‘universal interests’, such as dismantling the gendered division of domestic and care work, challenging patriarchy, and combatting sexual harassment. Thus, research suggests that women in corporate leadership positions influence the establishment of female-friendly cultures and policies within the firm, such as measures to combat workplace sexual harassment (e.g. Bell et al., 2002a), action to reduce gender wage disparities throughout the company (e.g. Hultin and Szulkin, 1999, 2003), and flexible working arrangements (e.g. Dancaster and Baird, 2016), which can benefit all women working in the company.

Crucially, it is a higher share of women in the very top board and executive positions, and not just management more generally, that matters. Women in board and executive management are more likely than those in lower-level managerial and supervisory positions to have the
bargaining power to successfully instigate cultural changes in the firm (e.g. Cohen and Huffman, 2007; Stainback and Kwon, 2012). The specialised skills, knowledge, and experience required for board and executive positions make women in these positions hard to replace, attractive to competing businesses, and expensive to lose. Indeed, Fleckenstein and Seeleib-Kaiser (2011) found that while a higher share of female staff can increase demand for firm-level policies, the support of executive management is crucial for their implementation. At the same time, women in board and executive positions provide a conspicuous symbol indicating that women are valued by the organisation, and their high visibility can help to mitigate (unfounded) negative gender stereotypes around leadership (e.g. Ely, 1995; Konrad et al., 2008; Konrad et al., 2010). Such symbolism can contribute to enhancing the career aspirations of other women (e.g. Durbin, 2016).

The argument of this paper draws parallels with those of feminist scholars of the welfare state who argue that increasing women’s political participation and power is a prerequisite for ensuring social policymaking truly reflects women’s interests and concerns (e.g. Orloff, 1993). An analogy can also be drawn with the role of employee representatives on corporate boards in advocating for workers’ rights: studies have shown that codetermination is associated with improved employee outcomes, such as in terms of greater job security (Kim et al., 2018) and reduced pay ratios (e.g. Vitols, 2010), thereby helping to ‘decommodify’ workers by mitigating against the risks associated with dependence on the market. Likewise, this paper argues that increasing women’s presence among board and executive positions, in which workplace decision-making and power are concentrated, can bring women’s issues onto companies’ agendas and lead to the adoption of female-friendly practices, policies and cultures at the firm-level. These practices, policies, and cultures can in turn help to reduce the incidence of gendered social risks (employment/care conflicts, economic dependence on a partner) and sexual harassment among women at all levels of the organisational hierarchy. For these reasons, I argue that considerations of gender within comparative welfare state research should be broadened to include women’s share of board and executive roles in the workplace and the policies that support this.

The next section sets the background by outlining considerations of gender within comparative welfare state research. The third section then directs this literature’s attention to the underrepresentation of women at the board and executive-management levels and the gender discrimination at the root of this. The fourth section discusses the mechanisms
through which increasing women’s share of board and executive positions can help to address gendered social risks further down the labour market. Subsequently, the fifth section delineates some of the limitations and caveats to this argument. The sixth section concludes.

The Analysis of Gender and Social Policy

Traditionally, social policy research has been concerned with the provision of state services or transfers to reduce individuals’ dependence on market incomes (e.g. Esping-Andersen, 1990). In the last decades, however, feminist scholars have pointed out that this conceptualisation ignores and implicitly relies on the care work carried out by women in the home for no pay. Accordingly, they have argued for the integration of state policies related to reproduction and care into social policy analysis (e.g. Orloff, 1993; Lister, 1997).

Scholars of the welfare state have taken up some (but not all) of the themes identified by feminists for ‘gendering’ social policy analysis (Orloff, 2009a). One body of literature highlights the importance of women’s increased employment for explaining welfare state restructuring and women’s greater poverty risks under post-industrialism. According to this literature, women’s mass entry into employment and the care deficit resulting from the decline of the stay-at-home mother have created a set of so-called ‘new social risks’ (e.g. Bonoli, 2005). These ‘new’ risks include lone parenthood and conflicts between caring for family members and employment, which arise most acutely for women due to the gendered division of family responsibilities. Women’s disproportionate care responsibilities also mean that they are more likely than men to deviate from full-time, continuous employment, exposing them to the additional new social risk of inadequate social security coverage. For instance, part-time work and career interruptions, together with women’s greater representation in low-paying occupations and sectors, often result in reduced pension entitlements in old-age and an associated greater risk of income poverty for female pensioners (e.g. Bonoli, 2003).

A related framing within mainstream comparative welfare state research that also attends to gender is the social investment literature. Again, addressing the ‘trade-off’ between motherhood and employment is the central gendered issue (Jenson, 2015). This literature argues that stimulating fertility is necessary for preventing a demographic ‘crisis’ given population ageing and increased longevity. Proponents of social investment additionally argue that mobilising women into employment is critical for reducing childhood poverty and expanding the tax-base given pressures on ‘old’ social risk policies, particularly pensions and
healthcare (e.g. Esping-Andersen, 2009; van Kersbergen and Hemerijck, 2012). Consequently, the Nordics are often portrayed as ‘women-friendly’ on account of their universal, high-quality childcare services and ‘activating’ parental leaves and generous family allowances, which keep women attached to the labour market throughout motherhood (e.g. Esping-Andersen, 1999, 2009; Korpi et al., 2013). English-speaking countries occupy a middling position, while Continental countries are considered gender equality ‘laggards’ (p. 23): here, inadequate work/family policies push lower-educated women out of the labour market, producing class disparities in maternal employment rates (Esping-Andersen, 2009).

Nevertheless, certain studies have questioned the idolisation of the Nordics by highlighting a welfare state ‘paradox’ (Mandel and Semyonov, 2005, 2006): while public provision of family policies and a large public sector enable women’s employment, they also make it harder for women to progress to more lucrative managerial positions. State provision of health, education, and child and elder care creates jobs that attract mostly women, meaning they are less likely to compete for (better-paid) private-sector jobs. And by enabling women to take career breaks and reduce their working hours, generous family policies – especially long maternity leaves - result in losses to women’s human capital and skills as well as missed opportunities for development and on-the-job experience. Furthermore, by increasing the likelihood that women will withdraw or reduce their labour for childbearing and caregiving purposes, family policies make it rational for employers to discriminate against women when it comes to hiring, training, and promotions. This is especially relevant for highly skilled jobs, as replacement workers can be harder to find. Such statistical discrimination is also more commonplace in coordinated market economies, where strong employment protection makes it harder to hire and fire and bring in temporary workers during periods of leave (Estévez-Abe, 2006). Conversely, in Anglo-Saxon countries, less generous family policies, alongside a history of extensive anti-discrimination and equal-opportunity legislation, achieve a greater proportion of women in managerial positions (e.g. O’Connor et al., 1999). So, despite some desegregation across Nordic labour markets since the late-1990s (e.g. Ellingsæter, 2013), women’s share of middle and senior management stood at 33 per cent on average across the five Nordic countries in 2017 compared with 40 per cent in the United States (International Labour Organisation, 2018).
What About Women’s Share of Board and Executive Jobs?

However, as Korpi et al. (2013) highlight, these cross-national patterns in women’s share of managerial positions do not hold when we zoom in on the very top board and executive levels. Scandinavian countries are now leaders when it comes to women’s representation on company boards. For instance, women held 40 per cent of board seats on average across the largest publicly listed corporations in Norway in 2018 (European Institute for Gender Equality, 2019). The corresponding figure for the United States was 22 per cent (Catalyst, 2017). Furthermore, when we focus on women’s representation among CEO positions, we see that stalled progress is common to all countries. Women accounted for just six of the 117 CEOs of the largest Scandinavian publicly listed companies in 2018 (European Institute for Gender Equality, 2019); similarly, only 6 per cent of US Fortune 500 companies had a female CEO (Catalyst, 2017). Thus, as paradox theory argues, women in less family-friendly welfare states typically find it easier to reach managerial positions, since their caregiving role is not as institutionalised; but the empirical data indicate that they will find it just as difficult as their Nordic counterparts to progress to key leadership positions at the board and executive levels.

Studies from across the social psychology, sociology of gender and gender in management literatures suggest that ‘straightforward gender bias’ (Güngör and Biernat, 2009) – i.e. discrimination against women based on gender and its associated stereotypes, rather than motherhood or women’s (assumed) parental status – is at the root of women’s persistent underrepresentation at the very top of the labour market. Despite changing norms and antidiscrimination legislation, (unfounded) cultural stereotypes regarding gender differences in leadership make it harder for women to access jobs offering higher status, pay and power. In reviewing evidence from 40 studies conducted across a range of institutional contexts, Koenig et al. (2011) find that traits stereotypically ascribed to men continue to be associated with the characteristics considered important for successful leadership (e.g. competitiveness, ambition). Conversely, traits stereotypically attributed to women (e.g. being ‘nice’, submissiveness) are widely regarded as incompatible with leadership. Such ‘lack of fit’ (Heilman, 1983) or ‘incongruity’ (Eagly and Karau, 2002) between women’s assumed competencies and the requirements of leadership produce greater expectations of failure and lower expectations of success when evaluating women for board and executive positions, regardless of actual qualifications, skills or experiences.
In turn, women may be less inclined to put themselves forward for leadership positions. Simply being aware of stereotypes makes us more likely to conform to them, as we seek approval from others (‘stereotype threat’) (Steele and Aronson, 1995). For instance, Brands and Fernandez-Mateo (2017) found that women who had previously been rejected for an executive position were twice as likely as previously-rejected men to refrain from reapplying for an executive position at the same company. This is also indicative of women’s greater proclivity to avoid competitive environments than men (e.g. Flory et al., 2015), which is rooted in gender differences in early-age socialisation (e.g. Sutter and Glätzle-Rützler, 2015).

Certain features of organisational hiring and promotion procedures for top-level jobs can additionally place women at a systemic disadvantage (Ibarra et al., 2013). Particularly problematic is the reliance of recruitment to executive and board positions on personal recommendations, often from (male) individuals already in these jobs (Eagly and Carli, 2007). According to ‘homsocial reproduction’ theory, we typically favour members from the same group as us (Kanter, 1977). Hence, male board and executive positions tend to put forward other men. The importance of informal social networks for recruiting board members and executives can also disadvantage women, since these networks tend to comprise mainly men and centre around ‘masculine’ activities, such as hunting or golf, making it harder for women to access them (e.g. Eagly and Carli, 2007; Dhir, 2015).

But even when selection processes for board and executive roles are transferred to external search firms – so-called ‘head-hunters’ - they are not always subject to standardised criteria or formalised testing. For instance, one cross-national study of head-hunters found that most picked candidates based on ‘gut feeling’ or intuition (Tienari et al., 2013). Such a lack of standardised criteria for selecting candidates can disadvantage women, as decision-makers may unintentionally favour a ‘typical’ (i.e. male) candidate, even if a ‘non-typical’ candidate (i.e. a woman) is equally qualified (Uhlmann and Cohen, 2005). This is not helped by findings that head-hunters tend to pick candidates for board and executive positions from the pool of those (mostly men) who are already working in similar roles. A study of one UK-based executive search firm found that women comprised only 11 per cent of candidates on the firm’s books (Fernandez-Mateo and Fernandez, 2016).
The ‘Trickle-Down’ Benefits of Gender Diversity in Top Jobs for Addressing Gendered Social Risk

At first glance, women’s disadvantaged access to board and executive roles may seem beyond the remit of social policy analysis. Yet, there is evidence to suggest that achieving a ‘critical mass’ of women in these key leadership positions may benefit less-advantaged women in lower-level jobs in ways that are relevant to the study of gender and risks to welfare. Empirical research on the impact of the gender composition of board and executive roles on subordinate female employees’ experiences and employment outcomes remains patchy, mainly because of a dearth of adequate large-scale datasets (Kurtulus and Tomaskovic-Devey, 2012; Huffman, 2016). Nevertheless, literature from across various social science disciplines suggests that women in board and executive roles may act as ‘agents of change’ in pushing for organisational policies, practices, and cultures that improve the female-friendliness of workplaces (Cohen and Huffman, 2007). As suggested by social psychological theories of homosocial reproduction (Kanter, 1977) and same-gender preference (Gorman, 2005), gender creates a common interest that motivates individuals in decision-making positions to promote the interests of same-sex subordinates. For example, almost all the female board-members and CEOs interviewed by Konrad et al. (2008) were taking action to promote women’s careers within the firm, from mentoring to requesting diversity reports.

There are two main mechanisms through which the benefits of gender diversity in top jobs may trickle down to other women within the firm. On the one hand, women in executive and board positions may actively create opportunities for junior women. For instance, in line with theories of homosocial reproduction, a study of hiring practices across US law firms found that a woman’s odds of being hired were 13 per cent higher in firms led by a female partner than a male partner (Gorman, 2005). Senior women can also act as mentors for junior women, providing access to networks, training them in firm-specific skills, and directing them to developmental opportunities (e.g. Kurtulus and Tomaskovic-Devey, 2012; Gagliarducci and Paserman, 2015).

On the other hand, women in executive and board positions may instigate cultural shifts within the firm that benefit other women working in the company, including those with whom female board members and executives have no direct contact. Studies show that women managers are often key champions of programmes designed to increase workplace diversity, such as diversity training measures and specialist networks for women and other identity groups who
are disadvantaged by white male privilege (Dobbin et al., 2011). Relatedly, empirical evidence has shown an association between a higher proportion of women in authority positions and the provision of family-friendly policies and flexible-working options at the firm-level, such as work-at-home options, on-site care facilities, and parental leaves beyond statutory minima (e.g. Dancaster and Baird, 2016). These workplace policies can support women further down the company’s hierarchy – including those at the lowest levels - to keep their jobs and progress within the firm following childbirth or the emergence of other family responsibilities (e.g. a parent becomes frail), which fall disproportionately on women’s shoulders. Relatedly, firm-level paternity leaves that supplement or substitute for state provision can encourage men to take on a greater share of domestic tasks. At the same time, through enabling women’s employment continuity, firm-level family policies can improve women’s access to employment and earnings-related state benefits, including pensions, as well as their abilities to build up adequate occupational pension pots. This, in turn, provides further protection against the gendered risk of inadequate social security coverage in old age.

Bringing more women into board and executive roles can also help to disrupt organisational cultures that allow sexual harassment to persist. Workplace sexual harassment is inherently gendered: although men can be subject to it and are not always the perpetrators, most sexual harassment is committed against women by men (McLaughlin et al., 2012). Recent surveys in the UK suggest that around half of working women have experienced sexual harassment in the last year, while the #MeToo movement highlights how prevalent the problem is for women at all levels of the labour market and across multiple industries, from entertainment to teaching, healthcare, and hospitality. Yet, the underrepresentation of women among board and executive roles may result in a lack of awareness among a company’s leadership team of the extent of sexual harassment within the firm (Women and Equalities Committee, 2018). Relatedly, it may impede the provision of sexual harassment policies at the firm-level that meet the needs of women (and others) who are harassed (Bell et al., 2002a). This is because women in leadership positions are more likely than their male counterparts to have experienced sexual harassment personally. There is also evidence that women are more likely than men to understand ‘borderline’ behaviours, such as sexual jokes, persistent requests for dates, or inappropriate comments about one’s sex life, as harassment and possibly frightening, rather than to dismiss them as innocuous or even flattering (e.g. Bell et al., 2002a; Bitton and Shaul, 2016). Thus, as Konrad et al. (2008) found, female board members may act as
‘protagonists’ in workplace sexual harassment cases, in that they encourage organisations to take women’s claims seriously.

Accordingly, redistributing the gendered division of power at the top of the labour market can contribute to safeguarding women’s ‘body rights’, which include protection from sexual harassment (e.g. O’Connor et al., 1999; Brush, 2002). Body rights tend not to be considered in mainstream analyses of the welfare state. However, as feminists have long argued, ‘defamilialisation’ – i.e. how well-protected individuals are from dependence on a partner - is a precondition for women’s full citizenship, and paid employment is a major route through which women’s economic autonomy outside the home is achieved (Orloff, 1993; Lister, 1994; O’Connor et al., 1999). Yet, as MacKinnon (1979) argues, sexual harassment undercuts such autonomy. Harassment reduces women to sexual objects, thereby contradicting their other identities, such as that of competent worker (Quinn, 2002). It upholds male domination of and control over women's sexuality and bodies, providing a mechanism through which women’s subordination and unequal power relations in the workplace and society at large are maintained (Hakim, 2016). Particularly when a woman is sexually harassed by a manager or senior co-worker, her financial dependence on a man – in this case, her boss rather than her partner – is sealed on a sexual basis, and sexual demands can become terms or conditions of her employment and career progression. Sexual harassment therefore undermines the emancipatory potential of employment for women (MacKinnon, 1979). It can also result in tangible economic penalties for women. For instance, McLaughlin et al. (2017) found that women who had experienced workplace sexual harassment were more likely to quit or change jobs than non-harassed women and to face difficulties in meeting their financial commitments 12 months later. Consequently, the occurrence of sexual harassment potentially diminishes women’s presence in the labour market (Elman, 1996), career progression and - in extreme cases - their abilities to support themselves independently of a partner, i.e. defamilialisation.

Besides actively changing a company’s policies and culture, women on boards and in executive management offer a powerful symbol for other women in the organisation. Seeing others ‘like them’ – i.e. women - in the top positions signals that women can be successful in and are valued by the firm (e.g. Ely, 1995; Konrad et al., 2008). In turn, the self-esteem of women further down the organisational hierarchy may improve, thereby encouraging more to seek promotion. For example, Bertrand et al. (2019) found that the career expectations of young
women in business had improved following the introduction of a 40 per cent quota for women on corporate boards in Norway, with many believing the legislation would improve their future earnings and chances of reaching higher-level positions. Similarly, experimental studies have found that women are more likely to put themselves forward for competitive and leadership positions upon exposure to female role models (e.g. Meier et al., 2018).

It is through these mechanisms that gender diversity in board and executive positions can translate into better pay and career outcomes for subordinate women within the firm. Indeed, research has shown that increasing the proportion of women on a company’s leadership team is associated with a reduced concentration of women in feminised, lower-paying jobs further down the company, as well as women’s increased representation in more lucrative roles (Kurtulus and Tomaskovic-Devey, 2012; Stainback et al., 2016). Research has also shown a positive association between women’s share of board and executive positions and female earnings at lower levels of the organisation. For instance, in a longitudinal study of private-sector firms in Portugal, Cardoso and Winter-Ebmer (2010) found that women earned a 3 per cent wage premium when more than half of a company’s leadership team were women. The positive trickle-down effects on gender wage gaps are strongest when women reach board and executive levels (Cohen and Huffman, 2007; Hirsch, 2013; Haldén et al., 2018). Elvira and Cohen (2001) suggest that whereas women in lower-level management and supervisory positions may lack the power to influence a company’s policies or environment, women in board and executive positions are more likely to hold such power. For instance, they may be able to influence firms to monitor and undertake actions to reduce gender pay inequalities or even have a say in the establishment of organisational pay rates (e.g. Hultin and Szulkin, 2003).

Such shifts in corporate culture can mean that the benefits of having more women in the top positions have the potential to trickle all the way down to women at the bottom of the company. Indeed, Tate and Yang (2015) found that the gender wage gap among new hires to US companies halved when the hiring firm was female-led rather than male-led. The positive impact of female leadership on the relative wages of women was strongest for women in the middle of the wage distribution; however, it extended to the lowest-positioned women, too. Consequently, increasing the share of women in board seats and executive suites can potentially contribute to combatting the various social risks (inadequate social security
coverage, economic dependence on a male partner) associated with women’s lower average incomes as a result of gender occupational segregation and gender wage gaps.\(^2\)

**Limitations and Caveats**

The idea that women in board and executive positions will influence the adoption and expansion of female-friendly company policies and practices assumes that they have the power to do so (Cohen and Huffman, 2007). On this, evidence suggests that women are only able to effect organisational change when they comprise a ‘critical mass’ of around 25-50 per cent of the leadership team (Konrad et al., 2008; Torchia et al., 2011). ‘Social contact’ theory (Kanter, 1977) posits that as sex ratios in decision-making positions approach a balance, differences between majority-group members (men) and minority-group members (women) become less salient. Consequently, women board members and executives are less prone to being denigrated as ‘tokens’ and may feel less pressure to minimise their differences from men or reduce their visibility by not ‘speaking up’. In turn, they are empowered to exert meaningful influence over organisational policies and environments (e.g. Dreher, 2003; Stainback et al., 2016).

Still, some literature suggests that even when women leaders have power and authority over a firm’s policies and recruiting decisions, they may not necessarily be motivated to act in ways that benefit other women. Instead, they may be ‘Queen Bees’: in seeking to be seen as individuals in their own right rather than as representatives of their gender and to assimilate with other (mostly male) leaders, women in leadership positions may try to distance themselves from ‘women’s’ issues (Maume, 2011). Yet, again, numbers are important here. Derks et al. (2016) suggest that achieving a ‘substantial’ (p. 465) number of women in authority positions can mitigate ‘Queen Bee’ behaviour by reducing the salience of gender and associated ‘categorisation threat’, whereby women fear being disparaged as representatives of their gender. Indeed, Ryan et al. (2012) conducted an experiment asking male and female professionals to rate the likelihood that they would provide support and mentorship to subordinates. The researchers found that ‘token’ women, defined as those working in environments in which females comprised less than one-quarter of professionals, were more likely to favour male subordinates over equally qualified female subordinates. In contrast, women working in environments approaching a gender balance offered equal amounts of support to male and female subordinates. Other research has also shown that female
managers are more likely to advocate for women’s issues when surrounded by other women (Dutton et al., 2002). Furthermore, interviews with female corporate board members in Norway found strong support for affirmative-action policies, especially among those who have themselves experienced discrimination (e.g. Dhir, 2015).

Even so, contextual factors may magnify or moderate the power of female board members and executives to bring about change. Research on codetermination suggests that larger boards limit the influence of board-level worker representatives on decision-making (Rose and Hagen, 2019). In a similar way, larger boards may make it harder for women to interact and form coalitions with one another. Furthermore, by allowing greater space for the board to fragment into cliques, larger boards may perpetuate the exclusion of women from informal debates and networking.

Relatively, the positioning of women within a company’s leadership team matters: if women are concentrated in non-executive board positions but underrepresented in more powerful executive positions, then their influence over a company’s policies and practices will necessarily be curtailed. This is especially pertinent under a two-board system, typical of Continental countries, whereby non-executive and executive directors sit separately and non-executive directors’ role is delimited to monitoring and advice. Non-executive directors under this system also tend to be invisible to other workers in the organisation, thereby dampening the potential benefits of women in these positions in terms of their symbolic presence (Bozhinov et al., 2018). Consequently, ensuring that women are adequately represented at the most senior and executive levels, especially under a two-board structure, is important for ensuring that women leaders have adequate power and visibility to be ‘agents of change’.

The occupational family policy literature additionally suggests that the extent to which demands for female-friendly firm-level policies are met may will vary between industries and countries. Employers are more likely to implement organisational family policies when there is a strong ‘business case’ in terms of productivity and the recruitment and retention of valuable workers (den Dulk et al., 2012). Thus, studies show that firms competing for highly skilled workers with transferable skills (e.g. professional and financial services) are more likely to implement occupational family policies to attract and retain the best workers. Conversely, in industries dominated by low-skilled labour with high turnover (e.g. hospitality and food services), or industry-specific skills which limit workers’ occupational choices and mobility
(e.g. manufacturing), employers may be less responsive to demands for firm-level family policies (e.g. Seeleib-Kaiser and Fleckenstein, 2009; Wiß, 2017). At the country-level, den Dulk et al. (2012) find that high female employment rates, low unemployment, and extensive public family policies exert institutional pressures on employers to supplement public policies with generous firm-level family policies and working-time flexibility.

Research further indicates that gender intersects with other dimensions of a woman’s background and identity to both complicate and help explain her motivations and decisions as a female leader. For instance, Kurtulus and Tomaskovic-Devey (2012) found that women leaders tend to promote other women who are like them in terms of other demographics (e.g. race), too. Therefore, future research and policies should consider the distinct disadvantages (and, in some cases, advantages) experienced by minority-ethnic women, disabled women, queer women, and other women at the intersections of multiple minority groups in accessing the most powerful labour market positions. An intersectional approach can help make sure that a diversity of women, and not just the most privileged groups, benefit from increased female leadership in the labour market.

**Conclusion**

Social policy research has traditionally focused on state provision of services and transfers designed to ‘decommodify’ workers (e.g. Esping-Andersen, 1990). Yet, as feminist scholars have argued, this conceptualisation ignores state policies related to care, body rights and reproduction, the gendered division of family responsibilities and power, and women’s weaker labour-market attachments (e.g. Orloff, 1993; Lister, 1997; Brush, 2002). This paper has gone a step further in arguing that social policy analysts should consider another aspect of the regulatory welfare state that has, to date, been overlooked, namely formal rules and legislation governing the gender composition of companies’ leadership structures. This is because achieving a ‘critical mass’ of women in board and executive positions can underpin the expansion of workplace policies, cultures and practices that contribute to addressing gendered social risks (work/family conflicts, low wages) and the sexual subordination of women, which can benefit working women at all levels of the labour market.

This argument strengthens the case for greater government intervention in breaking the ‘glass ceiling’ at the top of companies. In this vein, gender boardroom quotas, which require companies to fill a certain percentage of their board seats with women, have spread since the
late-2000s. This follows the successful example set by the Norwegian government and the international media attention that its quota legislation attracted, as well as growing evidence of the ‘business case’ for women on boards and mounting political support and pressures, particularly from the European Union (Teigen, 2012; Seierstad et al., 2017). Most countries, however, have not gone as far as Norway. Spain, Sweden, the UK, and others have instead opted for non-binding ‘soft’ quotas or recommendations regarding women’s board representation which, unlike the Norwegian approach, do not carry penalties for non-compliance (Kowalewska, 2019). Yet, the data suggest that the impacts of the soft approach varies: for instance, while women made up 37 per cent of board members across the largest publicly listed companies in Sweden by 2019, the corresponding figure for Spain was 25 per cent. Furthermore, certain Central and Eastern European states that lack any regulations regarding women’s board membership or leadership continue to have the highest shares of women in executive-management positions (European Institute for Gender Equality, 2019). Thus, women’s share of board and executive positions, and the regulations governing this, are becoming important differentiating factors between countries. A task for future research is to investigate the effectiveness and implications of the different regulatory approaches in terms of increasing women’s presence among powerful corporate leadership positions and generating the trickle-down benefits for other women identified in this paper.

Notes

1Ellingsæter (2013) and Korpi et al. (2013) mention women’s underrepresentation on corporate boards but do not discuss or analyse it in depth.

2Conversely, Flabbi et al. (2016) found that transitioning from a male to a female CEO was associated with a wage increase for women in the top 25 per cent of a company’s wage distribution, but a (small) wage decrease for women in the bottom 25 per cent. However, these trends are likely explained by a poor match between female workers’ productivity and their wages prior to the transition to a female CEO; that is, the most productive women at the top of the wage distribution were underpaid, while the least productive women at the bottom were slightly overpaid. Because CEOs are better at reading the productivity-signals of same-gender workers, female CEOs increase the wages of the most productive and highest-paid female workers while reducing the wages of the least productive and lowest-paid female workers. Hence, the impact of a female CEO was limited to fair readjustments in gender pay gaps.
References


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