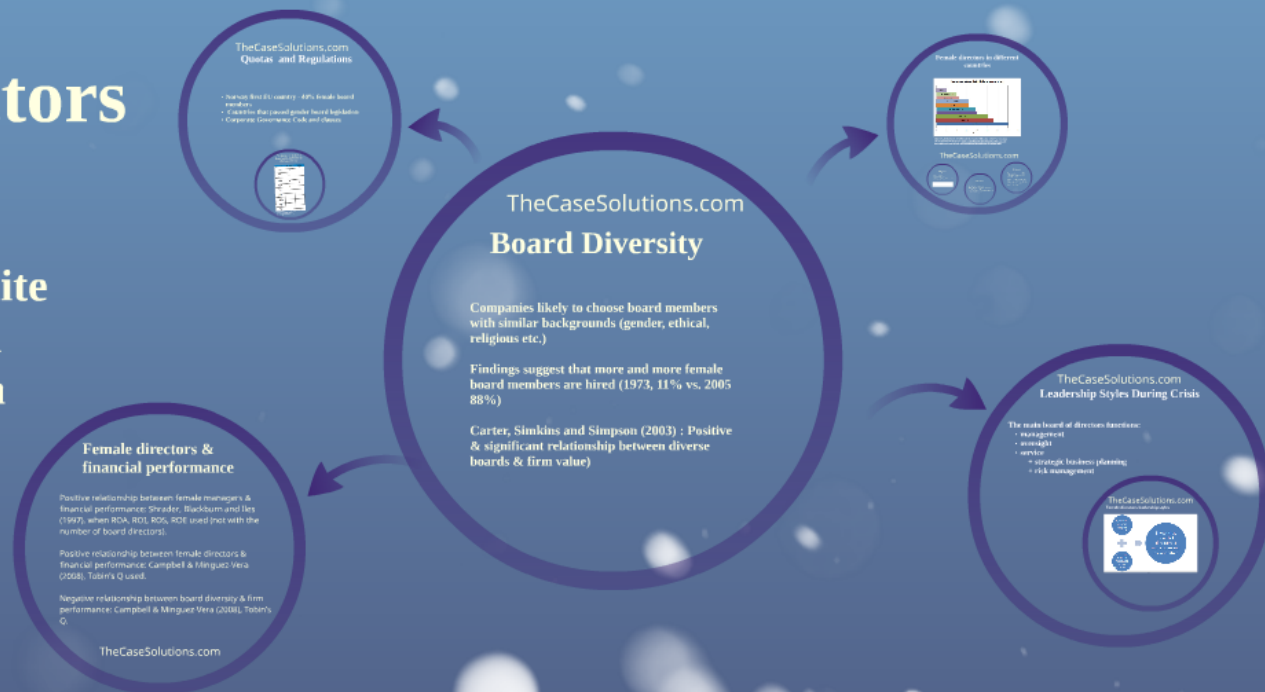


# Women and Corporate Boards of Directors: The Promise of Increased, and Substantive, Participation in the Post Sarbanes-Oxley Era

## Case Solution

## Female Directors

Ernesta Karosaite  
Mira Suominen  
Yana Dimitrova

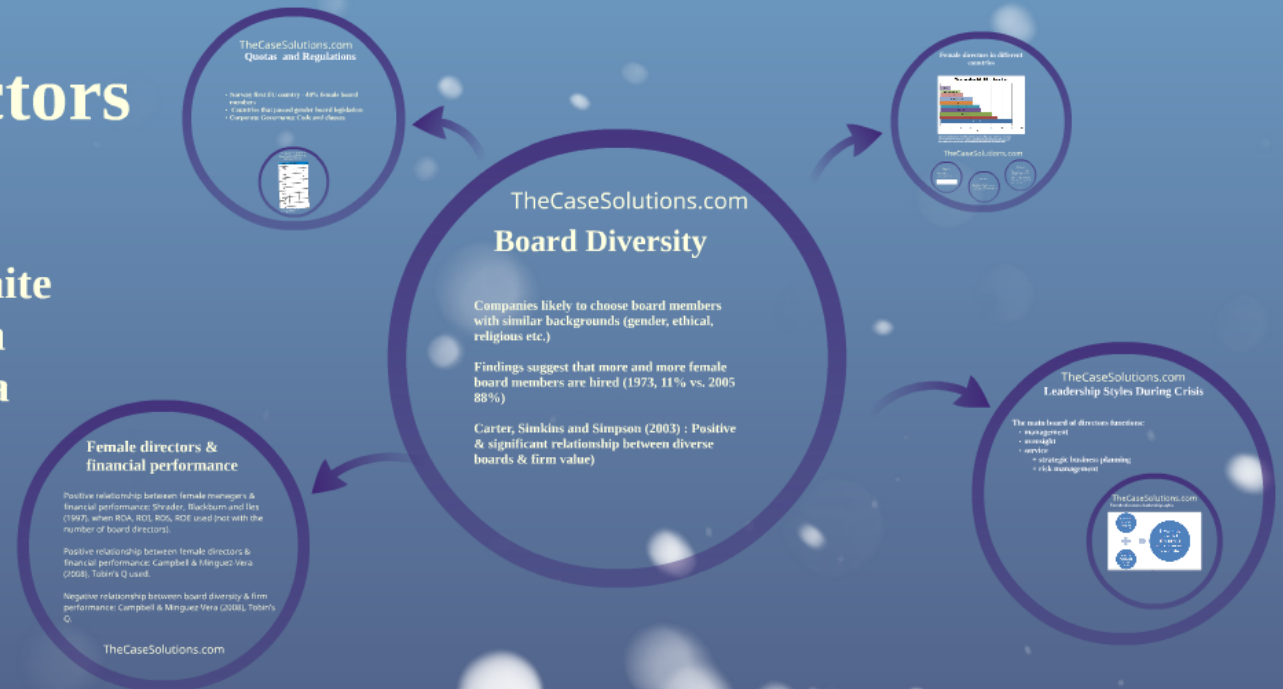


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TheCaseSolutions.com

Thank you!

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# Board Diversity

**Companies likely to choose board members with similar backgrounds (gender, ethical, religious etc.)**

**Findings suggest that more and more female board members are hired (1973, 11% vs. 2005 88%)**

**Carter, Simkins and Simpson (2003) : Positive & significant relationship between diverse boards & firm value)**

# TheCaseSolutions.com Quotas and Regulations

- Norway first EU country - 40% female board members
- Countries that passed gender board legislation
- Corporate Governance Code and clauses

TheCaseSolutions.com  
Board quotas legislation in  
different countries

Country	Quota legislation	CG Code
Australia		x
Austria	x	x
Belgium	x	
Denmark	Law proposal 10/2012	x
Estonia		
Finland		x
France	x	x
Germany		x
Greece		x
Ireland	x	x
Israel		
Italy	x	
Latvia		
Lithuania		
Norway	x	
Poland		x
Singapore		
Slovakia		
Slovenia		x
Spain	x	x
Sweden		x
UK		x

Source: E. J. Zimmerman & A. J. Pettit (2009)  
2012: The Glass Ceiling is Cracking  
Self-regulation: Not a Panacea

TheCaseSolutions.com  
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Greece		x
Iceland	x	x
Ireland		
Italy	x	
Latvia		
Lithuania		
Norway	x	
Poland		x
Singapore		
Slovakia		
Slovenia		x
Spain	x	x
Sweden		x
UK		x

Source: L.Linnainmaa & A.Horttanainen  
(2012).The Glass Ceiling is Cracking  
Self-regulation Beats Quotas

## Female directors & financial performance

Positive relationship between female managers & financial performance: Shrader, Blackburn and Iles (1997), when ROA, ROI, ROS, ROE used (not with the number of board directors).

Positive relationship between female directors & financial performance: Campbell & Minguez-Vera (2008), Tobin's Q used.

Negative relationship between board diversity & firm performance: Campbell & Minguez-Vera (2008), Tobin's Q.

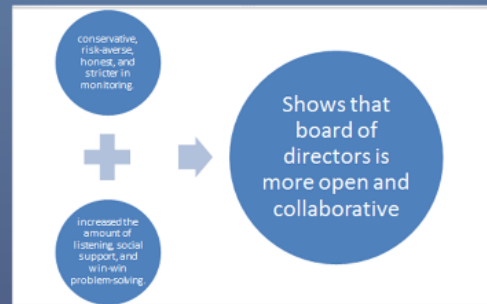
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# TheCaseSolutions.com Leadership Styles During Crisis

## The main board of directors functions:

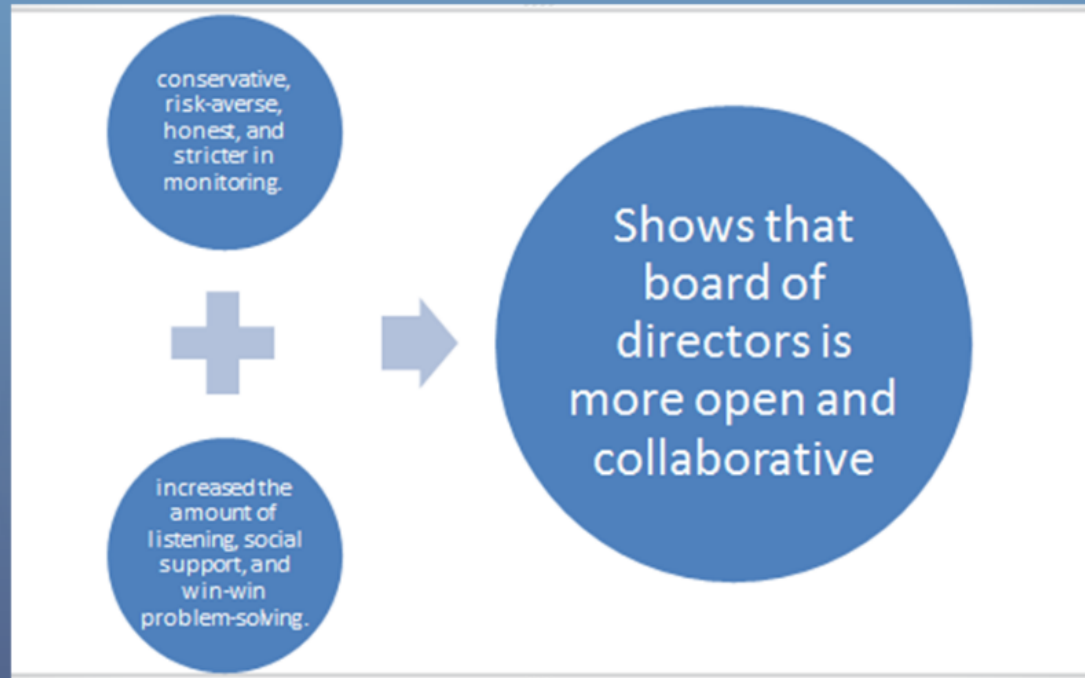
- management
- oversight
- service
  - + strategic business planning
  - + risk management

## TheCaseSolutions.com Female directors leadership styles



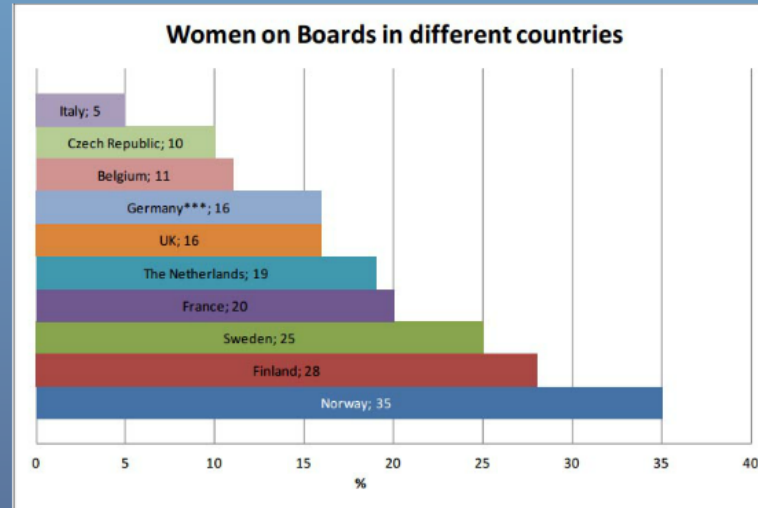
# TheCaseSolutions.com

## Female directors leadership styles





# Female directors in different countries



Source: L.Linnainmaa & A.Horttanainen (2012).The Glass Ceiling is Cracking Self-regulation Beats Quotas ([http://maisjohtajat.fi/files/2012/05/THE-GLASS-CEILING-IS-CRACKING\\_Self-regulation-Beats-Quotas\\_finncham.pdf](http://maisjohtajat.fi/files/2012/05/THE-GLASS-CEILING-IS-CRACKING_Self-regulation-Beats-Quotas_finncham.pdf))

## TheCaseSolutions.com

### Bulgaria

- Double system board
- Corporate Governance Code
- Largest increase in the share of females on company boards amongst EU countries

	2011	2012
Share of female directors	17%	21%
Share of female chairs	12%	15%
Share of female CEOs	12%	15%

### Lithuania

- Unitary board and dual board
- Lithuania there are about 12 per cent of women directors on corporate boards
- In recent years and 8% of board chairs and 4% of CEOs are covered by women

### Finland

Big publicly traded companies >30% of board members are women (EU record)

Should the norwegian corporate law apply in all member countries of the EU? (40% of board members women)