

Implementation of diversity policies and actions to achieve gender equality

The views of women board members and business leaders

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Nordic Gender Equality... myths and realities???

Global Gender Gap Report 2022

1. Iceland 0.908
2. Finland 0.860
3. Norway 0.845
4. New Zealand 0.841
5. Sweden 0.822
32. Denmark 0.764

ILO Women in Management 2015

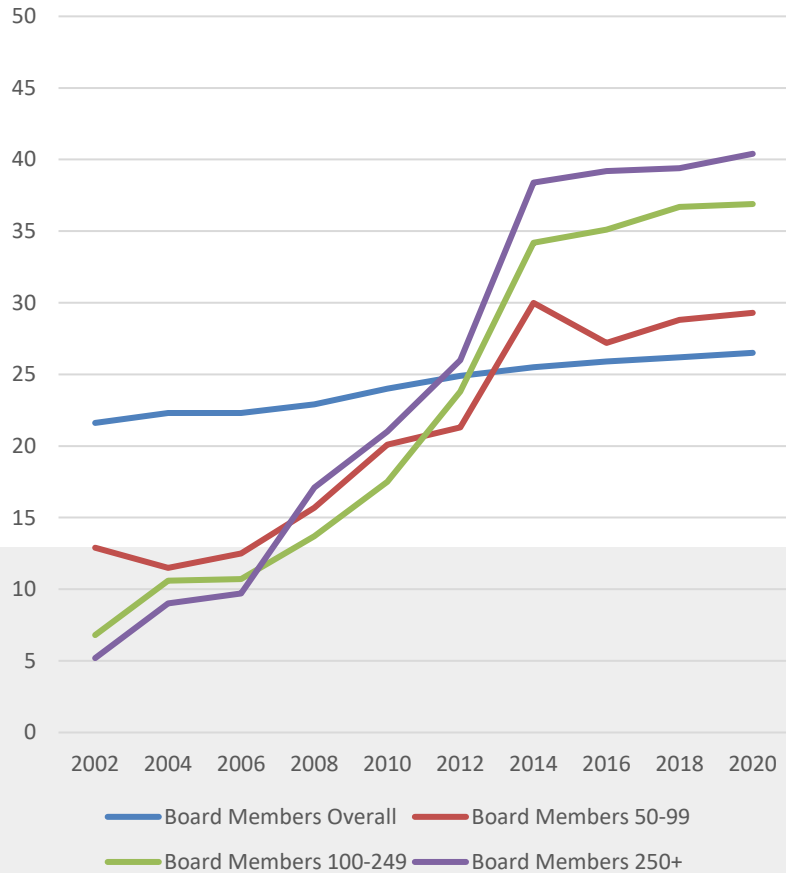
1. Jamaica 59.3%
22. Iceland 39.9%
38. Sweden 35.5%
50. Norway 32.2%
58. Finland 29.7%
63. Denmark 28.4%

Why focus on Iceland?

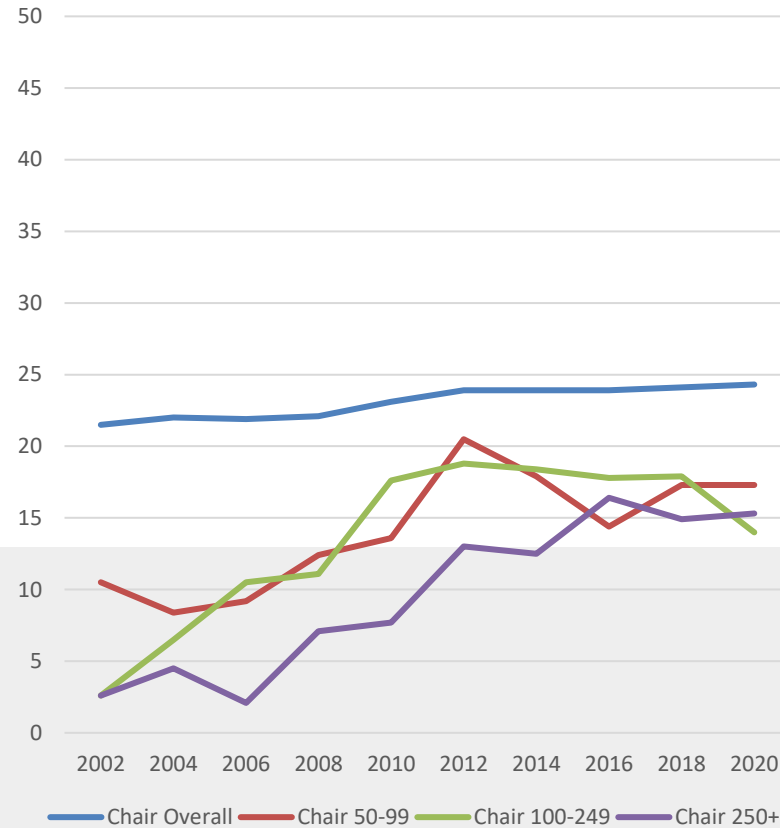
- Top of the Global Gender Gap Index
- 2010 Board Gender Quota Legislation
- 2019 Equal Pay Standard Legislation
- The high GGG Index standing has garnered criticism and negative reactions (Einarsdóttir, 2020; Pio et al., 2021; Rúdolfsdóttir et al. 2018)

Ratio of women in leadership positions by company size

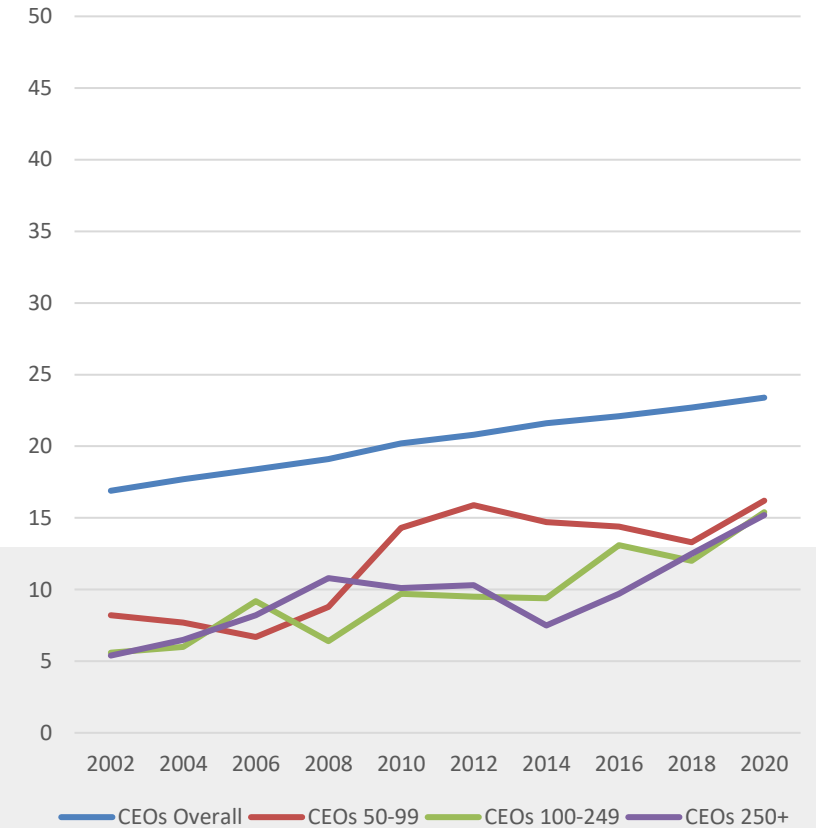
Women Board Members



Women Board Chairs



Women CEOs



Source: Statistics Iceland (n.d.)

Background



Supply and demand explanations

- Supply side; what women lack or prefer (Gneezy et al., 2003; Kleinjans, 2009; Hakim 2006)
- Demand side; what employers prefer (Gabaldon et al. 2016; Holgerson 2013; Holgerson & Tienari 2015; Kanter, 1977)
- Gender differences in attitudes (Einarsdóttir et al., 2019), Male CEOs (Axelsdóttir & Halrynjo, 2018)

Gender quotas and their effects

- Debated following a crisis (Axelsdóttir & Einarsdóttir, 2017; Rafnsdóttir et al. 2014)
- Rationales and outcomes (Kirsch, 2018)
- Limited spill-over effects (Bertrand et al., 2017; Seierstad et al., 2020)
- Influential women (Cook & Glass, 2015)
- Beyond “twomenism” (You, 2019)



Study 1: Survey of Icelandic women business leaders

- What can be done to increase the number of women in executive positions in Icelandic companies?
- Do you support the enactment of gender quota on executive positions in Icelandic companies?

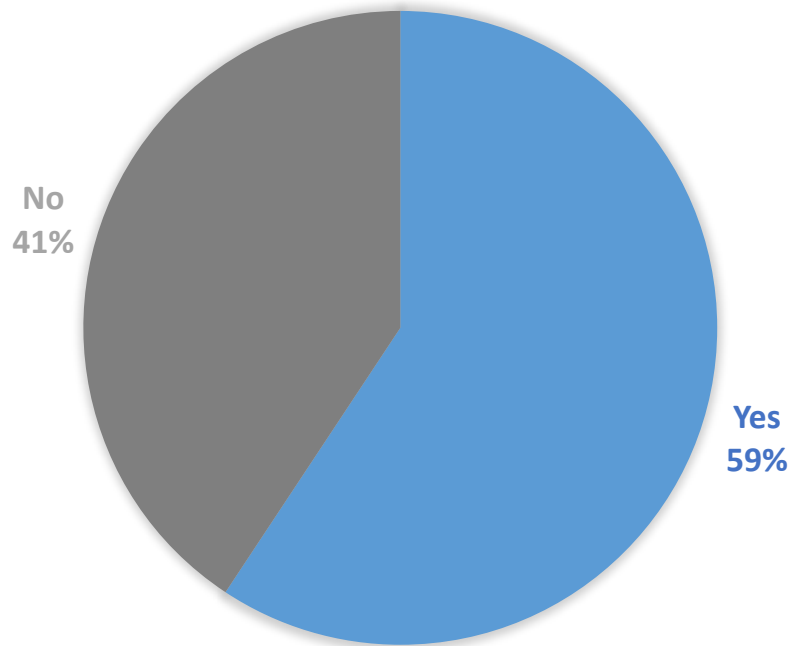
Posted an online questionnaire to two networks of women business leaders

Received answers from 189 women (14% response rate)

Over half of respondents hold an executive position and of those, two thirds were CEOs. 78% work in the private sector, 17% in the public sector, 5% other

Thematic analysis of answers to open-ended questions revealed the key themes

Do you support the enactment of gender quota on executive positions in Icelandic companies?



“Better to achieve this through the corporate governance statement – addressing gender ratios in executive positions”

“Everything else has been tried”

“The change is not occurring organically. The same action is needed as with the corporate boards.”

“We must take action because otherwise the changes will take too long. The gender quota would probably need to be in effect for some years until we reach a balance and then the next generation will not be used to anything different. Simple as that.”

What can be done to increase the number of women in executive positions in Icelandic companies?



Change Attitudes

“New thinking is sorely needed, companies must take the responsibility and realize the advantage of having both men and women in the top management team. Men have to join the discussion and take responsibility.”

Enact Gender Quota

“Gender quota to disrupt the pattern.”
“Experience has shown that legislation encourages positive change towards equality, although we would rather achieve change through normal development. But history has shown us that this takes a lot of time and often progress is reversed if legislation is not enacted to improve equality and equity”

Fix Women

“Probably women have to seek CEO positions harder, be better at using networks and make themselves known.”

Build Solidarity

“We must show more solidarity and mean it!”
“The women on the boards must be more determined to enable women to reach the CEO and top positions.”



Study 2: Interviews with Women on Boards

Interviewed 22 women who sit on the boards of listed companies, representing all of the listed companies in Iceland.

- What measures do women on the boards of listed companies support to increase the gender equality in CEO positions of listed companies?

Three themes emerged, focusing on three main acting bodies:

- **The Government**
- **Institutional Investors**
- **Corporate Boards**

1. Government: Enact Gender Quota Legislation on Executive Level Positions



Representative Quote

- *“Gender quotas need to be implemented on executive boards because then you are raising future managers like this, because if you are looking for a CEO, then you are looking for management experience, there needs to be pressure...if anyone can do that then it is prime minister through legislation.”*

Interpretation

- The women felt that a quota was needed because other measures had been exhausted and without the quota, there would be no change. They explained that they envisioned the quota legislation would work through normalizing the even gender ratio in CEO positions.

2. Corporate Boards: Incorporate Gender Diversity Into Succession Planning



Representative Quote

- *“Succession plan is an incredibly underrated tool among company boards, it is the most powerful tool to support women in management positions...the message is that there should be a woman and a man in every box in the organization chart as potential successors to positions.”*

Interpretation

- They recommended succession plans as a tool that would both force the inclusion of women and ensure that those women would receive the appropriate leadership mentoring.

3. Institutional Investors: Implement Gender Equality Policy Into Ownership Strategy



Representative Quote

- *“The pension funds are the largest investors in the Icelandic market and this is achieved through them, they should strive for an equal gender ratio.”*

Interpretation

- The women identified the leading institutional investors as supremely powerful agents who through inaction have perpetuated the gender inequality.

Discussion

- The call for solidarity
- The experience of board gender quota legislation has changed minds
- Respondents' rationale for temporary gender quota on executive positions:
 - other measures have not worked
 - will disrupt the prevailing attitudes and norms
 - allows more women a chance to prove themselves
 - demonstrate to decision-makers that women are capable of handling these roles
 - engenders role models who will encourage other women to seek senior positions
 - once an equal ratio of men and women will be sharing the leadership that will be the new norm and quota no longer needed

Next steps...

- Interview the men on the boards
- Interview key stakeholders, institutional investors and state representatives
- Survey key stakeholders

Thank you for your attention!

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