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# Women's representation on corporate boards at the global and European level

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## ABSTRACT

**The aim.** The underrepresentation of women on boards has been a heavily discussed topic over the last 50 years; however, although in recent years there has been some positive dynamics, women are still seriously underrepresented on corporate boards. The purpose of this paper is to understand global and European trends in women's representativeness on boards and look at it from a geographic perspective, industry perspective and dynamic perspective with a special focus on Central and Eastern European countries, Latvia in particular.

**Methodology.** The study applies the desk research method, analysing secondary data from various statistical reports and publications provided by organisations which monitor the trends in gender equality and promote greater representation of women at the top management level.

**The findings** provide a holistic view of women's representation on boards worldwide and identify regions, countries and industries with a better situation and faster progress in gender diversity on boards during the decade of 2010-2020. Progress towards equal gender representation on corporate boards remains slow. While the representation of women in corporate boards has improved in most regions and countries, the changes have been far from uniform; the dynamics is not stable and requires constant attention. The Central and Eastern European region differs from other European regions with lower gender diversity on boards; however, Latvia's situation in terms of gender diversity is closer to the common European level.

**Value.** The paper may be of interest to policymakers and institutions which monitor gender equality in top management positions.

**Keywords:** Gender Diversity, Corporate Boards, Women on Boards.

## INTRODUCTION

During the last fifty years, gender diversity and women on boards have been focal points for many researchers, politicians, practitioners and business managers. Many papers, statistical reports and monographs devoted to the reasons for and consequences of gender diversity on the board level have been published, but it is still believed that women are underrepresented at the top management level. Boards of directors are definitely the most impactful decision-makers in business. They are expected to fulfil control and advisory tasks (Minchilli *et al.*, 2012) and help their companies identify a vision, mission and business development strategy, fulfilling strategy tasks (Zattoni *et al.*, 2015). They deal with political, legal and technological challenges, financial regulation, and reputation issues (Bear *et al.*, 2010; Baselga-Pascual *et al.*, 2018), since all these issues can affect a company's success or failure. In case of boards' own lack of diversity, including in terms of gender, they are missing the perspectives of key stakeholders, clients, investors and employees.

There is a growing academic debate addressing the impact of women's board representation on organisational performance, demonstrating that there is a strong research interest in this issue. Researchers are analyzing different aspects of both financial and non-financial performance related to female representativeness on the board level. Different authors have found a positive impact on financial indicators like ROA, ROE, and the Tobin's Q ratio (Conyon and He, 2017; Homroy and Green, 2018), equity risk (Sila *et al.*, 2016), cash dividend payments (Saeed and Sammer, 2017), long-term financial performance and short-term stock market returns (Jeong and Harrison, 2017), and superior finance management in crisis periods (Ward and Forker, 2017). The latest literature has also shown a general tendency to agree that women's presence on corporate boards does have a positive impact in terms of non-financial performance, such as corporate social responsibility (Kato, 2018; Larrieta-Rubin de Celis *et al.*, 2015; Azmat and Rentschler, 2017), increasing innovation in different areas such as products, organization and marketing (Galia and Zenou, 2012; Miller and Triana, 2009), environmental sustainability (Shoham *et al.*, 2017), openness in reporting about climate change-related risks (Ben-Amar, 2013), conflict reduction (Nielsen and Huse, 2010) and the ethical reputation of the organization (Baselga-Pascual *et al.*, 2018). Nevertheless, it is still true that women who aspire to positions of leadership are often confronted with the same barriers that have blocked their progress during the last 50 years (Kanter, 1977). Current research provides evidence for still-existing biases against women on the board level (Cabo and Gimeno,

2017; Gregory-Smith *et al.*, 2014; Gatrell *et al.*, 2017; Hoyt and Murphy, 2016; Seierstad *et al.*, 2017).

To improve the situation, starting with the year 2003 15 countries (Belgium, Denmark, Finland, France, Germany, Iceland, India, Israel, Italy, Malaysia, the Netherlands, Norway, Spain, the UAE, and Canada) introduced legislated quotas for women on corporate boards as 33-50% of all boards members (Teresjen and Sealy, 2016). But regardless of 15 years of regulation, 40 years of equal opportunity policies and more than two decades of government and organization initiatives aimed at helping women reach the upper echelons of the corporate world, women are still seriously underrepresented on corporate boards (Terjesen and Sealy, 2016). The underrepresentation of women on boards has been a heavily discussed topic for the last 50 years; however, although in recent years there has been some positive dynamics, women are still seriously underrepresented on corporate boards.

The purpose of this paper is to gather and combine information from a variety of different statistical reports in order to get a long-term (2010-2020) and multi-perspective view on women’s representativeness on corporate boards. The paper looks at the issue from different perspectives, providing insights on the global and European level with special attention to the Central and Eastern European region and Latvia.

## RESEARCH METHODOLOGY

The study applies the desk research method, analysing secondary data from various statistical reports and publications provided by public and private organisations which monitor the existing situation and progress in gender equality and promote greater women’s representation in top management levels (see Table 1).

Table 1

### Organizations providing statistical reports about women on boards

Organization	Description	Timing, regularity
European Commission	Institution of the European Union, responsible for proposing legislation, implementing decisions, upholding the EU treaties and managing the day-to-day business of the EU. Responsible person – Commissioner for Justice, Consumers and Gender Equality	2016 2017 2018
European Women on Boards (EWoB)	Non-profit organization founded in 2013. Its vision is to create a unique network of first tier associations, located in European countries, working towards a common purpose: a balanced representation of women on boards of directors. The EWoB network project is co-founded by the European Union.	2014 2016 2018

Continue on next page

Table 1 (Continued)

<b>Organization</b>	<b>Description</b>	<b>Timing, regularity</b>
McKinsey	An American worldwide management consulting firm. It conducts qualitative and quantitative analysis to evaluate management decisions across public and private sectors.	Annually since 2007
Deloitte	One of the "Big Four" accounting organizations and the largest professional services network in the world by revenue and number of professionals. Deloitte provides audit, tax, consulting, enterprise risk and financial advisory services globally.	6 editions from 2011
Credit Suisse	Swiss multinational investment bank and financial services company founded and based in Switzerland. Headquartered in Zürich, it maintains offices in all major financial centres around the world. Credit Suisse is known for its strict bank–client confidentiality and banking secrecy practices.	2012 2014 2016 2018
MSCI Inc. (formerly Morgan Stanley Capital International and MSCI Barra)	Global provider of equity, fixed income, hedge fund stock market indexes, and multi-asset portfolio analysis tools. It publishes the MSCI BRIC, MSCI World and MSCI EAFE Indexes. The company is currently headquartered at 7 World Trade Center in Manhattan, New York City, U.S.	Annually from 2014

Source: authors own study

In order to get a long-term understanding of the dynamics of gender diversity, we chose sources that have annual or semi-annual editions and collected information regarding the last decade (2010-2019). For our analysis, we mainly chose sources that provided both a global and long-term perspective, such as Credit Suisse, Deloitte and MSCI. For analysis on the European level, we chose the European Commission as a source, since other global sources generally use this as a primary source of information regarding Europe.

Classifications of geographic regions as well as of business sectors and industries differ. Different sources use their own classification of regions, and some sources, e.g. Deloitte, change their classification of regions from edition to edition. For this paper, we chose the approach that is applied in the last two Deloitte report editions (2017, 2019), where we can find such regions as North America and Latin and South America, Europe, Africa, the Middle East, Asia and Australasia. This classification is clear from the perspective of different continents and common cultural qualities. We combined data from two sources – Deloitte and Credit Suisse – during the last 5 years and, in case some countries were added to another region in the Credit Suisse reports, we organized data by the same principles as in Deloitte, putting separate countries in the same regions.

We found that two of the sources used the same industry classification, and for our analysis we chose the Global Industry Classification Standard (GICS), which was created

by MSCI and Standard and Poor's (SandP) in 1999 to categorize all major public companies by industry. This classification includes 11 sectors, 24 industry groups, 68 industries, and 157 sub-industries. Using one classification, we were able to include an additional view of the dynamics of gender diversity by industry from the perspectives of all-male boards and boards with a critical mass of women (three or more).

In looking for an approach to analysing the European region's perspective, it was found that there is no universal classification of European regions. Mishkova and Trencsényi (2017), for classification based on different historical, economic, political and linguistic factors, offer such European regions as Western Europe, Scandinavia, the Baltics, the Mediterranean, Southern Europe, Iberia, the Balkans / Southeastern Europe, Central Europe and Eastern Europe. The United Nations geoscheme for Europe divides Europe into four regions: Eastern, Northern, Southern and Western. Each source has its own factual and logical basis for separating different European regions.

For our research, we use a classification, which is based not only on strict geographical borders, but also on historical background, combining countries similar in their political and economic development. We suggest dividing Europe into four different regions: Northern, Western, Southern, and Central and Eastern. In Northern Europe, we include Denmark, Finland, Iceland, Norway, and Sweden. In Western Europe, we include the countries Austria, Belgium, France, Germany, Ireland, Luxembourg, Monaco, the Netherlands, Switzerland, and the United Kingdom. In Southern Europe, we include the countries Cyprus, Greece, Italy, Andorra, Portugal, Spain, Malta, and Turkey. In the Central and Eastern region, we include such countries as Estonia, Latvia, Lithuania, the Czech Republic, Croatia, Slovakia, Slovenia, Poland, Hungary, Romania, Bulgaria, Russia, and Macedonia.

In addition, for the current research we gathered information about women's representativeness on the board level in the TOP 500 organizations in Latvia in the period of 2016-2018 through the Lursoft database – an IT company with over 20 years of experience, providing access not only to the general national legal information database, but also a range of services, thus enabling better evaluation of customers through analytical services, monitoring, B2B and other solutions.

### **Women's representativeness on boards: a global perspective**

Organizations analyze gender diversity globally using different approaches and criteria, but all of them have indicated growth in board gender diversity over the last 10 years. Investigating the current situation based on four sources (Deloitte, MSCI, Credit Suisse and Egon Zehnder), we found that the board diversity level differs in different sources from 16.9% to 20.6% with a difference of 3.7% (see Fig. 1).

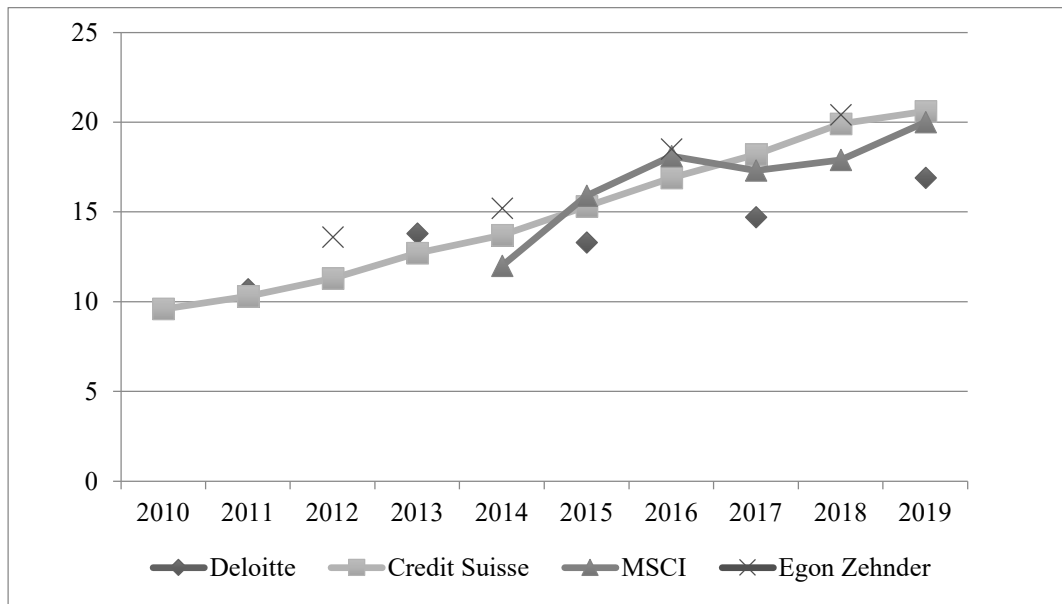


Figure 1 Dynamics of women's representativeness on boards globally

Source: authors own study

Combining data from different sources and looking at the last 10 years, it is possible to observe that the proportion of women on boards has grown from 10% to 20% and growth is constant but slow. Unfortunately, it is too early to declare any gender parity on the board level, since, even with implementation of political quotas for women in different countries and global attention to gender diversity and gender parity in the workplace, global representativeness of women on boards is only close to 20%. This evidence quite clearly demonstrates that women are globally underrepresented on boards and, therefore, the issue requires further monitoring and analysis.

In order to get additional insights, we can use one more perspective: critical mass (3 or more women on boards) or gender parity principles. Critical mass theory (Kanter, 1976) indicates that only with an amount of not less than three women on a board is it possible to speak of women's influence on decision-making and to observe the positive impact of gender diversity on organizational performance. A critical mass ranging from 30-35% women is needed before major changes in organizations occur and a real positive impact from gender parity can be reached (Torchia *et al.*, 2011; Amorelli and Garcia-Sanchez, 2020).

Gender diversity champions achieving critical mass globally are, according to two sources, represented mostly by European countries (Norway, France, Italy, Sweden, Belgium, Germany, Finland, the United Kingdom, Spain, Denmark), but also include Australia and

Canada. The majority of countries whose boards had at least three female directors were located in developed Western markets. In several European countries, there were no longer any companies with all-male boards. All French, Italian and Norwegian companies had a minimum of three female directors in their boards. These countries were closely followed by Sweden (96.6%), Belgium (80.0%), Germany (79.0%), Finland (76.9%), the United Kingdom (71.6%), Spain (71.4%) and Australia (63.6%). The majority of companies with all-male boards were located in Japan, South Korea, Taiwan, Hong Kong, the UAE and China.

All countries with high results in critical mass implemented different forms of requirements for gender equality on boards, such as quotas of 30%-50% for women on boards in Norway, France, Germany, and Italy; one third in Belgium; and “both genders must be on company boards” in Finland. This means this instrument is quite effective in quickly increasing gender diversity on boards and achieving critical mass. There is a category of papers that have focused on analysing legislation quotas’ positive impact on gender diversity and dynamics of growth (Sojo *et al.*, 2016; Seierstad *et al.*, 2017; Loy and Rupertus, 2017; Lending and Vähämaa, 2017). These papers give us a clear understanding that quotas are definitely a factor that positively affects different aspects of the proportion of women on boards. Quotas provide the demand for females on upper echelons (Loy and Rupertus, 2017); quotas increase the percentage of females on the board (Lending and Vähämaa, 2017); higher goals for gender diversity on boards are related to higher female representation, and higher gender diversity goals are strong enforcement mechanisms in parliaments related to higher female representation (Sojo *et al.*, 2016).

Quotas definitely have a positive effect on improving statistics (Seierstad *et al.*, 2017), but “quotas are not enough for achieving gender equality, and societal sustainability and well-being. Quotas must be supplemented by other initiatives” (Huse, 2018, p.1).

## **Dynamics and differences: the perspective of global geographic regions**

As one of our research goals is to understand global trends according to large geographic regions, and two reports (Deloitte, 2019; Credit Suisse, 2019) provide us with data by regions, it was possible to identify the percentage of women on boards and the dynamics of growth from this perspective. One more perspective that we offer for analysing women’s representativeness on boards is the dynamics of growth by geographic regions during the last 5 years (see Figure 2).

Analysing the situation during the last five years, we can see observable differences between the geographic regions in terms of female representation on the board level and the different speeds of growth (see Fig. 2). Based on the data, we can see that the highest growth in this period was demonstrated by Australasia (+10.1%), North America (+7.4%) and Europe (+7.2%). The lowest growth was observed in combination with last place in

gender diversity in Latin South America (+1.9%). Asia also shows a minimal increase in women’s proportion on boards.

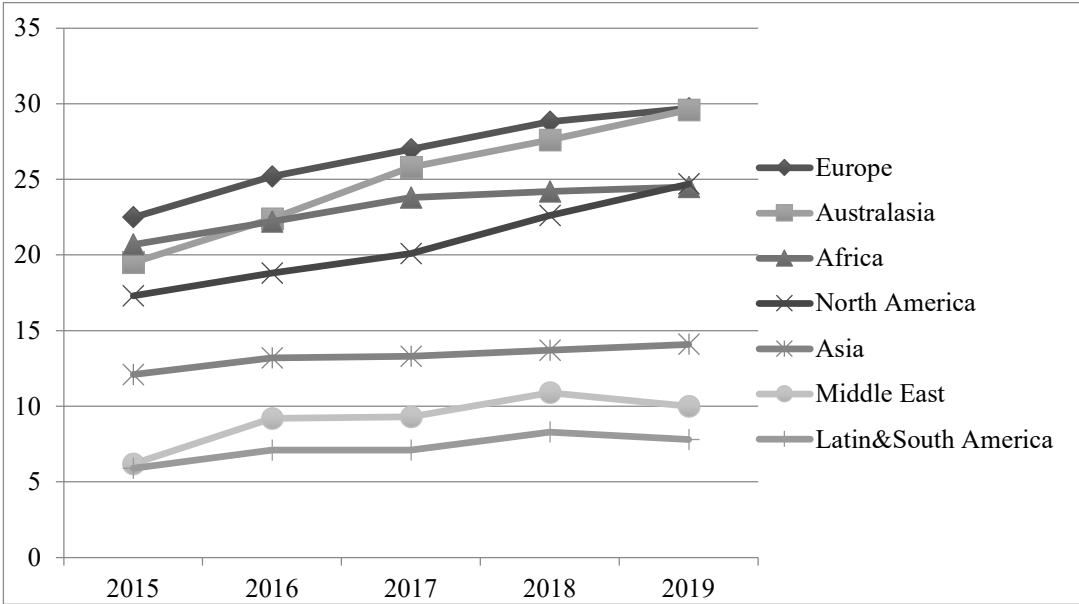


Figure 2 Dynamics of gender diversity on boards from 2015-2019 by geographic regions

Source: authors own study

The experience across the regions in 2019 varies markedly, from 7.85% in Latin and South America to 27.85% in Australasia and 27.75% in Europe. Europe holds the leading position over the last few years, but Australasia (Australia and New Zealand) demonstrated considerable growth in 2019 (+4.55%) and took the first place globally in gender diversity on boards. In explaining such significant growth, we can see that this region consists of two countries – Australia and New Zealand – and both of them have gender quotas for boards and senior management. Already five years ago, this region reached 19.5% gender diversity on boards, compared with data from 2019 indicating that more than half of regions still have not reached 20%. North America has arguably demonstrated significant improvement without total formal regulatory pressure. Ben-Amar *et al.* (2017) discussing the situation in Canada, for example, explain this by general attention in society to gender equality, broad discussions in public space and acceptance of the merits of greater diversity for improving social governance.

The lowest results and slowest dynamics in gender diversity were demonstrated by Asia, the Middle East and Latin South America. Almost all regions demonstrated a tendency to grow, but the Middle East region decreased its results in this aspect during the last year.

The Asian region is exemplified by Japan, where in 2019 boards comprised only 5.7% women. At the start of the decade, the senior level of business comprised only 1% women, and now the growth is huge compared with the starting point, but low compared with other countries. The lowest result among regions, less than 10%, was observed in the Latin American region. These differences among regions are related to the quota aspect, since in the aforementioned regions hardly any legislative requirements for gender equality have been implemented. To the extent they exist, it is only with very modest requirements; for example, in India and the UAE quotas require at least one woman on a board compared with 40% in France.

### **Dynamics and differences: the global industry sector perspective**

Gender segregation persists in the labour force despite shifts in recent years that have desegregated certain occupations and industries from domination by one gender (Kamerade and Richardson, 2017; McDowell, 2015). Adu-Oppong and Kendie (2018) believe that this is a result of a multidimensional process that manifests itself in differences in gender patterns of representation within occupations. Roche *et al.* (2016) claim that a non-traditional or male-dominated industry or occupation contains 30% or fewer women in total employment. According to them male-dominated industries include agriculture (forestry, fishing, and farming), construction, manufacturing, mining, transport, and utilities (electricity, gas, water supply, and waste management). Gender segregation, especially the aspect of how women can pursue a career in male-dominated occupations, how they behave and feel, and which practices can help to increase the gender balance in different occupations, is topical now for researchers and different organizations (McDowell, 2015; Berdahl *et al.* 2018; Martin and Barnard, 2013).

Reviewing information from the last decade, we found that the lowest results from the industry sector perspective are demonstrated by information technology, energy, real estate, materials and industrials. These industries are historically perceived as masculine industries with a majority of men on all organizational levels. Moreover, the lowest results in comparing industry sectors have not changed since 2010 (see Fig. 3).

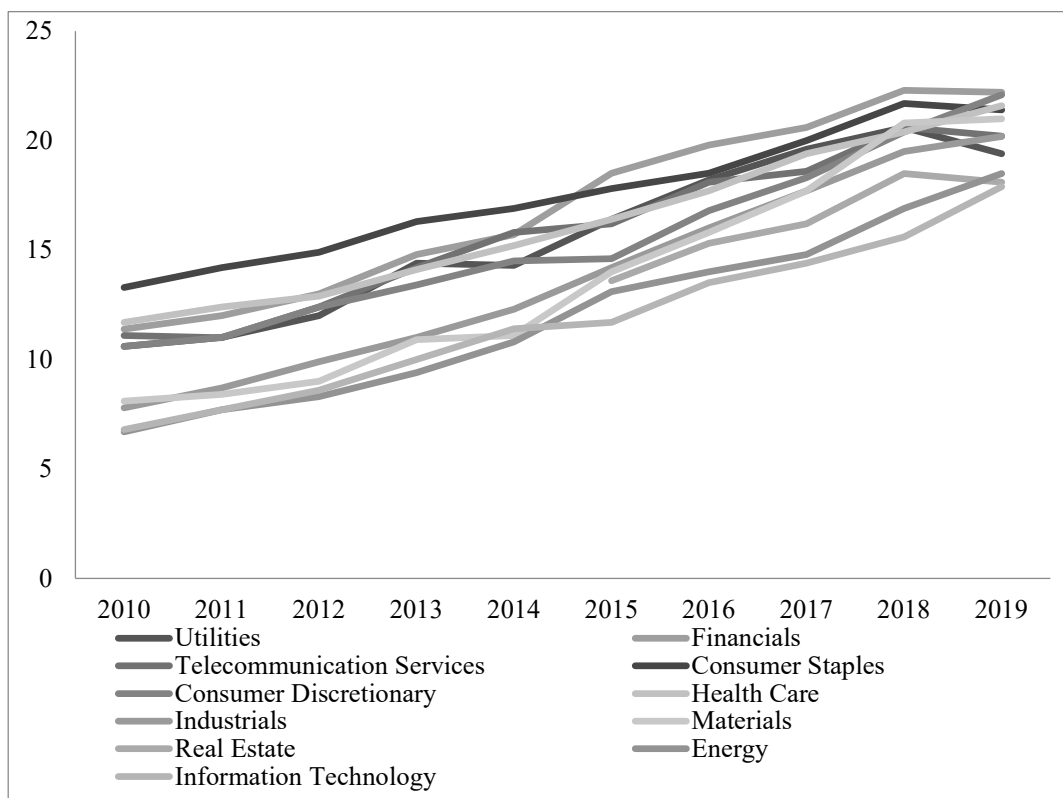


Figure 3 Dynamics of women's representativeness on boards by industry sector

Source: authors own study

Equally, financials, health care, consumer discretionary and consumer staples retain the top spots. The last places are taken by information technology, real estate and energy. Positive growth during the last decade has been demonstrated by all industry sectors, but the biggest growth is observable in such sectors as materials (+12.1%), industrials (+12.4%) and energy (+11.8%). However, even with growth of more than 10%, these sectors continue to be at the bottom of the women's representativeness rating.

In analysing women's representativeness on boards from the additional perspective of critical mass – companies with three or more women on the board and companies with no women on the board in different industry sectors ( See Fig. 4) – we can observe a somewhat different picture. The highest amount of boards with a critical mass can be seen in such sectors as financials, health care, telecommunication services and utilities. The sectors with the most all-male boards were information technology and industrials.

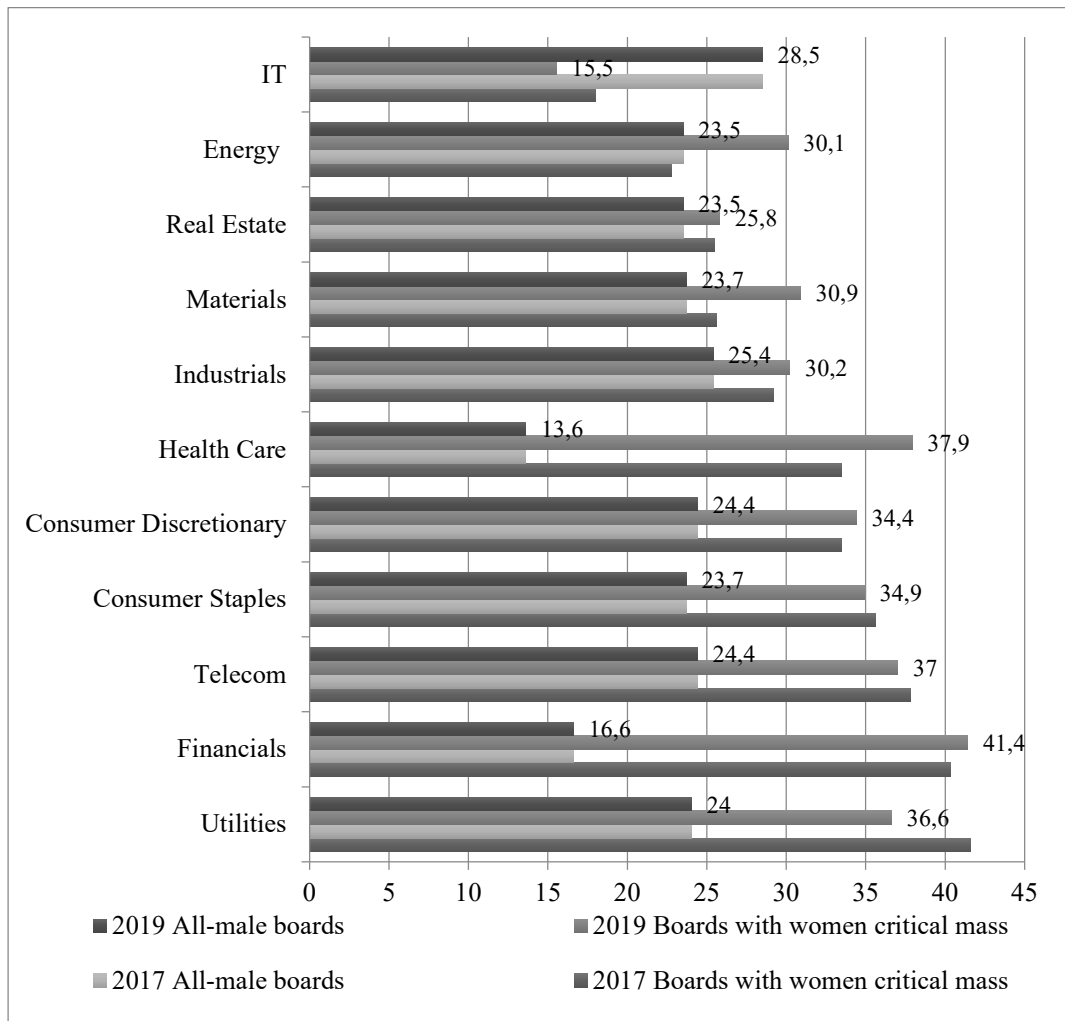


Figure 4 Dynamics of gender diversity on boards, comparing boards with a critical mass of women and all-male boards (zero women) by industry sector

Source: authors own study

The biggest difference between the percentage of boards with three or more women and the percentage of boards with zero women can be observed in financials (24.8%) and health care (24.3%), which means that boards with a critical mass of women definitely prevail in these industry sectors. The information technology sector demonstrates a strong and stable negative tendency (-13%) in this aspect, which is not surprising given that the IT sector historically seems male-dominated, and there is a continuous lack of women on all levels of the organizational hierarchy. The dynamics during the last 2 years is negative as well (-2.5%). This means that the proportion of women decreased even further and we

assume that women cannot adapt to male-dominated environment and terminate their participation on boards. Additionally, we can observe that the amount of all-male boards remains the same, which means that the proportion of women is growing in organizations where women have been represented before, but when boards have only males as board members, these boards are not welcoming to women.

## **Women's representativeness on boards: the European perspective**

The issue of gender diversity in corporate boardrooms has been high on the European Commission's political agenda since 2010, when it launched its strategy for equality between women and men. "Equality between men and women in education, in economic decision-making and political power, and women's economic independence and equal earning potential are key for Europe's future" (European Commission, 2019, p. 4). Despite repeated calls for credible self-regulation by companies to achieve a better gender balance on boards, the perception is that progress has not been fast enough. In response to this issue, the European Commission put forward proposals for a Directive on promoting equality in decision-making to accelerate progress toward greater diversity on the boards of listed companies throughout the European Union. The Commission's sustained efforts to meet the 40% target of women in middle and senior management in-house, set by President Jean-Claude Juncker for the end of the current mandate (2019), are showing results.

Nevertheless, data collected by the European Institute of Gender Equality show that in October 2018 women accounted for close to a quarter (26.7%) of board members in the largest publicly listed companies registered in EU Member States. France (44%) was the only Member State in which there was at least 40% of each gender at the board level, which has been achieved by introducing a legislative quota in 2011 requiring companies to meet a 40% target by January 2017. In Italy, Sweden, Finland, and Germany, women accounted for at least one third of board members. A further six countries had at least 25% women on boards (Sweden, Italy, Finland, Germany, Belgium, Denmark, the Netherlands, Slovenia, Austria, Latvia and the United Kingdom). In almost half of the Member States (12), men still outnumbered women in the boards of large companies by at least 4 to 1 (i.e. less than 20% women), while in Malta, Greece and Estonia women accounted for less than 10% of board members.

Based on a Deloitte report (2019) which includes data from organizations not only in European Union countries but from a wider perspective, the average ratio of female directors serving on the boards of the largest listed companies in Europe reached 25.8%, less than in the European Institute of Gender Equality report, but still very close to it. The Deloitte data elucidates on the top 5 European countries that have over 30 percent women on boards (Norway, France, Sweden, Finland and Belgium). Norway, with 41% women on boards, was the first country globally to enact gender quota legislation (a 40% quota for

women) in 2002. Norway is a unique country, a world pioneer known for its progressive approaches to gender equality and with evidence for research that creates great opportunities for analysis in the scientific world. Many researchers have analyzed different aspects of quota implementation and the impact on gender diversity and business based on Norwegian samples and practices (Yang *et al.*, 2019; Torchia *et al.*, 2011; Sadi Bogac *et al.*, 2018; Abramovic and Traavik, 2017). France, with 37% women on boards, also has a 40 percent gender quota, which became effective in 2017. Belgium, with 30% women on boards, has a gender quota that requires at least a one-third representation of each gender on the board. Sweden and Finland have not implemented gender quotas, instead addressing diversity efforts through self-regulation and corporate governance code recommendations.

### **Dynamics and differences: European regions**

Europe as one of the global geographic regions is not a homogenous continent with similar cultures, policies and economy. Rather, many different cultures, mentalities and countries exist on the territory of Europe. For our research we separated Europe into four different regions: Northern, Western, Southern, and Central and Eastern.

Central and Eastern Europe, abbreviated as CEE, is a generic term for the group of countries in Central Europe, Southeast Europe / the Balkans, Northeast Europe / the Baltics, and Eastern Europe, usually meaning former communist states in Europe. “Since 1989 the former socialist countries of Central and Eastern Europe have been undergoing a transition from a more or less totalitarian political regime, planned economy and socialism towards a democratic regime, market economy and capitalism” (Turk, 2014, p. 1). The term CEE includes all the former Eastern Bloc countries west of the post-World War II border with the former Soviet Union, the independent states in former Yugoslavia and the three Baltic states – Estonia, Latvia, Lithuania – that chose not to join the CIS with the other 12 former republics of the USSR. “The macro-region went the hard economic way in the 20th century, suffering vast destructions from the First and Second World Wars and afterwards – located east of the Iron Curtain and dependent on the Soviet Union – operating ineffectively under centrally-planned economies” (Dyba *et al.*, 2018). The CEE countries are further subdivided by their accession status to the European Union (EU): the eight first-wave accession countries that joined the EU on 1 May 2004 (Estonia, Latvia, Lithuania, the Czech Republic, Slovakia, Poland, Hungary, and Slovenia), the two second-wave accession countries that joined on 1 January 2007 (Romania and Bulgaria) and the third-wave accession country that joined on 1 July 2013 (Croatia). According to the OECD glossary of statistical terms (2000), Central and Eastern European Countries (CEECs) is an OECD term for the group of countries comprising Albania, Bulgaria, Croatia, the Czech Republic, Hungary, Poland, Romania, the Slovak Republic, Slovenia, and the three Baltic States: Estonia, Latvia and Lithuania. Given that these countries joined different world organizations such as the European Union and NATO not so long ago, thus changing their political and economic structures, it could be important to understand what the situation is now regarding women on the executive level.

In gathering data for analysis, it became clear that it is much more difficult to find statistics regarding gender on boards from this region compared with other European regions. Northern and Western Europe are quite well represented in different reports because of the serious attention to gender balance on boards in well-developed countries with centuries or at least decades of independence and opportunities for business and corporate governance development. In the Deloitte, MSCI and Credit Suisse reports, we can find only a few countries from the Central and Eastern European region, especially for the period of 2010-2015. For the period of 2010-2013, we can find information only about 4 countries (Poland, Russia, the Czech Republic and Hungary), but the number increases to 6 starting from 2013, to 9 starting from 2015, and to 12 starting from 2019.

Looking at data from the last ten years we can see that in Europe there are different levels of gender diversity on boards and different dynamics in regions (see Fig. 5). Moreover, if by global comparison Europe demonstrates a quite high position and general growth during the last ten years from 22% to more than 30%, we can observe that this is not a homogenous situation in all of Europe. While the leading position in Europe is taken by the Northern European region, with growth from 27.2% to 34.2%, the Central and Eastern European region demonstrates quite different figures, growing from 7.7% to 14.8%. The gender diversity level in this region is not stable, and during the period of 2010-2019, we can observe some years of progress interchanging with years of decreasing gender diversity on boards in almost all countries.

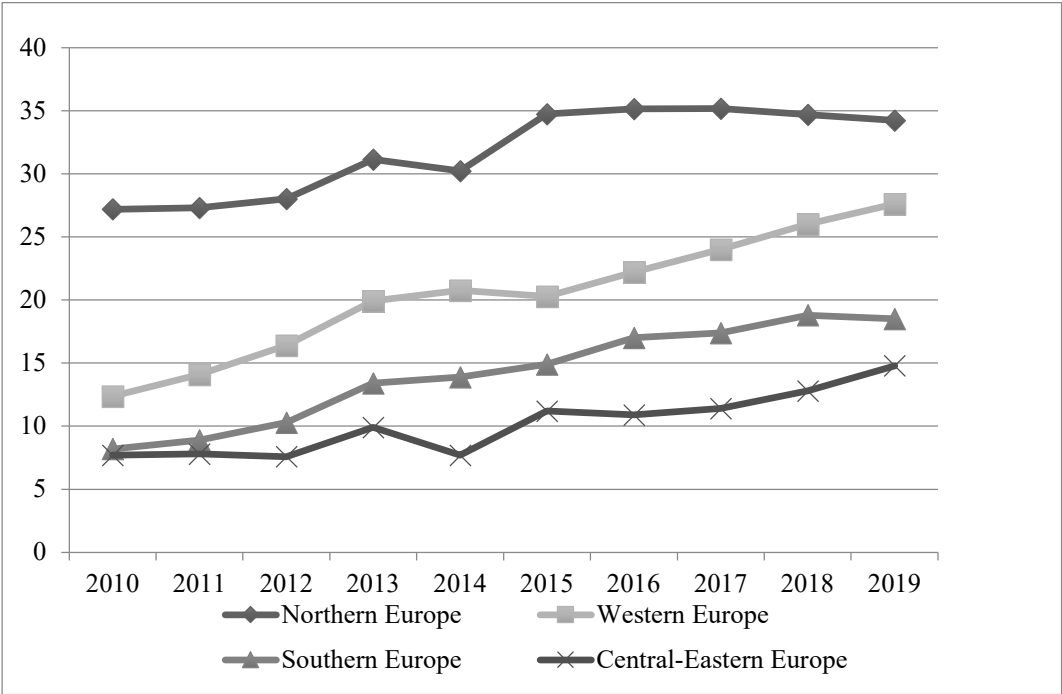


Figure 5 Dynamics of women’s representativeness on boards by European regions  
 Source: authors own study

Women's representativeness on boards is impacted by views and beliefs about women that are related to the cultural context in different countries. More than four in ten Europeans (44%) believe the most important role of a woman is to take care of her home and family (European Commission, 2018), which resonates with Eagly and Karau social role theory (Eagly and Karau, 2002). Moreover, in one third of EU Member States this percentage is as high as 70% or more. The first 10 places in the rating of countries that agreed with this statement are taken by countries from CEE (from 81% to 69%), while developed European countries demonstrate a different understanding of a woman's role – in Spain, Germany, France, the Netherlands, Denmark and Sweden the percentage of those believing that the main woman's role is home and family caring ranges from only 29% to 11%.

### **Dynamics on the Latvian level**

Based on European Commission data, in Latvia in 2019 29% of leadership positions in large listed companies were taken by women, compared with 10.8% in Lithuania and 8% in Estonia. Unfortunately, there are no statistics prepared by local institutions about males and females in decision-making positions in Latvian organizations, but some figures about the general situation on the labour market can be found in Central Statistical Bureau of Latvia (2019) and European Commission reports. Women have historically dominated in the Latvian population, and in 2019 the country comprised 54% women and 46% men. But men were more often employed than women (67.6% of men and 61.7% of women in 2019). Women are also better educated. 67.5% of master's degree holders were women and 32.5% were men, while 55.3% of doctoral degree holders were women and 44.7% were men. Besides, men dropped out of higher education studies more often than women to participate in the labour market.

Representativeness of women in decision-making positions in the political and higher education field has affected society's views regarding women's role and ability to be strong leaders (Seierstad *et al.*, 2017). Currently, representation of women in the governments of Baltic countries differs, the biggest share of women being in the Latvian government: 21%. Three out of fourteen ministers were female in 2019. On the local government level, Latvia is leading, as women make up 34% of local government members; in Estonia and Lithuania, there are fewer women holding these positions: 29% in the last elections. In the Baltics, there were more male than female heads of universities in all three countries in the period of 2007-2018. The share of female heads of Baltic universities is highest in Latvia, increasing from 24% in 2007 to 34% in 2018.

Regarding the representativeness on the board level in the TOP 500 companies in Latvia, Lursoft data indicates that during the last three years it was around 20% (see Fig. 6). Comparing data from two different sources and our own study, we can conclude that the sample is very important, and we can see a difference of 7.9%-9.5%, which can give us a

different understanding about the situation regarding women’s representativeness on boards in business organizations.

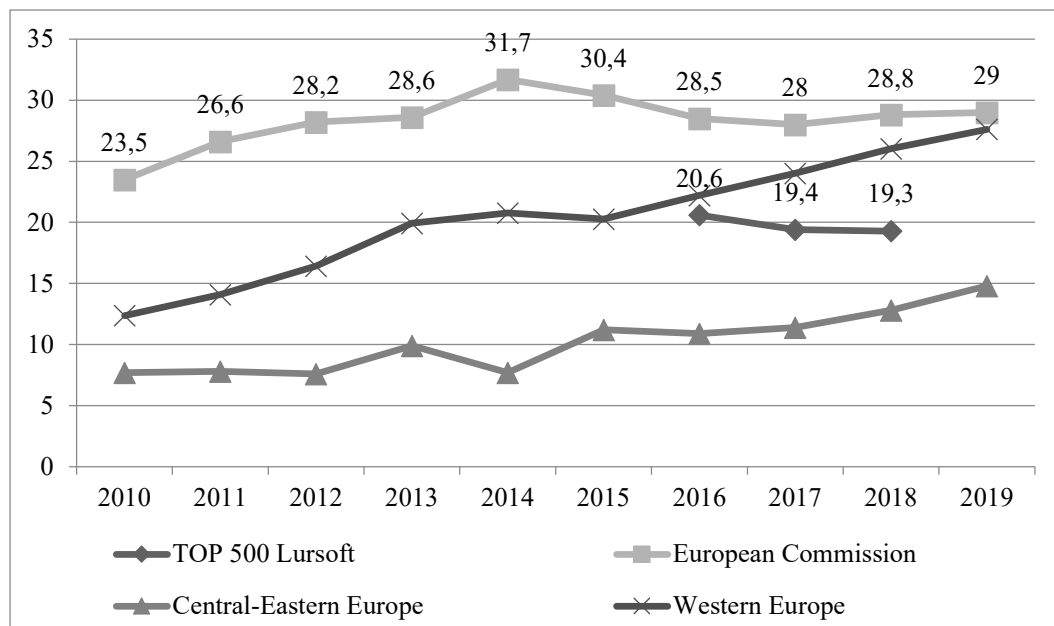


Figure 6 Dynamics of women’s representativeness on boards in Latvia  
Source: authors own study

In any case, the situation in Latvia is very close to the Western European region level and seems much better than average in the Central and Eastern European region.

## DISCUSSION AND CONCLUSIONS

The situation regarding women on boards needs regular monitoring based on different analysis criteria because of its complicated nature and the fact that it is not stable and precisely predictable.

The present research offers a cumulative view of gender diversity on boards from a long-term perspective (2010-2019) and combines information from seven different organizations published during this period. The findings showed that the situation regarding women’s representativeness on boards is very different in different global regions, countries and industries. Generally, looking from all perspectives, the last decade has seen minor, but stable progress. The differences found confirmed the view that there are a lot of aspects that impact gender diversity on boards – societal aspects, such as broad cultural factors, socio-economic factors, legislation and others (Fitzsimmons and Callan, 2016). Analyzing global reports, we can observe that the level of women’s

representativeness and speed of progress (of course, we are speaking only about figures, not more in-depth analysis) quite clearly was positively impacted by gender quota implementation in different countries (Sojo et al., 2016; Seierstad et al., 2017; Loy and Rupertus, 2017; Lending and Vähämaa, 2017). Also, we can see the opposite situation with a low level of gender diversity in global regions such as the Middle East and Latin and South America, where women's social role (Eagly and Karau, 2002) is quite different compared with developed Europe and Australasia and the countries have not implemented any quotas for women on boards. The impact of quotas appears as well when we analyse countries from a critical mass theory perspective, since all the countries with the highest results implemented a legal requirement for gender parity on boards. The research offers a new perspective and more in-depth view of Europe, separating the continent into four different regions not only based on geography, but also taking into account historical, political and economic factors. Previously Europe has been presented as one global region, but we discovered that, for example, the Central and Eastern European region is quite specific, demonstrating the lowest level of gender diversity, and needs more attention for further research. Latvia may become a potential focal point for more in-depth research on gender diversity on boards, as we can see a comparatively high level of women's representativeness on boards within the region.

The paper may be of interest to policymakers and different institutions which monitor gender equality in top management positions; it may also serve as a basis for future research with a focus on CEE countries (especially Latvia) and on how to support women in overcoming barriers to entry on boards and which factors in organizations could be beneficial for gender diversity on boards.

## **LIMITATIONS AND DIRECTIONS FOR FUTURE RESEARCH**

This study has limitations in terms of data analysis. Different statistical reports offer different perspectives on the current research issue, and it is not easy to compare data from different sources, given the different amounts and sources of the analyzed organizations. All reports have unique, specific structure and use different criteria for the analysis. Some look at it from the view point of absolute number of women on boards, others from critical mass perspective (three or more women on boards), others analyze all-male boards data. We have identified 30 different criteria used for the analysis and only one of them is common for all the reports - gender diversity by country. The classification of geographic regions as well as of industries also differs; therefore, we have an opportunity to compare and to make conclusions only based on 2-3 sources, not from all. Results are based on different samples, sometimes it is not possible to get insights about the real situation, and the difference may even be close to 10%. The Central and Eastern European region is not

represented widely and for long periods in existing reports; therefore, we can make only some first conclusions about the real level of women's representativeness on boards.

Statistics from different sources offer only a "helicopter view" of the problem of how to increase gender diversity on boards and do not provide deeper insights regarding behavioural perspectives on boards, addressing why in some organizations it is possible to implement gender-diverse boards that have a positive impact on organizational performance, and why some boards are closed and not welcoming for female directors. Analyzing gender diversity on boards from the industry perspective gives us the understanding that for women in male-dominated industries it is much more difficult to overcome barriers to becoming a board member; therefore, it could be valuable for further research to focus on such industry sectors as information technology, energy, real estate, materials and industrials.

Latvia may be an interesting area for more in-depth analysis of how women are able to overcome barriers and reach the board level, since compared with other countries in CEE, even with the two closest Baltic countries, Latvia has demonstrated a level very close to the general European level. Latvian women's experience, organizational practices and attitude may be very useful for generating some ideas and models for overcoming barriers to women's entry on boards, especially taking into account that in Latvia there are no quotas for women in decision-making positions in organizations. This paper may serve as a basis for future research with a focus on CEE countries (especially on Latvia) and on how to increase gender diversity on boards.

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