

# Local Knowledge Advances Women's Access to Corporate Boards

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There is a need for regional studies of women on corporate boards to capture experiences of smaller companies and to understand the nature of local resources for expanding the pool of women candidates for board seats. New findings from a statewide study of women on corporate boards are reported. The paper examines the status of women on corporate boards compared to other regions in the United States and around the world. Change efforts of governments and professional organisations for helping women overcome barriers to the boardroom are described to demonstrate the need for local knowledge in determining an effective change approach. Results from this study indicate that the local pool of women in academia and consulting has provided alternative routes to the boardroom. This knowledge can be used to direct change efforts for promoting women on boards. Practical implications are discussed for women seeking board seats and for firms seeking qualified women director candidates.

**Keywords:** Board composition, characteristics of directors, board diversity, women on corporate boards, paths to the boardroom, regional studies

## Introduction

Women are assuming increasing roles in the economy. As consumers, employees, investors and business owners, they increasingly represent qualified candidates for board seats. Yet, despite the growing contributions of women to the business world, their progress in filling seats in the boardroom has been slow. At the same time, calls for more effective corporate governance are being heard from around the world, resulting in more time-consuming work for directors of corporate boards. Korn/Ferry's 2002 report revealed that directors spend on average 183 hours a year engaged in director work, up from 156 hours in the previous year. According to Gay (2001), greater time demands for board work is creating the need for a larger pool of candidates to assist overworked directors who sit on multiple boards.

Building the business case for greater inclusion of women on boards has been the focus

of several studies. Daily and Dalton (2003) and Bilimoria (2000) assert that gender-diverse boards are valuable to organisations for three reasons. First, women can provide more resources for a board through their unique perspectives on the organisation's products and on organisational decision-making processes. Second, women on boards can aid in the advancement of women within organisations. Their presence signals that attainment to high profile positions is possible and women directors can provide valuable mentoring to women executives. Finally, these authors conclude, as others have (e.g. Carter *et al.*, 2003; Erhardt *et al.*, 2003; Catalyst, 2004), that firm performance is positively related to gender-diverse boards.

Studies about workgroups suggest the need for diversity to enhance the prospect of having issues fully debated (Cascio, 2004; Sonnenfeld, 2004). This social systems perspective may help explain findings relating board diversity and positive firm performance. Recent studies

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report that diverse boards are associated with higher firm value (e.g. Carter *et al.*, 2003) and other financial performance indicators (e.g. Erhardt *et al.*, 2003; Catalyst, 2004). Diverse perspectives in boardroom discussions may be providing a more complete picture of issues so that boards can make better decisions.

Other researchers conclude that there is strong evidence for making a social and moral case for including women on boards, but a less convincing business case can be "argued on the basis of hard evidence" (van der Walt and Ingley, 2003, p. 232). Instead of paying attention to diversity, they suggest focusing on the merits of candidates and the potential social capital candidates can offer as strategic resources for the firm. Fondas (2000) proposes that diverse boards that include women are more apt to achieve the increase in social capital that van der Walt and Ingley highlight. She suggests that the objective, outsider view that women offer can enhance the three functions of board work: providing governance oversight, linking the firm to its environment, and providing strategic direction. Westphal and Milton (2000) provide further support for Fondas' conclusions on a conditional basis. They found that directors with previous experience as a minority director, such as being the only women or only person of colour, are not reluctant to voice their views and the presence of minority directors enlarges the social networks available to the firm. But, according to Westphal and Milton, the extent to which minorities can contribute effectively depends on whether they are accepted into the "in group" (the more favoured group that is granted greater responsibility) as opposed to the "out group" of the board. Women who rise to the level of director status are usually external directors, coming from varied backgrounds with diverse perspectives. They must cross such high hurdles that they often develop the capability to share their different ideas in a compatible manner (Fondas, 2000).

Given the potential benefits of appointing qualified women on corporate boards and the need for casting a wider net that includes women to fill board seats, the following questions remain. How disproportionately are women represented on boards? Why are so few women reaching the boardroom? What can be done?

## Changing the scene

Active efforts to change the status of women on boards are underway across the globe. In Israel, for example, affirmative action legislation was enacted in 1993 for government-

supported firms (Comptroller General, 1998; Izraeli, 2000). In New Zealand, a government sponsored programme, started by the country's first woman prime minister, trains women for potential board candidacy. In Norway, corporate boards are required to include 40 per cent women by 2005 (Madslien, 2002; Juntunen, 2004). Sweden is threatening legislation but giving companies time to work towards a 25 per cent representation of women before imposing a mandate and penalties (Hymowitz, 2003). Government-led initiatives appear to have more of an impact on government-owned organisations than on private and publicly held corporate boards (McGregor, 2000); however, the imposition of penalties on private boards in Norway is expected to foster greater progress.

In the United States, a recently approved Securities and Exchange Commission (SEC) regulation requires disclosure of the nomination and search processes used to fill open board seats and all NYSE- and NASDAQ-listed companies are required to declare whether they have a financial expert on the audit committee starting in 2004 (Flynn and Adams, 2004b). The intent of the new requirements is to assure accountability of financial reporting and to provide transparency of processes. Even though the regulations are not intended to facilitate the advancement of women, they are likely to have that effect because women constitute a large proportion of the pool of financial experts in the United States. Further, making the search process more transparent should limit the dependence on personal networks for board searches. Since many international companies are traded on US exchanges, they, too, will be affected by these changes in corporate governance. Initiatives to promote director independence in the United States, as well as in France (in the Bouton Report) and in the United Kingdom (in the Higgs and Tyson reports), may also indirectly bolster the role of women in boardrooms in these countries.

Vocal champions for change such as Jenny Shipley and Helen Clark as New Zealand's successive Prime Ministers, Laura D'Andrea Tyson as Dean of the London Business School, and women's organisations provide visibility to the cause, promote the dissemination of information, and provide direct assistance to boards and women. Among non-legislative and non-regulatory efforts to track the status of women directors and increase the presence of women on boards are the various census studies. The most visible reports come from national and international women's organisations, such as Catalyst and Corporate Women Directors International, and search firms, such

as Korn/Ferry and Spencer Stuart. Several regional professional women's organisations in the United States also provide census reports on the status of women directors, including those from Chicago, Georgia, Massachusetts, Michigan, Philadelphia and Wisconsin (The Chicago Network, 2003; Board of Directors Network, 2003; The Boston Club, 2003; The Women's Leadership Forum, 2003; The Forum of Executive Women, 2003; Milwaukee Women inc. (inclusive), 2004). Some of these organisations also take an active role in supplying resumes and providing introductions to connect qualified women candidates to companies with board seat openings. In addition, regional organisations are increasingly offering board training sessions to prepare women for board service. The value of the localised reports is in supplying information that is more relevant to smaller organisations not usually mentioned in larger national studies and in providing information about the local mix of industries and board candidate pools.

The Massachusetts study was undertaken for two primary purposes. Annual studies provide a tracking tool to measure progress of the status of women on boards in the state and secondarily, the study was conducted to gather insights into strategies for promoting the appointment of women to boards in the local area.

In the remainder of this paper, we address the status of women on boards in Massachusetts, how to promote local change from a detailed analysis of data from a statewide study, and what others can learn from the Massachusetts experience for their change efforts.

## Method

Consistent with other census studies of female directors, the sample used for this study was drawn from a noted news source that produces an annual study of public companies (The Boston Club, 2003). In this case, the list of the top 100 public companies reported as having the highest net revenue came from *The Boston Globe* report released on 20 May 2003. Companies in this sample range from US\$118.7 million to US\$16,760 million in revenues. The list of largest companies was used so comparisons could be made with other such studies evaluating board composition of the largest companies in a specified region (e.g. Singh and Vinnicombe, 2003b).

Following the example of Catalyst (2004), data were compiled from 10-K and DEF 14A filings with the Securities and Exchange Com-

mission (SEC), available online from EDGAR (<http://www.sec.gov>). The latest SEC filings prior to the cut-off date of 30 June 2003 were used to capture annual report data. Biographical sketches of the 815 directors from the 100 companies were collected from SEC filings and coded.

Gender was determined from the biographical sketches or where necessary from personal contacts and from public sources such as the company websites. Letters were sent to each corporate secretary with a copy sent to the CEO to verify gender-related and title classifications. The biographical sketches were also used to classify internal/external directorship, consulting experience, legal profession experience and academic experience. If a director was at anytime employed by the company as a named executive officer, the individual was classified as an internal director. For the purpose of this study, the coding of "other directorships" includes non-profit director appointments.

## Results

First, we turn to the numbers to understand the current situation of women corporate directors around the world and in Massachusetts.

### *The number of women on boards*

Table 1 shows the status of women directors based on the latest available studies from around the world. These figures range from a low in Italy of less than 1 per cent of board seats held by women in 18 of the largest 25 companies in 1999 to a high of 13.6 per cent of the *Fortune 500* company seats in the United States in 2003. Studies in the United States highlight the importance of firm size in the presence of women in the boardroom, with larger companies more likely to have at least one woman on the board (Catalyst, 2004; Corporate Women Directors International, 2004; Flynn and Adams, 2004a) (see Table 2). The Massachusetts *Fortune 500* companies are comparable to the bulk of the regions, but trail Philadelphia and California *Fortune 500* companies in the percentage of women filling corporate board seats.

Looking deeper into the appointment rate of women directors in the Massachusetts study over the last 12 years, the progress of women filling board seats appears sporadic (see Figure 1). Women directors added during this period include four inside (executive) and 66 outside (non-executive) director appointments. The percentage of women joining

Table 1: Women on corporate boards around the world

Area (year of study)	Number of companies	Percent of board seats filled by women
Australia (2003)	Top 200	8.4
Canada (2003)	<i>Financial Post</i> 500	11.2
Ireland (2004)	Largest 100 companies	4.8
Italy (1999)	18 of 25 largest companies	0.7
Japan (1998)	2,396 companies	3.0
Norway (2002)	All Norwegian companies	7.3
Spain (2002)	Top 300	4.6
South Africa (2004)	All public and state-owned companies	7.1
Switzerland (1999)	Largest 25 companies	4.0
United Kingdom (2003)	Britain's Top 100	8.6
United States (2003)	Largest 500 companies	13.6

Sources: Corporate Board (1999); Holton (2000); Madslie (2002); Singh and Vinnicombe (2003b); International Women's Forum – Ireland (2004); <http://www.globewomen.com/cwdi/cwdi.asp>; <http://www.catalystwomen.org/research/censuses.htm>; [http://www.eowa.gov.au/Australian\\_Women\\_In\\_Leadership\\_Census/2003\\_Australian\\_Women\\_In\\_Leadership\\_Census/Fact\\_Sheet\\_Board\\_03.pdf](http://www.eowa.gov.au/Australian_Women_In_Leadership_Census/2003_Australian_Women_In_Leadership_Census/Fact_Sheet_Board_03.pdf); [http://www.bwasa.co.za/docs\\_images/Census%20fact%20sheet%20NP1.doc](http://www.bwasa.co.za/docs_images/Census%20fact%20sheet%20NP1.doc)

Table 2: Regional comparisons of women on corporate boards

Area (year)	Percent of board seats filled by women in full sample of each study*	Percent of board seats filled by women in <i>Fortune</i> 500 companies from each study*
California (2004)	12.0 (105)	14.3 (NA)
Chicago (2003)	12.4 (50)	12.7 (34)
Georgia (2003)	7.1 (175)	12.7 (14)
Massachusetts (2003)	9.0 (100)	12.4 (11)
Michigan (2003)	9.6 (100)	12.1 (24)
Philadelphia (2003)	11.5 (120)	16.8 (26)
Texas (2002)	8.4 (95)	NA
Wisconsin (2004)	9.3 (50)	11.4 (7)
United States (2003)	13.6 (500)	13.6 (500)

\*Number of companies in parentheses.

Sources: Flynn and Adams (2004a); <http://www.globewomen.com/cwdi/cwdi.asp>; <http://www.catalystwomen.org/research/censuses.htm>; <http://www.womenseconomicclub.org>; <http://www.milwaukeeewomeninc.com>

boards each year does not show a pattern of progress on an annual basis.

While the status of women on boards in Massachusetts is not improving on an annual basis, there is a trend of progress over time. The upward progress becomes more apparent when viewing the numbers by time periods (see Table 3). Of the 189 board seats filled by new directors before or during 1990, 187 were filled by men and two seats (1.1 per cent) were filled by women. In 1991–1995, there were 91 seats filled, 8.8 per cent by women. During 1996–1999, 11.7 per cent of the 264 seats

were filled by women. More recently, from 2000 through 2003, 272 new directors were appointed with women filling 11.5 per cent of the seats. According to ANOVA results, the percentage of women appointed to boards are significantly different between time periods ( $F = 13.056$ ,  $df = 1$ , 813;  $p = 0.000$ ).

### Reaching the boardroom

A host of studies compares characteristics of men and women directors to understand the factors affecting the advancement of women



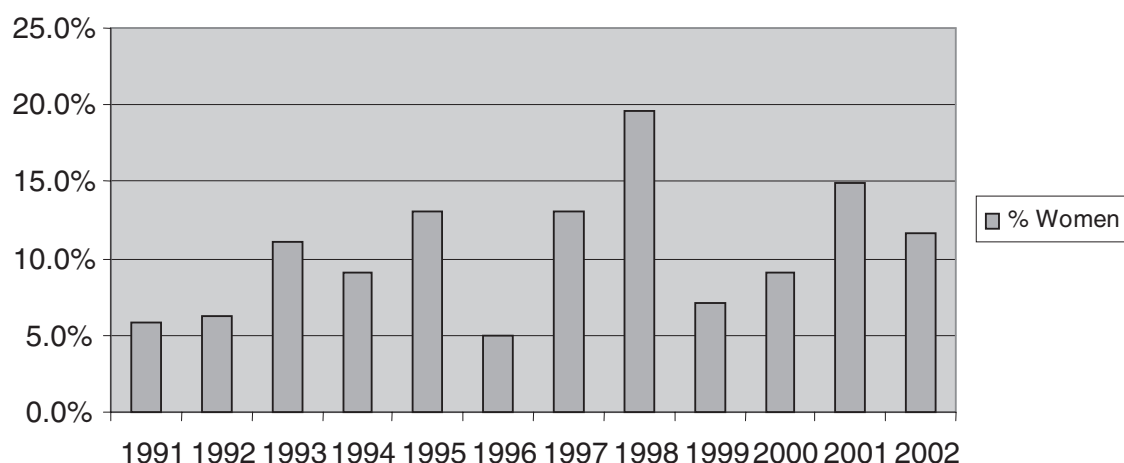


Figure 1: Percent of women appointed to boards from 1991 to 2002 in the 2003 largest 100 Massachusetts public companies

Table 3: New directors, by gender and appointment date\*

Time period	Number of new directors	Percent of new directors that were women
≤1990	189	1.1
1991–1995	91	8.8
1996–1999	264	11.7
≥2000	270	11.5
Total	814	8.8

\*Directors of 100 largest public companies in Massachusetts in 2003.

to the director level (e.g. Kesner, 1988; Bilimoria and Piderit, 1994; Frankforter, 1996; Kottis, 1996; Holton, 2000; Burgess and Tharenou, 2000, 2002; Burke, 2000b; Oakley, 2000; Vinnicombe *et al.*, 2000). These studies reveal that both individual and structural barriers exist for women to reach the boardroom. Fewer women are seen as meeting director requirements of having line management or budgetary experience, though these perceptions differ from actual levels of experience (Bilimoria and Piderit, 1994). CEO-level experience is often mentioned as a desired requirement for board membership, yet Guthrie and Roth (1999) found that there are structural barriers for women in achieving the level of CEO. Gender biases in hiring and promotion practices are examples of structural barriers. Women are also excluded from traditional networking activities men use to identify potential board candidates (Oakley, 2000; O'Higgins, 2002). Activities range from sitting

on other boards to participating in golf outings. These structural barriers may explain why Burke (2000b) found that some industries are seen as more favourable to women than others in appointing women to Canadian boards. Women have difficulty breaking into the social and professional circles that men directors travel, especially in male-dominated fields such as manufacturing and technology (Flynn and Adams, 2004a). Table 4 depicts the percentage of companies with at least one woman director by industry for the four regional studies in the United States that reported industry data. ANOVA results show no significant effect for industry in explaining the number of women directors or the percentage of women on boards for the Massachusetts study.

Once on a board, exclusionary practices may persist. Taken as a whole, the advancement barriers that women face are the result of risk-reduction behaviour on the part of those in power. In an update on women's progress in New Zealand, McGregor (2003) found that younger women fast-tracking to the boardroom exhibit different patterns of behaviour that are seen as impatient by some and empowered by others. A recent statement by the chairman and CEO of a *Fortune* 500 company illustrates the challenge in selecting directors, "I can't do anything that scares people . . . [or] . . . bring someone into board discussions that will steer us away from our strategic focus. I want someone that, at a minimum, buys into our strategic direction." This statement highlights the need for some risk avoidance in choosing a new director. On the other hand, this statement came from an individual who wholeheartedly promotes the idea of women on boards and actively assists in

Table 4: Companies with at least one woman director, by industry sector

Study	Highest	Lowest
Georgia	Utilities (100%) Insurance (100%) Retail (75%)	Healthcare (0%) Biotechnology (27%) Technology (29%)
Massachusetts	Medical devices (71%) Financial services (58%) Biotechnology (56%)	Services (41%) Manufacturing/industrial (42%) Technology (48%)
Michigan	Automotive (70%) Consumer business (70%) Financial services (60%)	Real estate and construction (33%) Non-auto manufacturing (41%) Technology and life science (57%)
Philadelphia	Healthcare/pharmaceutical (85%) Utilities (82%) Financial/insurance (68%)	Communications/IT (53%) Retail/services (57%) Manufacturing/industrial (65%)

those efforts. It is likely that CEOs and their boards are picking their battles with caution and must have a strong case for adding someone who appears different to avoid creating uncertainty from their stakeholders. Therefore, a woman appointed to fill a director seat must first be seen as adding value to the business and, then, as fitting comfortably into the boardroom. Sheridan's (2002) study of women directors in Australia, for instance, reports that women are beginning to provide additional business contact resources valued by their boards.

A reason often cited as a hindrance to women on corporate boards is their lack of executive experience. Interviews and qualitative responses to surveys report that boards declare women without line management experience as unqualified for corporate boards (e.g. Burke, 2000a; Mattis, 2000). Does current behaviour match the talk?

In the Massachusetts study, 79.5 per cent of the men directors have line management experience compared to 70.8 per cent of the women directors, a non-significant difference according to ANOVA results. The expertise of the 21 women directors without line management experience is consistent with Frankforter's (1996) finding that staff work experience is often a qualifier for board selection. Staff expertise for both men and women on the Massachusetts boards comes primarily from the legal field, academia or from well-known non-profit organisations such as the World Bank. Three male directors have government experience as US Senators. Three well-represented professions among the Massachusetts study directors were studied in further depth. ANOVA results were used to determine the significance of differences between men and women in each of the legal,

academic and consulting professions. The percentages of male (5.0 per cent) and female (5.6 per cent) directors in the legal profession are statistically similar ( $F = 0.045$ ;  $df = 1, 813$ ;  $p = ns$ ), but the percentage of women from academia (18.1 per cent) is significantly larger than the counterpart percentage of men (7.3 per cent;  $F = 10.226$ ;  $df = 1, 813$ ;  $p = 0.001$ ). Since the work of directors involves a consulting element, the backgrounds of the directors in the Massachusetts study were investigated to see if any consulting experience was mentioned. Of the 815 directors, 121 have consulting experience. The percentage of women directors (25.0 per cent) with consulting experience is significantly larger than the percentage of men directors (13.9 per cent) with consulting experience ( $F = 6.475$ ;  $df = 1, 813$ ;  $p = 0.011$ ).

Supporting another one of Frankforter's (1996) findings, the Massachusetts study found that men are significantly more likely than women to be an inside (executive) director according to ANOVA results ( $F = 11.061$ ,  $df = 1$ ;  $p = 0.001$ ) (see Table 5). In the Massachusetts study, 24 per cent of all board seats are filled by inside (executive) directors. Just 3 per cent of the inside directorships are filled by women. This percentage of women inside directors is similar to the reported 3.6 per cent in the UK's largest 100 public companies (Singh and Vinnicombe, 2003a, 2003b).

A criterion often cited for appointing women as outside directors is line management experience (International Women's Forum – Ireland, 2004; Pollak, 2000). Using the biographical sketches of the outside directors, coding was used to indicate whether or not each director had line management experience. The difference between the percentages of male and female directors with respect to

Table 5: Director characteristics by gender\*

Gender	Percent that are inside (executive) directors	Percent that are outside directors with line management experience	Average age for directors appointed since 1995
Male	26	72	57.6 years
Female	3	68	52.4 years

\*Directors of 100 largest Massachusetts public companies in 2003.

line management experience was determined by ANOVA. Of the approximately three-quarters of the seats filled by outside (non-executive) directors in Massachusetts, 68 per cent of the women and 72 per cent of the men have line management experience. This difference between men and women with line management experience is non-significant.

The Massachusetts study found that women are advancing to the level of director at a younger age than men, presumably with fewer years of experience. According to a *t*-test of difference, the average age (mean = 52.4 years) of the 62 women appointed as director since 1995 is significantly less than the average age (mean = 57.6 years) of the 473 men appointed since 1995 ( $t = 4.466, p = 0.000$ ). Narrowing the timeframe even more to directors appointed since 2000, there is a significant difference ( $t = 3.181, p = 0.002$ ) in the average age of the 31 women ( $x = 51.1$  years) and the average age of the 240 men ( $x = 56.0$  years).

## Conclusion

The primary finding from this study is that women are taking different routes than men to the boardroom with some success. Consulting and academic work seem to be providing the necessary credentials and networking to be considered for directorship as opposed to the traditional path through senior-level corporate executive work. These may be routes that are uniquely found in Massachusetts because of the numerous academic institutions held in high regard that are located locally. Even if that is so, these findings suggest the need for more regional studies to identify local resource pools for potential board candidates. Each locale is likely to have different areas of expertise that are not identified in larger aggregated studies.

Also, national and worldwide studies do not highlight the issues involving the mix of industries and size of companies that those promoting change must understand in the local area. The nature of companies in Massa-

chusetts is different than the mix in other regions of the United States and around the world. The large number of high technology companies focusing on engineering expertise creates a barrier to women on their boards since the percentage of women in engineering remains low. However, consultants who have worked with high technology companies may be seen as potential candidates for board seats. Another state such as Wisconsin may have primarily small companies that may welcome mid-level managers from large companies to serve on their boards. The findings from this study emphasise the need for regional studies to identify specific board needs and local resources to fill those needs.

In 2004, organisations sponsoring census reports of women directors in six states joined forces to share findings and help each other in the promotion of women on boards. This group has published a joint supplement to the census reports that includes the key findings of all six regions. The supplement facilitates an understanding of how individual areas fare regarding women directors and executive officers, and flags areas in which particular geographic areas lead or lag their counterparts in other states. Local knowledge, such as the consulting and academic pool of women in Massachusetts, provides valuable information for directing change efforts. Each region has different needs based on company size and industry mix that will be identified in the regional census research. Moreover, the organisations call on each other to help in identifying potential board candidates when a local match is unlikely, or when the company in question is seeking individuals from another geographic area.

## Practical implications

Findings from the Massachusetts study of women directors and comparisons with related research worldwide suggest implications for several constituents. Women aspiring to become directors have numerous routes to

the boardroom beyond the traditional executive path, change agents can choose from a number of models to follow in promoting women on corporate boards, and boards are shown how to enlarge the pool from which they seek qualified candidates.

### *Routes to the boardroom for women*

Some companies are more amenable to having women board members than others. The data show, for instance, significant differences in the representation of women on boards by firm size and by industry. National culture and corporate governance environment also affect women's role in the boardroom, with countries including Norway, Canada, the United Kingdom and the United States more accepting of women on boards than countries such as Italy and Japan.

In the United States, the SEC mandate that public companies begin in 2004 disclosing the nominating committee's selection process and minimum requirements for directors bodes well for women. The traditional informal process of depending on the recommendations of current (mostly male) board members produced a limited pool of candidates, most of whom shared characteristics of the incumbent directors, and hindered women's access to board positions. As women now comprise almost 60 per cent of all the auditors and accountants in the United States (US Department of Labor, 2004) and over half of all the financial managers (US Bureau of Labor Statistics, 1999), they provide a large pool of candidates that could qualify as "financial experts", as encouraged for boards of companies on the major stock exchanges by 2004. Moreover, nominating committees are placing increasing value on functional expertise as they strive for strategic advantage in an increasingly global marketplace. Historically, the limited pool of women CEOs significantly constrained access to the boardroom. However, women offer a wealth of expertise in areas of technology, finance, marketing and human resources (e.g. compensation expertise), thus vastly broadening the pool of qualified board candidates beyond the CEO level – which was historically the primary path to a board seat. Line management experience and staff expertise (e.g. CFO) have each proven to lead women to appointments as outside directors. In the Massachusetts study, legal, consulting and academic expertise characterise numerous outside (non-executive) directors, with consulting and academic experience more prominent for women than men. These alternative routes to the boardroom, with less

reliance on the CEO path used more often by men, are allowing women to reach the boardroom at a younger average age.

The role of family is a relevant topic when discussing women's progression to the boardroom. The staff and professional expertise route to becoming a corporate director allows more flexibility than the traditional corporate ladder route. It can also bypass potentially frustrating "office politics" that can hamper the advancement of women to top positions. Women who choose to accommodate family demands with breaks in their careers or spending a portion of their careers in part-time positions often lose career momentum and the image of career dedication (Tilly, 1992; Adams, 1995; Kottis, 1996). Strong functional expertise may, however, compensate for career breaks. Also women entrepreneurs, who can create more women-friendly cultures for accommodating career paths that deviate from the traditional male career path, can offer boards expertise across a range of business fields. Again, women as entrepreneurs face numerous obstacles that must be overcome to create viable businesses (Brush *et al.*, 2004) and be seen worthy of directorships. While the woman entrepreneur is receiving some support in Massachusetts with access to some state loans and grants and women's support groups such as The Commonwealth Institute (see <http://www.commonwealthinstitute.org>), other areas may not be as supportive of women taking the entrepreneur route. The Massachusetts experience also highlights the fact that several women directors had taken "early retirement" from their primary career – devoting more time to both their family and board service.

Whichever preparatory route women take, they need to be noticed; they need to be on the radar screen as capable and available candidates. Women seeking board seats need to break into the professional activity circles of current board members by taking active roles in industry and professional meetings (not just attending). The Massachusetts study found evidence of not-for-profit and corporate board membership overlaps within boards for females as well as males. The visibility and contacts gained from not-for-profit board experience can provide an important stepping stone to corporate boards. Such networking can also establish the all important "comfort level" existing board members seek in directors. Effective networking goes beyond self-promotion which many women find difficult (cf. Fels, 2004). Consulting, too, can provide the opportunity to demonstrate competence and to meet potential decision makers regard-



ing corporate board seats. Academia has been shown to provide entrée to the boardroom, especially for college and university presidents and business school deans. In addition, faculty expertise in management, strategy and in specific disciplines including science and technology has led to board positions. Finally, there are many efforts underway around the world to facilitate women's advancement to the boardroom.

### *Change effort implications*

The examples of change efforts underway around the world take two approaches. One is the cognitive dissonance approach that is pushing change. This approach assumes that changed behaviour will result in changed attitudes. By requiring companies to add women to their boards, as in Scandinavia and Israel, the hope is that companies will then see the benefits, and attitudes that cause barriers will change. The other approach involves facilitative, collaborative change management, characterised by Meyerson (2001) as the tempered radical approach. This is accomplished by fostering and promoting the option of tapping the currently underutilised resource of qualified women and by lending a helping hand in a pull fashion.

A combination of pull and push approaches may well prove successful, with the mix dependent on the particular circumstances (Adams and Flynn, in press). Given the "angry white male" and reverse discrimination lawsuit reactions to affirmative action initiatives in the United States, the facilitative approach is likely to be less threatening and consequently, produce less resistance. Since negative societal attitudes toward gender equity in business produce barriers for women's advancement (Kottis, 1996), it is plausible that positive attitudes could facilitate change. Where behaviour is viewed as more gender-blind, such as in Scandinavia and in industries with relatively high representation of women on boards, neither approach will be viewed as quite so threatening or resistance provoking due to what Rosener (1995) calls Stage 5 diversity awareness. Reaching Stage 5 entails getting beyond exclusionary practices so that organisations can operate without the notice of gender differences. More open and public nomination and selection processes and increasing presence of women in the boardroom will help organisations achieve Stage 5. Then, the proposal of van der Walt and Ingley (2003) to focus on business qualifications for board seats regardless of gender to operate in a way that does not shut women out of the process will be possible. Stage 5 circumstances

are still rare and a combination of approaches is suggested for most situations. Push approaches can advance transparency of processes and promote recognition of the capabilities of women, while pull approaches can lessen resistance to change by allowing choice. The approach or combination of approaches most likely to produce desired change is best determined from an understanding of the local environment.

The range of change efforts underway around the world, coupled with the growing role of women throughout the economy, bodes well for an increase in the number of women filling corporate board seats in the future. The reasons go well beyond regulatory requirements; the bottom line is that it makes good business sense (Carter *et al.*, 2003; Daily and Dalton, 2003; Erhardt *et al.*, 2003; Catalyst, 2004; Sonnenfeld, 2004). The momentum provided by progress over the last ten years in some areas is likely to challenge others to examine their practices and be more open to the potential benefits of including women on their corporate boards.

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