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Breaking the boardroom gender barrier: the human capital of female corporate directors

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Abstract Although there is a paucity of female corporate directors in Canada, women are slowly managing to break the gender barrier of all-male boards of directors. Using resource dependency theory a model is developed that identifies the human capital characteristics that contribute to a woman being appointed to an all-male board. The model is tested on a sample of 193 Canadian firms that appointed women to their boards of directors between 1996 and 2004. The results show that women who are appointed to all-male boards have specialized knowledge skills; either they have firm-specific knowledge as insiders, or they are support specialists with a specific financial or legal expertise.

Keywords Boards of directors · Women · Resource dependency · Human capital

1 Introduction

Recent legislative changes have mandated that there be more women on boards of directors. Norway required that, by 2008, forty percent of all board seats be occupied by women (Fouché 2007). Spain has recommended a forty percent quota of women on boards of directors by 2015 (Milne 2009). In 2010 France adopted a bill that would ensure that within the next 6 years at least forty percent of the board of directors is women (Picy 2010). Presumably these laws were passed for a variety of reasons, one being that women add value. Female corporate directors bring a different range of skills to the boardroom (Brown et al. 2002), that can have positive consequences for the firm. Having women on boards sends a positive signal to both internal and external constituents (Bernardi et al. 2006; Daily and Dalton 2003). Firms that have female representation on their boards tend to be more generous

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in their corporate philanthropy (Williams 2003), have a positive work environment (Bernardi et al. 2006), have more participative boards (Pearce and Zahra 1991), and, for those in the service sectors, have a better reputation in the eyes of other managers and stock market analysts (Brammer et al. 2009). There is also a positive relationship between firm value and the percentage of females on the board (Campbell and Mínguez-Vera 2008; Carter et al. 2003; Francoeur et al. 2008).

Yet, despite the advantages of having female corporate directors, women remain under-represented on boards in most industrialized countries. In 2005 women held 14.7% of the Fortune 500 board sets in the US, 12.0% of the board seats on the Financial Post 500 firms in Canada, and only 10.4% of the board seats of the FTSE 100 companies in the UK, even though women constitute between 46 and 51% of the labor force in those three countries (Catalyst 2005; Singh et al. 2008). Surveys indicate that not only is there no shortage of talented women who can be appointed to the board (Catalyst 2005), female appointees are often more talented and more qualified than are their male counterparts (Singh et al. 2008). So, what does it take for a woman to enter the boardroom?

Although they are underrepresented on most boards, women are managing to break the gender barrier at some firms that formerly had all-male boards of directors. In Canada, the percent of men-only boards dropped from 51.4% in 2003 to 47.2% in 2005 (Catalyst 2005). So, the research question becomes what are the factors that contribute to a firm appointing a woman to an all-male board? Recently, Hillman et al. (2007) investigated the conditions that foster women being appointed to boards. However, they do not separately examine the characteristics of firms that break the gender barrier. This paper begins a first step on that road. Using resource dependency theory we examine the conditions under which a firm would appoint a woman to an all-male board.

Resource dependency argues that directors are appointed to boards in order for the firm to acquire critical resources (Pfeffer and Salancik 1978). Part of the resources that directors bring to the boardroom is their human capital. Human capital is the experience, expertise and reputation of the individual (Becker 1993). Human capital has been found to add explanatory power to the analysis of boardroom appointments (Certo 2003; Hillman et al. 2000, 2002; Peterson and Philpot 2007; Singh et al. 2008). Therefore, a woman's human capital may be an important factor in her appointment to either a gender diverse or an all-male board of directors. In other words, is the human capital of women who are appointed to gender diverse boards different than the human capital of women who are appointed to all-male boards?

2 Resource dependency and human capital

2.1 Resource dependency

Resource dependency theory posits that corporate directors are chosen in order to maximize access to critical resources. Directors bring three different benefits to the firm: they help to give legitimacy to the firm; they provide advice and counsel; and they act as useful communication links to the firm's external environment (Pfeffer and Salancik 1978). Individuals are appointed to the board because they have one or more of these resources that are required by the firm and the firm attempts to match its needs with the resources provided by the board members (Hillman et al. 2000).

2.1.1 Legitimacy

Zahra and Pearce (1989) argue that part of a director's responsibility is to advance the firm's reputation. Firms can boost their reputation and aggrandize their legitimacy by appointing important or powerful individuals to the board. These directors become the face of the firm and can positively influence external perceptions of the firm. "Prestigious or legitimate persons or organizations represented on the focal organization's board provide confirmation to the rest of the world of the value and worth of the organization" (Pfeffer and Salancik 1978: 145). Certo (2003) argues that firms making an initial public offering of their stock will appoint prestigious individuals to their boards in order to signal organizational legitimacy thereby reducing the liability of newness and reducing the under-pricing associated with IPOs. Board prestige and organizational legitimacy can influence investors' perceptions of the firm.

Legitimacy can also be enhanced by appointing women to the board. Promoting women to senior positions within the firm, as well as appointing them to the boardroom sends a positive message to current female employees and potential recruits. On the other hand, their absence may penalize the firm from acquiring and retaining the best female talent (Daily et al. 1999). Furthermore, researchers find an association between female directors and both a positive work environment and quality employment characteristics (Bernardi et al. 2006). A survey of female directors revealed that they "felt that their greatest effect was on making female employees feel more positive about working for the company, followed by increasing board sensitivity to issues affecting female employees" (Burke 1997: 912). As such, having a woman on the board should increase the perceived legitimacy of the firm.[1]

2.1.2 Advice and counsel

Individuals who have business experience are appointed to boards so that firms acquire managerial expertise (Pfeffer and Salancik 1978). Firms have limited resources and by co-opting experts, they automatically gain access to specialized knowledge and skills. Because of their understanding of the business milieu, these directors can provide critical advice and counsel that can assist in formulating strategy and setting long-term priorities (Lorsch and MacIver 1989). Furthermore, board decision-making is enhanced when directors hold and debate diverse views and perspectives, as long as it does not spiral into destructive conflict that may impede board processes (Finkelstein and Mooney 2003).

[1] The argument here is that women add legitimacy to a board of directors and thereby to the firm. After the first woman is appointed to the board, subsequent female appointments may be based on alternative resource needs of the firm, other than legitimacy.

Although diversity has both positive and negative aspects (for an overview, see Daily and Schwenk 1996), the consensus seems to be that board discussions and analyses may be improved if more women are on corporate boards (Burke 1997; Daily et al. 1999; Hillman et al. 2007). Gender diverse boards are more prone to use committees, especially executive and strategic planning. They tend to take a more active role in weighing long-term priorities and setting the strategic direction of the firm by establishing criteria for measuring strategy, and then explicitly monitoring the implementation of that corporate strategy. “Far from focusing on traditionally ‘soft’ areas, boards with more women surpass all-male boards in their attention to audit and risk oversight and control” (Brown et al. 2002:5).

2.1.3 Linkages

Boards act as two-way communication channels. A firm can more easily transmit information about itself to other firms and organizations through interlocking board directorships. The board can also be used to acquire information about the firm’s external environment. For example, the proliferation of new organizational structures and routines is facilitated through board of director interlocks. Chua and Petty (1999) find that the diffusion of ISO quality accreditation among 299 Australian firms in the early 1990s was due to interlocking directorates. For their sample of firms “director interlocks matter; that is, firms that are interlocked with previously accredited firms are more likely to achieve accreditation themselves” (Chua and Petty 1999:93).

Directors link the firm to external constituents, and Hillman et al. (2007) argue that female directors have the potential to link the firm to different constituencies than men. For example, women are more active consumers and so can more easily communicate consumer views during board meetings. A similar argument is put forward by Daily et al. (1999: 97); “the scope of product markets requires a diversity of perspectives to meet both local and global needs.” Thus, appointing women to the board may be a practical necessity. They bring a different range of potential gifts, skills, styles and ideas (Brown et al. 2002). As such, a firm that appoints a woman to an all-male board should be establishing a different set of linkages and perspectives.

2.2 Human capital

Each director who is appointed to a board has a unique skill set. Hillman and Dalziel (2003) refer to this as human capital. It represents the experience, expertise and reputation of the individual, as well as the ties that that individual has to other networks and organizations. Firms utilize these skills in order to enhance their performance (Dalton et al. 1998). Firms will also alter the composition of their boards in order to acquire different human capital in response to changes in their external environment (Hillman et al. 2000). So, we would expect that firms would choose individuals for their boards based on the unique skills that the individual possesses and the resource needs of the organization.

Using resource dependency theory, Hillman et al. (2000) developed a four-way classification of directors: insiders, business experts, support specialists, and community influentials. Their classification scheme is modified to be a five-way typology by adding an additional group, support generalists. *Insiders* are current and former officers of the firm, as well as the firm's founder and the founder's family. These employees have firm-specific specialized knowledge; they also provide strategic expertise as well as having an understanding of the general direction of the firm. *Business experts* are individuals who are CEOs or senior executives at either public or private for-profit firms. These directors provide expertise on competition, decision-making and problem solving within the business milieu. Through their links with other firms, these directors also become important external communication channels. *Support specialists* are professional bankers, lawyers, government bureaucrats, and public relations experts. They provide advice and counsel in highly specialized areas as well as access to vital resources such as financial capital, government services, and legal expertise. *Community influentials* work at universities, non-profits, hospitals, and social and cultural organizations. They provide a non-business alternative point of view on internal and external problems. Finally, *support generalists* (not included in the Hillman et al. (2000) typology) are those who are management consultants or corporate directors. They provide a general business perspective on issues, problems and ideas, without any specialized knowledge per se. Unlike specialists, these individuals do not market themselves as having any specialized skill. They call themselves 'consultants' or 'principal, consulting inc.' or 'consultant, consulting ltd.'[2] Similarly, individuals who call themselves corporate directors are not claiming to have any specialized business skills other than the ability to act as communication links with other firms and boards of directors.

Each of these types of directors brings a unique set of attributes to the firm. Researchers have used this typology to predict which type of director a firm might choose given the resource needs of the firm at a specific point in time (Hillman et al. 2000, 2002; Peterson and Philpot 2007). The modified typology is used now to identify the conditions under which a firm would appoint a woman to an all-male board.

3 Methodology

3.1 Sample and data collection

The sample was drawn from the *Financial Post Directory of Directors* for 2004. This directory lists the names of 17,169 senior officers of major organizations in Canada, both public and private. It also lists the firms upon which each executive sits as a director. Proxy statements for all publicly traded companies are available from the Ontario Securities Exchange database, www.sedar.com. However, that database only goes back to 1997, and so the sample is restricted to women who were elected to the boards of publicly traded companies in the period 1997–2004.

The 2004 directory contains the names of 14,863 men and 2,306 women (see Table 1). Most of the women (1,780 or 77.2%) did not sit on any board of directors.

[2] Branson (2007) notes that many women who were appointed to U.S. boards simply classified themselves as consultants. They did not highlight their specialized skills.

Table 1 Sample selection

Women	
Number of executives listed in the 2004 Financial Post *Directory of Directors*	17,169
Number of men	14,863
Number of women who are senior officers	2,306
Women who do not sit on any board of directors	1,780
Women who sit on a board of directors	526
Firms	
Number of firms that have a female director	834
Firms that are not public and/or no proxy is available	577
Firms that elected a woman to the board prior to 1996	64
Final sample of firms that appointed a female director between 1996 and 2004	193

Table 2 Year in which the firm appointed a female to the board of directors

	1996	1997	1998	1999	2000	2001	2002	2003	2004	Total
Total	1	6	12	14	24	41	32	36	27	193

The remaining 526 women sat on the boards of 834 firms, for an average of 1.59 board seats per woman.[3] Of those 834 firms, 641 were either not publicly traded or they had no proxy available. The final sample is 160 women who were appointed to the boards of 193 publicly-traded companies during the 9-year period 1997–2004.

The sample represents women who were appointed to boards throughout the nine-year period and who were still sitting on that board in 2004.[4] The year that each of the 193 firms appointed a woman to its board of directors is listed in Table 2. The year in which the woman was appointed to the board is termed the focal year. The focal year's proxy statement or annual report was read to obtain information about the firm and biographical data on its board of directors. In addition, the proxy statement for the prior year was read to identify whether or not the board was gender diverse in the year prior to the women being appointed to the board. Financial information about the firm was obtained from Compustat.

3.2 Measures

3.2.1 *Male board*

The dependent variable, *male board*, is coded 1 if the firm has an all-male board in the focal year and in the year prior to the focal year, and 0 if the firm has a diverse

[3] A study by Peterson and Philpot (2007) of female corporate directors of Fortune 500 firms in 2002 had a sample of 525 women who held 731 directorships, or 1.39 seats per woman. So the Canadian results are not dissimilar to the American statistics.

[4] In Canada there is no limit to the number of years an individual can serve on a board of directors.

board. There are 84 firms that had all-male boards and 109 firms that had gender diverse boards in the year the new female was appointed to the board of directors.

3.2.2 Human capital

Five dichotomous variables (*insider, specialist, business manager, generalist*, and *influential*) are included in the model, coded 1 if the woman falls into that category and 0 otherwise. *Insider* is a director who is the founder, related to the founder, or is an executive of the firm. *Specialist* is a director who is a professional banker, lawyer, government bureaucrat or public relations specialist. *Business manager* is a director who is a CEO or a manager at either a public or a private for-profit firm. *Generalist* is a management consultant or a corporate director. *Influential* is a woman who works for a university, non-profit organization, hospital or medical facility, philanthropic organization, cultural organization or is a recognized community leader.

3.2.3 Control variables

Researchers have found that a number of other factors influence board behavior and appointments (Dalton et al. 1998; Lasfer 2006; Lehn et al. 2003; Lorsch and MacIver 1989; Pearce and Zahra 1991). These are added as control variables. Two are added to control for the influence of the size of the firm on board appointments: *board size* is the number of seats on the firm's board of directors; *firm size* is the natural log of the firm's total assets. CEOs with a large ownership interest in the firm tend to have a great deal of influence over the board and board appointments; *CEO ownership* is measured as the number of shares owned by the CEO scaled by the number of shares owned by the entire board of directors. Outside directors have been found to influence board behavior; *outsider%* is the percentage of outsiders on the board of directors. Outside directors are defined as not including current and former officers of the firm, the founder and the founder's family, as well as major customers and suppliers. Blockholders also influence board behavior; *blockholder* is measured as the total ownership interest of all the investors who have a 10% or greater interest in the firm, scaled by the total number of shares outstanding.

Two other control variables are added. In 2002 the Sarbanes–Oxley Act required firms to augment their boards of directors, and especially their audit committees, with individuals who have an expertise in financial and reporting matters. There is a positive stock market reaction to such improvements to corporate governance (DeFond et al. 2005). Although the sample is of Canadian firms, Canadian business is influence by events in the United States. The dichotomous variable, *SOX*, is coded 1 if the director was appointed in 2002 or later, and 0 otherwise.

Hillman et al. (2007) find that industries that have high female labor force, such as health and financial services, tend to have more female directors. Brown et al. (2002) find that women are more apt to be on the boards of firms in the service and knowledge-based industries. Brammer et al. (2009) find that the reputation of firms with in the consumer services sector is enhanced if they have female representation on their boards. So, the dichotomous variable, *consumer*, is coded 1 if the firm that appoints the new female director is in the retail trade, finance, insurance, or services sectors.

Table 3 Human capital classification

	Number	Percent
Business managers	63	32.6
Generalists	45	23.3
Specialists	37	19.2
Influentials	32	16.6
Insiders	16	8.3
Total	193	100.0

4 Results

Table 3 lists, for the 193 firms that appointed a female director to their boards, the human capital of that new female appointee. Business managers are the most favored group (32.6% of the sample) and insiders the least favored (only 8.3% of the sample).[5] But, overall, there is no one human capital classification that dominates. Women from each of the five groups are represented on Canadian boards of directors.

The research question is: is the human capital of new female directors who are appointed to all-male boards of directors different than the human capital of women who are appointed to gender diverse boards? Table 4 contains the means, standard deviations and correlations among the variables. For this sample of firms, having a woman appointed to an all-male board is negatively associated with the size of the board and the percentage of outsiders on the board. Male boards tend to be small and have a small percentage of independent outside directors.

Table 5 contains the results of the logistic regression for a woman being appointed to an all-male board of directors. Of the human capital variables only two are positive and statistically significant. The women who are appointed to all-male boards tend to be insiders ($p < .10$) or specialists ($p < .05$). There is also a statistically strong negative association between a woman being appointed to an all-male board and the size of the board of directors ($p < .01$) as well as the percentage of outsiders on the board ($p < .10$). In other words, male boards tend to be small and have few independent directors. These results are consistent with the correlation matrix (Table 4). None of the other control variables are statistically significant.

5 Discussion

Firms will appoint individuals to their boards of directors based on the resource needs of the firm and the resources provided by the director. These resources tend to be classified into three categories. Directors provide legitimacy, advice and counsel, and links to the firm's external environment. Not all directors can provide all three of these resources, and firms will rearrange their boards of directors as their resource

[5] These results are similar to those of Peterson and Philpot (2007) who found that, for their sample of female corporate directors on American firms in 2002, 39.1 percent were business managers and only 6.0 percent were insiders.

Table 4 Descriptive statistics and correlations

	Variable	Mean	SD	1	2	3	4	5
1	Male board	0.435	0.497					
2	Insider	0.083	0.276	0.066				
3	Specialist	0.192	0.395	−0.003	−0.146			
4	Business manager	0.326	0.470	−0.032	−0.209	−0.339		
5	Generalist	0.122	0.424	−0.014	−0.166	−0.384	−0.268	
6	Influential	0.166	0.373	0.086	−0.134	−0.310	−0.217	−0.246
7	Board size	11.383	4.167	−0.365	0.026	0.555	−0.140	−0.063
8	Firm size	3.135	1.087	−0.251	−0.010	0.147	−0.120	−0.045
9	CEO ownership	0.295	0.330	0.160	−0.003	0.048	−0.061	−0.043
10	Outside%	0.712	0.192	−0.215	−0.206	0.043	−0.097	0.088
11	Blockholder	41.169	36.872	0.037	0.098	−0.070	−0.005	0.011
12	SOX	0.326	0.470	0.035	−0.089	0.152	−0.058	0.113
13	Consumer	0.394	0.490	−0.173	0.104	−0.018	−0.096	0.032

	Variable	6	7	8	9	10	11	12
7	Board size	0.130						
8	Firm size	0.050	0.683					
9	CEO ownership	0.050	−0.366	−0.332				
10	Outside%	0.055	0.312	0.287	−0.046			
11	Blockholder	0.010	0.084	−0.026	−0.279	−0.392		
12	SOX	0.008	−0.120	−0.064	0.125	−0.057	−0.078	
13	Consumer	0.011	0.336	0.171	−0.234	−0.030	0.181	−0.154

Variable definitions: Male board is dichotomous, 1 if the woman is joining an all-male board, 0 if she is joining a gender diverse board; Insider is a woman who is the founder, related to the founder or an executive of the firm; Specialist is a woman who is a professional banker, lawyer, government bureaucrat, or public relations specialist; Business manager is a woman who is a CEO or manager at either a public or private for-profit firm; Generalist is a management consultant or a corporate director; Influential is a woman who works for a university, non-profit organization, hospital or medical facility, philanthropic or cultural organization, or is a recognized community leader; Board size is the number of directors on the board; Firm size is the natural log of the total assets of the firm; Outside% is the percentage of outsiders on the board; Blockholder is the percentage of shares owned by all investors with a 10% or larger ownership interest; SOX is if the appointment is in 2002 or later; Consumer is if the firm is in the retail, financial, insurance or services sector

Correlations of greater than $|0.15|$ are significant at $p < .05$

needs change (Hillman et al. 2000). So, it is useful to examine these aspects separately.

Legitimacy is linked with social norms and values (Pfeffer and Salancik 1978). Society is requiring firms to show more diversity in their organizational structures (Milliken and Martins 1996). Firms benefit from having female corporate directors because these women tend to understand the perspective of female customers and clients; they can foster the development, retention and promotion of female employees; and they are more sensitive to the challenges of balancing work and

Table 5 Logistic regression on a woman being appointed to an all-male board

	Coefficient	Standard error
Human capital		
Insider	0.628	0.367†
Specialist	0.571	0.288*
Business manager	0.377	0.248
Generalist	0.398	0.265
Controls		
Board size	−0.224	0.069***
Firm size	0.106	0.213
CEO ownership	0.156	0.550
Outsider%	−1.786	1.018†
Blockholder	0.001	0.005
SOX	0.093	0.178
Consumer	0.223	0.179
Intercept	1.721	1.036†
Wald Chi-square		38.414***
N		193

Variable definitions: Male board is dichotomous, 1 if the woman is joining an all-male board, 0 if she is joining a gender diverse board; Insider is a woman who is the founder, related to the founder or an executive of the firm; Specialist is a woman who is a professional banker, lawyer, government bureaucrat, or public relations specialist; Business manager is a woman who is a CEO or manager at either a public or private for-profit firm; Generalist is a management consultant or a corporate director; Board size is the number of directors on the board; Firm size is the natural log of the total assets of the firm; Outside% is the percentage of outsiders on the board; Blockholder is the percentage of shares owned by all investors with a 10% or larger ownership interest; SOX is if the appointment is in 2002 or later; Consumer is if the firm is in the retail, financial, insurance or services sector

† $p < 0.10$; * $p < 0.05$; *** $p < 0.001$

family life (Burke 1997; Bernardi et al. 2006; Milliken and Martins 1996). So, female directors enhance the legitimacy of the firm.

Some directors are appointed to boards because they have highly specialized knowledge and skills. Two such groups are insiders and specialists. Insiders know more about the firm because of their firm-specific knowledge gained as managers of the firm; their knowledge is highly specialized. Their suitability as board members is readily apparent to the firm and the firm's board of directors. Internal promotion of women to the board is common (Branson 2007; Mattis 2000). Similarly, support specialists provide specialized expertise on such matters as government, public relations, law and banking. Because of their specialized knowledge and skills these directors should be able to provide expert advice and counsel.

Other directors are appointed to a board because of their links to the firm's external environment. These directors provide communication channels through which the firm is able to scan a broad environment. By gaining first-hand knowledge of its external environment the firm should be better able to develop insights that will enhance its ability to formulate strategic plans and policies. A firm with an all-male board that is looking to increase its boundary-spanning capabilities may be keen to add to its board a woman who has strong links to other firms and external constituents. This would include a business manager, a support generalist, or a community influential. A critical aspect of these women is that they all have links to other firms and networks: business managers because they are employed by a different firm; professional directors by virtue of sitting on the boards of other firms; and community influentials because of their ties to non-business organizations. However, for this sample, firms that want to make their boards gender diverse will tend to select women who have specialized knowledge (insiders and support specialists) as opposed to those who tend to have links to the external environment (business managers, support generalists and community influentials).

The results show that specialized knowledge—derived either by virtue of being an insider or by being a support specialist—is the human capital characteristics that all-male boards choose when opting to make their boards gender diverse. Insiders are already known by the CEO and the existing board members. There should be no surprises about their talents, expertise, skills and character. Their contribution to the board should be apparent. Hence it makes sense that one route for women into the boardroom are through the executive suite. However, this avenue may be restricted as firms move to having more independent directors on their boards.

A survey by the Conference Board of Canada (2005) asked board members to identify five desirable characteristics in new board members. The top two were: a specific skill set to complement the board, and financial knowledge and experience. The results of this study support that survey. It appears that it is easier for women to break the male board barrier if they have a specialized skill, either by virtue of being an insider or by being a support specialist. Support specialists have expertise in critical knowledge-based areas, such as banking, law and finance. So, another, and perhaps more promising avenue is for women to acquire a specialized expertise in such areas as law, banking or insurance. These are critical resources that are important to boards of directors.

6 Conclusion

Resource dependency theory argues that directors are appointed to boards in order to provide valuable resources required by the firm. When firms with all-male boards decide to become gender diverse, they look for women who have important resources. For this sample, that critical resource is women who have specialized knowledge and skill. This is the resource that is important in breaking the gender barrier.

There are several limitations to this study. The five-way typology of directors is based on self reported information. Although each director must disclose her/his profession and work experience for the last 5 years, the information is not audited and varies by firms, from extremely brief to quite detailed. Therefore, there could be some misclassifications among the five categories. Furthermore, the classifications are simplistic. People have multiple skills and linkages. These complexities and nuances are not captured by this parsimonious typology. Further work needs to be done to develop are more thorough typology of corporate directors.

This study follows the tradition of using publicly available historic information to study boardroom appointments. However, this methodology limits the research to an examination of successful appointments. It would also be interesting to investigate unsuccessful appointments. Are there human capital differences between those who accept a boardroom seat and those who decline? Are these differences based on gender? Researchers (Bradshaw and Wicks 2000; Brown et al. 2002; Burke 1997) have conducted interviews of women who sit on boards. It would be useful to conduct similar interviews of both women and men who were asked but declined a board seat. Although it would be difficult to identify those individuals who declined to serve, interviewing them might provide additional insights into the board of director appointment process.

This study was conducted on a Canadian sample. It would be interesting to run the model using data from other countries, especially from Norway, Spain and France, where legislation is attempting to force firms to accept women into the board room (Milne 2009; Picy 2010). Are the women who are appointed to all-male boards as a result of legislation similar to those who are voluntarily appointed to non-gender diverse boards?

Women are underrepresented on boards of directors. In part, this is because board appointments tend to be a biased process (Bradshaw and Wicks 2000; Brown et al. 2002; Lorsch and MacIver 1989). One way of correcting this imbalance is through legislation. Another alternative is to encourage women to develop specialized knowledge and skills, especially in the areas of banking and law. These appear to be the fast tracks into all-male boardrooms.

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