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WOMEN IN COMPANY OWNERSHIP, GOVERNANCE AND MANAGEMENT LEADERSHIP POSITIONS: FROM DOING TO BEING

edited by

Luca Gnan

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Introduction

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1. - Premise

For years, an ongoing debate in practice and in research has taken place about both why there are so few women in company ownership, governance, and management positions, and whether a higher proportion of women in top positions affects firm performance. This is an evidence that the glass ceiling still strikes. Although gender quotas for top positions have brought women in the realm of leadership, they still lag far behind in corporate and elite professional contexts. In Europe, women constitute about a third of managerial positions but only three percent of CEOs (European Commission, 2008). Strong barriers that women have to face in getting leadership roles then still exist. Moreover, gender expectations and practices shape people's experiences even after they reach the top. Therefore, a challenge to women's leadership arises from the mismatch between skills traditionally associated with leadership, and those usually attributed to women. The assertive, authoritative, and dominant behaviors linked with leadership tend not to be viewed as typical or attractive for women. Anyway, if gender discrimination exists, *i.e.* the firms are hiring more male managers irrespective of the fact that more talented female potentials exist, the firm performance would eventually increase in case of a more balanced recruitment policy for managers.

According to the literature, there are several arguments advocating for women in firms' ownership, governance, and management. The key argument is that more diverse shareholders, directors or managers would be able of making more diverse and creative decisions based on different opinions and experience. Furthermore a larger number of women in ownership, governance, and management

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most likely positively affects the career aspirations of younger women in lower positions. As a consequence the pool of potential candidates for top positions within the firm will increase and in the long run affect firm performance positively. But the glass ceiling is still there. It remains a striking disconnect between the performance imperative and the actual numbers of women sitting in seats of influence. Across the countries and throughout industries, numbers at the top are dispiriting.

That about-face well captures the contemporary ambivalence about women and leadership. Are we sure that women‘s under-representation in leadership positions is only attributable to traditional gender expectations and practices? The dream was that filling the pipeline would take care of the problem, but it is now clear that time alone is not the answer. For more than two decades, women have been earning about one-third of the MBAs awarded in the US, yet they comprise only two percent of Fortune 500 CEOs and eight percent of top leadership positions.

Feelings toward women are generally positive, but when women achieve distinctly male arenas, they are considered competent, but less liked than equally successful men. Besides, when women perform male roles, they are liked but not respected. In sum, it seems that women exchange achievement for affiliation in traditionally male roles. In leadership contexts, these biases play out on several levels: in the ways that organizations structure leadership paths and positions, in the ways people perceive women leaders, and in the ways women leaders perceive themselves and what they must do to succeed.

If leadership is about who leaders are and the contexts in which they lead, then the problem could be reframed by considering how gender biases play out at both the individual and organizational levels. At the individual level, one central problem is developmental: the way gender affects skills for leadership identity. At the organizational level, the problem is structural: the way unconscious biases and work practices constrain women's leadership opportunities and performances. For this reason we think that a further effort should be done by management scholars and economists to invest in these issues.

2. - Some Issues From the Scientific Debate

Research discovered that frequently the role of women in businesses arises from their organizational culture: in traditional businesses, family firms mostly, the male part is in charge of the economic wealth of the family, the female one covers a support role and takes care of the house, the children, the family unity, and she is almost in charge of social responsibilities. Family roles are transferred into the business realm and women are strongly influenced by traditional expectations. Woman should provide support, should always be available to listen the problems of different family members, should be emotional, but without any possibility to question or to challenge or to act independently. These expectations influence also the recognition of women's role: frequently women work is almost unpaid.

Also the personal relationships are dominated by the family. Usually these women have only friends from the family network or from another (family) business. In some cases, interactions with non-family members are discouraged. For some of these women, any deviation from the traditional role is forbidden, as well as new ideas or suggestions. The family network specifies their interaction with each member and limits any personal and professional alternative to the family firm (Kepner, 1983).

Women as an Opportunity for Growth

In the 20th century, changes in marriage, childbirths, and divorces, affected also the family composition and the role of women in the family and in the firm.

The most evident change was the increase in the share of women working outside the home, from a 30 percent in 1960 to a 60 percent in 1998, even if the majority of them works part-time (Aldrich & Cliff, 2003). This increasing tendency has implication also for the recognition of women as an opportunity in the work environment, and it focuses the attention of the women's role in family business.

Despite the data, for the most part of it, women do not plan a career in a business and do not aspire to eventual ownership. They look on their work as a job, not a career. Women under the age of thirty, however, tend to be more career oriented and assertive about their own professional needs than older women (Salganicoff, 1990).

Women's supportive, sensitive function in families should be valued as one of the essential characteristics of a well-balanced manager. In addition, women have strong loyalty and commitment to the business.

Research discovered the important influence that women may exert on crucial steps of the life of the firm, especially for family firms. In particular, the CEO spouse are normally invisible, but their role is the key of the communication in family relations, and in succession and continuity of the firm.

The role assumed by women in a couple varies according to the relationship with the CEO. In general spouses are influenced by the perception of the needs of the family, their ability to perform a leadership role and the existence of a third person to supply the role of "emotional intelligence of the family". Spouses are co-architects of family cultures, and family communications.

CEO spouses are divided by literature in six categories: jealous spouse, chief trust officer, business partner, vice president, senior advisor and free agent (Poza, 2004). The most part of these roles presents women as the key of the success of the business. Each one of these spouses gives a contribution to the success of the family firm and represents an important resource. The jealous spouse, for example, even if she is in competition with the business, she can be a motivation for delegating and for the professionalization of the business; the vice-president type usually possesses technical and professional skill that she uses to safeguard family's interests. Randomly, CEO spouses have played a key role in initiatives to help the relationship between the family and the management of the business and to further orderly governance of the ownership system. Furthermore, these women nurture future generations, growing children with a sense of commitment for the business, and they assure the continuity of the business.

Historically, Businesses Commonly Had "No Women" and "No Wives" Roles

Recently, women do not hold only the role of spouses or the one of support to top male managers, but they are also entrepreneurs or CEOs. Women that are not employed in the business are now educated to be active owners and they are encouraged to give fruitful insights. Recent research observed that the presence of women makes the business climate relaxed and friendly. The society and the business world started to recognize the opportunity of growth that a woman may represent for a business.

The current stream of thoughts of family ambition and increasing gender neutrality, women's role encompass higher achievement in organizational hierarchies. Women are more active in a wider range of roles. Sibling management and ownership teams usually and normally include women, who are not employed in the business and who are more likely to be educated, active, and passionate owners whose insights and inputs are encouraged and honored rather than relegated to pillow talk.

Some of women's characteristics can contribute greatly to the success and the survival of different businesses. Many factors in women's psychology and socialization enable them to provide sorely needed humanization of the work environ-

ment. In particular, women define themselves in terms of :
- love and sharing;
- child bearing and their maternal role;
- perceived feelings and moods of others;
- family and career, contextual thinking;
- relationship with others and the ability to care.

Women can have successful and rewarding careers in businesses and businesses can benefit greatly from women.

The Main Research Streams on Women in Businesses

Studies in business analyzed women presence and contribution in relation to several aspects, which are strictly linked:
- succession and the Glass Ceiling problem;
- role and Conflict between the family and the business;
- invisibility;
- managerial Style and Gender Bias;
- copreneurs.

The issue of succession is one of the first arguments studied in the business field, as a good succession is the key of continuity for firms. For example, in family firms, the general rule adopted for succession is mostly primogeniture: the eldest son is the first in line. If in a family there are some female and only one male sibling, even if he is the younger son, he is the only one considered for succession. The choice of a female is made only in the case there were no other offspring. Something is changing.

Recently, with the growing number of women in business, the criteria of appointment is no more the primogeniture one, the selection criteria moves from birth, sex and age to education, managerial and financial skills and commitment to the business. Younger sons and daughters are potential successors, but the latter fill unprepared to recover the role of CEO and it must always face the skepticism of parents and nonfamily members. The selection of a female successor changes family equilibrium and it starts conflicts between family members. In some cases, literature presents the birth of conflicts between mothers and daughters, in the case the mother is not involved in the business. Because of the closeness of daughters to their husbands, these mothers tend to became jealous and rivals of their daughters, undermining their femininity.

During years, maybe as a consequence of the increasing number of women-owned businesses, researchers moved the focus from the father-daughter succession to the impact of the owner gender. Research reveals that women running business keep up their relations with children and they are willing to share responsibility and to guide the next generation during the succession process, but they are reluctant to relinquish control. Daughters, often, encounter more difficulties in succession. Scholars discovered also the "daddy little girl" phenomenon: fathers look at their daughters as the little girls also after the succession, and this phenomenon undermines their authority in the business.

Related to the difficulties in succession for women there is the problem called the "glass ceiling", an invisible but impenetrable obstacle between women and top management positions. Many career-minded women seeking management positions bump into the glass ceiling, or informal limits as to how high they could rise on the advancement ladder. Many women find themselves victims of path discrimination, receiving significantly less remunerations than the ones of males performing comparable jobs. Often gender-bias relates to illegal and informal recruiting practices. According to this theoretical framework, women in businesses finds limits in progressing and they are usually relegated in non-top positions.

Research discovered also a mirrored glass ceiling, a phenomenon in which women that reach top positions, decide to return in low level positions. Research states that this behavior is due to the influence of the organizational culture: females are neither encouraged, nor educated to hold important positions in the firm. For example, in family firms, in many cases, wives sacrifice their career advancement to avoid sex-role conflicts with their spouses.

During years scholars discovered a reduction of the glass ceiling for ownership roles in firms, but not yet for managerial positions.

Scholars call the leadership style of women "emotional leadership". Frequently women transfer their nurturing inclination from the family to the business: they are more team-oriented, participative, and give importance to needs and relationships with employees, with a strong commitment and loyalty to the business.

Research underlines that this kind of differences may be considered positive, but they may represent a sort of trap: women with a masculine business style may be considered too aggressive and ambitious, and penalized by the society.

Another stream of research on women in firms regards the invisibility of women's contribution.

Generally women in businesses recover positions of support and they are not involved in important business decisions. Research discovered that, even if invisible, their contribution is one of the key of the success and the continuity of the enterprise. Spouses of family business leaders exert an important influence also on succession processes.

Research identifies several causes of the women invisibility in businesses. The first one is represented by the environment in which the family live and work. In some countries, the power map among a couple is dominated by men, and women with a form of power are seen negatively. As a consequence, women accept a minimum recognition for their contribution, in order to avoid negative social sanctions.

A second cause is the family: women are expected to concentrate their efforts not in the business, but in home responsibilities.

Another cause of the female invisibility in firms is the vision that women have of themselves: they are not able to recognize the importance of their contribution.

The literature on women in organizations presents the issue that women face in deciding their role with respect the family and the work. According to research, business-women are expected to be always available, with higher levels of commitment to the business. For women in career into the business this concern may be amplified: daughters point out that their fathers want them concentrated on the business, but they are always asking for grandchildren. Many authors underline how, in this situation, women feel entrapped and feel themselves without the support of the family.

Another stream of research is the one on copreneurial firms. The word copreneur was coined in the late 1980s, in order to represent married couples that share responsibility, commitment, and ownership of business.

The rise of copreneurial firms is due to the growing number of women in business. Due to the nature of copreneurial couples, where ownership and responsibilities for the enterprise are shared, the copreneurs are a way for women to overcome gender stereotypes. Several contributions examined the entrepreneurial firms, and research has discovered that the type of business and the number of hours that each spouse works may have a direct effect on decision making in the business and at home.

In copreneurial businesses, women are allowed to pursue their career and they are totally involved in the business. Also when the division of roles in a entrepreneurial couple is the classical one, with the woman responsible for the house and the children, these women are satisfied of their life. Unfortunately this field of study is in the first stage and there is a lack of literature about it.

The Questions the Special Issue Rises

- Why the glass ceiling occurs? Why have women apparently not received the same opportunities for career advancement as men? Why does the advancement of women often stop just short of the general management level? Why is the problem still apparent despite several years of efforts, represented by affirmative action and equal opportunity?
- Could failing to accept women as legitimate leaders make gender bias a significant problem not only for women but for organizations as well?
- Is there an unexploited opportunity between gender diversity in ownership, governance, and management and firm performance? What are the mediating consequences of the presence of women on top positions just before firm performances?
- Are organizations, if unwittingly, communicating that women are not fitting for leadership roles?
- Are there some forms of organizations/businesses that fit better than others with women? E.g. family businesses, entrepreneurial business, venture backed firms, startups, and so on?
- In organizations, as women may view their leadership through a cultural lens distorted by gender bias, may a woman have difficulties in developing a viable self-view as a leader?
- May women leaders, unable to firmly ground their self-identity in the leadership role, be missing a critical requirement for leadership development?
- How women leaders might navigate a different societal and organizational terrain, not rooted in cultural ambivalence, from their male counterparts more effectively? And how organizations might support them and stand to gain in the process?
- How ambivalence about women emerges in organizational structures and practices, as well as in individual attitudes toward women? How the resulting double bind that women face shapes their experiences and identities in leadership roles? How these dynamics in turn may limit their capacity to exercise leadership effectively?

Challenges for a Further Research Agenda

From this special issue emerged the overtaking of many assumptions on women in family firms. Nevertheless, all the papers underlines in different ways the presence resilience of some issues, and new research questions arises.

How gender-bias and glass ceiling still limit women visibility?

Succession in family firms is not still influenced by the primogeniture, and family firms seems to be the ideal environment for women career, but the problem of glass ceiling and gender bias is not solved. New research is needed to analyze the reason of this resilience.

How much women emotional leadership influence firms performances?

Even if the benefits of women emotional leadership on work environment had been widely recognized, more researches are needed. In particular, scholars should focus their attention of the relation between emotional leadership and firm performance.

How nationality may affect women challenges in family business?

Past research on women in businesses appear to be limited in its findings: most of the samples used were collected in the United States. There is a need to extend the researches to other countries, in order to analyze the impact of culture and traditions on women in family enterprises.

Does the role conflict still exist?

In the last years, work-family role conflicts had not been analyzed. A more deep research is needed, in order to confirm or controvert past researches.

The Answers from the Special Issue

This special issue includes seven articles. Together, they provide an efficient synopsis of some of the major developments and future needs about the role of women in firms' ownership, governance, and management and the related research streams.

The article by Bianco, Ciavarella, and Signoretti provides a clear picture on women on Italian listed companies' boards, focusing on who are these women and which are the drivers of their presence in those boards of directors. The Authors reveal the presence of the glass ceiling also in governance in Italy, as women on boards relate to the minority of the publicly listed companies and these firms are the smaller ones. The most astonishing result is that they often are alone in the boardroom, with the inevitable consequence on their effectiveness in influencing the decisional processes and, eventually, the firm's performance. Anyway, some hints arise from the article that support selection processes, in the appointment of women as board directors in publicly listed companies, associated with the imposition of gender quotas in Italy.

Bührmann and Hansen draw another picture. They focus on women's entrepreneurs, concluding that they do show entrepreneurial characteristics, detangling them from the exclusive realm of men. They demonstrate that entrepreneurs slowly grow into their role, nurturing and building specific profiles as "enterprising selves" trough a complex individual and organizational learning process. The Authors, therefore, suggest to take in to account both the male and female image of the entrepreneur, focussing on their different cognitive aspects as well as affective ones and on how men and women manage the interactions of both systems. Consequentially, Bührmann and Hansen raise a general call for deepening the research on entrepreneurship taking into account the relevance and the interplay of other social dimensions or categories, such as ethnicity, sexual orientation or age.

Cosentino, Donato, Montalto and Via, within a business case perspective, show that women on boards are not able to influence firms' leverage and total risk. Starting from psychological, social and economic theories on group behavior and gender diversity within groups, they develop a cross-country research on publicly listed companies in Italy, France, Germany, Spain and Norway. Interestingly they conclude that countries present artificial differences on the role of women on boards in order to justify discrimination or unpopular strategic decisions. This conclusion is supported by the evidence that the leverage of the firms is only related with the presence of a female CFO, dismantling the role of women board members contributions or of women in top management positions. Nevertheless, from an institutional and social contextual perspective, the contribution of women on firm policies may not be considered a constant in different countries. The authors, therefore, ask for deepening the research about the different institutional and social pressures on women, which may lead to a gender difference in risk propensity.

The article by D'Ambrosi and Gnan wraps up some lessons from different European countries which have already or are going to adopt the so called "quota law" about the presence of women on boards. Two different aims lead the study: *i.* how gender diversity brings a different value creation within the boardrooms; *ii.* how the country perspective may influence the presence of women on boards. The Authors focus on three different European countries: Norway, Germany, and Italy. Norway is the country with a long history in promoting gender equality and it seems to be a good example in bringing equality in the workplace. The Authors wonder if other countries as Italy and Germany should follow the Norway's example and incorporate the Norway lessons. Many countries, institutions, and activists have been looking at Norway indeed. However, Norway has faced many steps and it presents a richer and more suitable environment for positive changes on the position of women in the society than other countries. In Norway, gender equality is set out in legislation and women are active in all walks of public life, both the social and the economic one. Nevertheless, women still encounter few problems and little chauvinism in Norway and are expected to take part in meetings on an equal basis with their male counterpart as expression of egalitarianism that permeates Norwegian society. However the companies where the quota regulations have been applied are generally more influential in the Norwegian economy. The Norwegian experience therefore shows that without a quota legislation there will be no change on the role of women in the governance of the companies.

Del Prete and Stefani reveal another picture about "the Italian Case" in the banking sector. Italy has the lowest representation of women in bank boardrooms. The article explores this gender discrimination in Italian bank boardrooms, mainly considering top-decisional memberships. The Authors show that women are more likely to be appointed in supervisory boards rather than in the administrative and executive ones. They argue on the more conservative nature of women than men when they act as investors. This conservative trait is in contrast with the need of covering positions more related with risks, and that may be necessary for a bank's success. On the other hand, the Authors reveal that their presence may be crucial when more rigorous credit policies are requested or when the bank suffers bad performances. Moreover, female directors are more relevant in more efficient banks, or in banks with higher share of non-performing loans in the past. The study, therefore, provides some clear indications to the debate on the increase of the female participation in bank boards.

The article by Drago, Millo, Ricciuti and Santella explores the network of women in boards of the Italian public listed companies (female interlocking directorships), evaluating its contribution on the value creation processes of the different companies. Nevertheless, consistently with the economic theory and previous literature, the study confirms that female interlocking directorate has a negative impact on equity value and firm performance, as the male one. The study raises a question about results of the impact of female directorship on corporate governance measures. It wonders if they could be driven by differences in some unobservable firms characteristics, such as corporate culture, affecting both performance and gender diversity, introducing some reverse causality reflections on the role of women in boards.

Montemerlo, while stressing the importance of appointing female talents and leaders at firm top governance and management levels as a critical driver, argues that in firms women are still under-exploited, due to a persisting glass ceiling.

The article assumes that one major barrier is the still partial recognition of female talents and their possible impact. The article, therefore, attempts to define what should be taken in account as "consolidated" knowledge regarding women's contribution, even evidencing what is still to be fully accepted of women's contribution and the related obstacles at the cultural, organizational and individual level. The Author, finally, reveals how fostering gender research may help women's legitimization, trough the development of a gender maturity as well as of organizational and ownership contexts that nurture mature female leaderships.

In summation, the special issue examines the role of women in ownership, in governance, and in management of the firms form different perspectives. Drawing upon different theories and practical views, all the contributions argue that the wider societal contexts within which firms operate, and in which women make their career and life choices play a profound role in shaping the pattern of firms diversity internationally. The special issue seems to highlight a wide variation in the prominence of women in firms top roles across countries, and reveal that governmental institutions and prevailing economic systems are most strongly associated with the prevalence of women on companies' top positions. We may conclude that future research concerned with women on top positions of firms should pay greater attention to the importance of institutional context, and that policy developments oriented to providing greater support for women's rights and promoting the economic engagement of women are likely to have the greatest impact on the representation of women in senior roles.

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Women on Boards in Italy*

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Female presence still concerns the minority of companies and a small number of women; female directorship is associated to some characteristics of firms and of women themselves, depending in particular on whether they have family links with controlling agents. Two very different models emerge. On the one hand, family-affiliated women are more present in smaller companies, with a concentrated ownership, in the consumers sector. On the other hand, not-affiliated women are more common in widely held companies or in firms owned by a foreign shareholder, in the high technology sector, and in companies with younger and more independent boards.
[JEL Classification: G34; G38].

Keywords: gender diversity; corporate governance; board of directors.

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1. - Introduction

The Italian labor market is characterized by a very limited women participation. As the Global Gender Gap Index[1] shows, Italy is one of the lowest-ranking countries in the EU as for the size of the gender inequality gap, and its rank deteriorated further over the last year[2]. The percentage of female employees in Italian private companies is among the lowest (30%), with only India, Japan, Turkey and Austria performing worst[3].

In Italy women seem to experience both a horizontal and a vertical segregation. At the horizontal level, Italian women are active mainly in education and health; in the manufacturing sector, in textile and clothing, while they are almost absent in other industries. At the vertical level, female employees tend to be concentrated in low or middle-level positions.

The importance of diversity in corporate boards has been discussed in light of the agency theory and in the resource dependence framework. Both theories claim that individuals' characteristics affect the ability to monitor and advise the inside directors and provide outside connections.

According to the former, a heterogeneous board is a stronger monitor of executives' behavior in the interest of shareholders. This is grounded on the fact that diverse people may have different backgrounds and bring different viewpoints to board oversight (Anderson *et* al., 2009; Adams and Funk, 2010). Being generally excluded from old-boys networks, female directors might enhance board independence of thought and monitoring functions (Adams and Ferreira, 2009; Rhode and Packel, 2010).

The resource dependence framework considers directors as providers of important resources to the firms such as connections with the outside environment, advice and counsel (Pfeffer and Salanick, 1978; Ferreira, 2009). The more directors can provide a breadth of resources, including different professional backgrounds, per-

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[1] The Global Gender Gap Index was introduced by the World Economic Forum in 2006 as a framework for capturing the size of the gender inequality gap across countries in four areas: *i)* economic participation and opportunity; *ii)* educational attainment; *iii)* health and survival; *iv)* political empowerment.

[2] Italy ranking in 2010 is 74, while in 2009 it was 72. Considering only the sub-index related to the area "economic participation and opportunity", Italy ranks 97th (The Global Gender Gap Report, 2010).

[3] India is the country with the lowest percentage of female employees (23%), followed by Japan (24%), Turkey (26%) and Austria (29%).

spectives, problem-solving skills, the more they will be able to endow top managers with valuable advice and counsel (Anderson *et* al., 2009; Terjesen *et* al., 2009).

However, someone suggests that females might be appointed as "tokens". Tokenism may hinder the beneficial role of female directors, since women minorities in groups may be subject to discriminating behaviour (Kanter, 1977). In fact, not only the presence but also the number of women directors is crucial and a critical mass, which means at least two of them, is deemed necessary to be significant influencers (Konrad *et* al., 2008; Elstad and Ladegard, 2010).

Many researchers have tried to measure the effects of female representation on both governance and financial performance outcomes. However, no conclusive evidence on how gender diversity affects performance exists so far.

As for the effects of diversity on the adoption of good governance practices, a wider female representation has been found to be associated with stronger attention to the handling of conflict of interests and boards with two or more women make more use of search consultants (Brown *et* al., 2002). A recent study on a large panel of US boards finds that gender diversity has a positive effect on some board practices associated with good governance but only for badly performing companies. The greater the percentage of women in the board the higher the attendance of male directors, the number of board meetings and the relevance of pay-for-performance (Adams and Ferreira, 2009). These results suggest that diverse boards are indeed stronger monitors. Finally, a recent contribution supports the idea that gender diversity is beneficial for shareholders by demonstrating its positive influence on a firm's general orientation towards shareholders (Adams, Licht and Sagiv, 2010).

Much of empirical research on gender diversity has focused on its effects on performance measures, though with mixed evidence. While some authors find a positive relationship between gender (and ethnic) diversity and Tobin's Q or accounting measures of performance (Erhardt *et* al, 2003; Carter *et* al., 2003), others do not reach statistically significant nor conclusive results. The impact of diversity varies with firm characteristics: it may be beneficial in some but detrimental in others. According to Anderson *et* al. (2009), board diversity (including gender) positively affects the performance of more complex firms but has detrimental effects in less complex organizations. Adams and Ferreira (2009) find in general a negative relationship between gender diversity and both Tobin's Q and ROA. However, the latter result changes when controlling for firm's governance, as measured through the G Index, by Gompers *et* al. (2003). The authors conclude that in firms with weaker shareholders' protection, gender diversity positively affects performance while in well-governed firms additional monitoring (*i.e.* that exerted by diverse boards) is negative.

The gender diversity issue is not only central among scholars but it is also driving a longstanding debate on quotas which is leading a number of European countries to introduce some kind of compulsory quotas. After the leading example of Norway, gender quotas are currently on the agenda of rule makers around the world due to companies' scant progress in increasing female representation (Catalyst, 2010; EPWN, 2010). Table 1 summarizes the state of the art of gender diversity regulation across Europe.

In Continental Europe, some countries have mandated gender quotas or are discussing such a provision. In Italy, a one-third gender quota has been introduced[4] after a long debate.

Quotas regulation are generally justified on the basis of equality and fairness grounds. Nonetheless, imposing constraints on board composition may affect firms' value and raise costs in terms of restricting the possibility of appointing the best available candidate (Adams, Gray and Nowland, 2010).

From a theoretical point of view, if firms define their board structure in order to maximize their value, any regulatory constraint should be detrimental. However, if board structure is chosen to maximize the private benefits of insiders, diversity can increase firms' value (Ahern and Dittmar, 2010).

Though there is limited evidence on the effects of the introduction of compulsory quotas, a study on Norway finds that, consistent with the expected reorganization of boards, market reaction to the first announcement of the law is negative for all-male board companies and positive for those that have at least one female director (Ahern and Dittmar, 2010). The authors also document a negative effect of the new regulation in terms of Tobin's Q. Another research on the Norwegian market finds that quotas increased labor costs and employment levels while reducing short-term profits (Matsa and Miller, 2010).

Costs and benefits arising from quotas are difficult to identify. On the one hand, the increase of female representation induced by gender quotas may have potential positive effects as shown by the literature. On the other hand, the selection of new directors is not free of risks if either not enough experienced women are available or inadequate selection process leads to reduced board quality. Female directors appointed in Norway as a consequence of the new law pro-

[4] Law 120/2011.

visions are found to be younger, less experienced and more stakeholder-oriented (Ahern and Dittmar, 2010; Matsa and Miller, 2010).

Also to inform this debate, it might be useful to investigate corporate drivers of gender diversity. This might help understanding how the selection mechanism worked until today and provide a guide in interpreting possible further developments. This paper sheds some light on female representation in Italian corporate boards, by taking into account the peculiarities of the Italian corporate control models. We consider all directors of Italian publicly-traded firms at the end of 2009 and investigate the main characteristics of Italian female directors, as well as potential determinants of diverse boards. We take into account both the characteristics of the firms and those of female directors, specifically their affiliation with the controlling shareholder.

We find that female directors in Italy are still gold dust, since at the end of 2010 only 6.8% of total board sits was held by a woman and the majority of listed companies had all-male boards. However, both the number of female directors and that of companies where at least one board member is a woman are steadily (but slowly) growing.

When considering women's affiliation with the controlling agent, we find a pervasive presence of women directors with a family connection with the controlling shareholder: in 2009, 47.3% of diverse-board companies female directors are exclusively family members and in a further 9.3% there is at least one family-affiliated woman. We also investigate the peculiarities of family and non-family women directors, with reference to their level of education and the role in the board. "Family" directors are on average less educated than not-affiliated women directors: the proportion of graduated women is much higher in the non-family group than in the other one (95% *vs.* 60%).

As for the role, we find that only a minority of female directors is an independent director, whereas in almost half of the cases women are non executive directors and in one case out of three they have an executive role. Both executive and non-executive positions are generally held by a family-affiliated woman, while non-family women are usually independent directors.

These descriptive statistics provide evidence of a twofold nature of female representation in the Italian market, which is confirmed by the econometric analysis we perform in order to shed a light on the relation between some firms characteristics and gender diversity. Two different models emerge. On the one hand, family-affiliated women are more present in smaller companies, with concentrated ownership and which operate in the consumers sector. On the other hand, not-affiliated women are more common in widely held companies or in firms owned by a foreign shareholder, in the high technology sectors, and in companies with younger boards and a higher proportion of independent directors. In both models the presence of institutional investors and the size of the board are positively related to female representation.

To the best of our knowledge, this is the first paper trying to investigate the determinants of women representation in Italian corporate boards also providing an up-to-date state of the art of diversity in Italian corporate boards, right before the implementation of the new gender quotas regulation.

The paper is organized as follows. Section 2 provides some descriptive statistics on female representation in Italian publicly traded firms. Section 3 illustrates the results of the analysis of company-level drivers of the presence of female directors. Section 4 concludes.

2. - Women in Italian Corporate Boards. Descriptive Statistics

2.1 *Female Representation in the Italian Market*

The appointment of women in Italian corporate boards has grown in recent years. As shown by Table 2, both the number of female directors and that of companies where at least one board member is a woman have continuously increased from 2004 to 2009. However, female representation still appears to be low since at the end of 2009 only 6.3% of total board seats is held by a woman and the majority of listed companies have all-male boards. The numbers for the year 2010 confirm the slow upward trend (6.8% at the end of the year).

Figures on women representation in Italian corporate boards are far below those shown in the United States – where the percentage of female directors is 15.7% – and in Scandinavia – with nearly 24% of women in Sweden and Finland and nearly the required gender quota of 40% in Norway (Catalyst, 2010).

By looking at the number of female directors, the picture does not change. Table 3 highlights the very few cases of more than one female director in a corporate board, *i.e.* 34 firms representing less than 15% of total market capitalization. The most frequent scenario in diverse board is therefore the presence of one female director, occurring for 95 companies which represent 20% of market capitalization. Only 6 companies have more than 3 female directors. This situation is often considered as evidence of tokenism.

2.2 *Company Characteristics: Size, Industry and Control Model*

When looking at the market value of firms, it appears that all-male board companies represent the large majority of the market (66.5%), suggesting that firms where women are represented in the boardroom tend to be smaller caps.

This is confirmed in Table 4, which shows the breakdown of women representation by market index. Even if their boards are significantly larger, blue chips (firms in the FTSE Mib and Mid Cap Indices) show lower female representation both in terms of percentage of companies with diverse boards and weight of female directors. Female representation is higher in the Star index, comprising midsize companies subject to stricter requirements regarding transparency, liquidity and corporate governance[5]. However, the highest figures on women involvement in the boardroom are shown by smaller caps, *i.e.* firms not included in the mentioned indices, where in almost half of the cases women are present and their average weight in the board is more extensive.

Overall, these preliminary results on the relationship between size and gender diversity appear to differ from the theoretical hypothesis and empirical findings supporting the idea that firm's size is positively related to gender representation (Hillman *et* al., 2007; Peterson and Philpot, 2007; Adams and Ferreira, 2009).

Evidence on the relationship between industry and female representation shows that the latter is relatively high in IT/telecommunication sectors and consumer products industries in terms of average presence (Table 5). These industries appear to be characterized by smaller boards with a higher presence of women.

Table 6 illustrates how different control models are associated with different gender representation.

The evidence in Section A suggests that in companies controlled by a single agent (either private or public) women are more present both in absolute (in half of the companies with an average number of 0.68 female directors) and relative terms (on average, 7.6% of the board). On the other hand, more dispersed ownership structures, such as coalitions[6] and widely held companies, are associated with lower female representation.

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5 More specifically, companies in the Star segment have a capitalization of less than 1 billion euros and voluntarily adhere to and comply with: *i)* high transparency and disclosure requirements; *ii)* high liquidity (minimum 35% of free float) and *iii)* corporate governance best practices.

6 It comprehends the cases where a formal shareholder agreement defines the governance of a listed company and also the situations where, even if no shareholder agreement has been concluded, the company is not widely held nor a single shareholder can exert a dominant influence on the general meetings (GMs).

Section B of Table 6 provides another classification of the market which distinguishes companies with family control (either by a single shareholder or a coalition) from the others. Results point out that if a family is the controlling agent, female directors are more often present and hold a larger number and fraction of board seats.

2.3 *Female Directors Characteristics: Affiliation and Education*

The latter evidence suggests to carry out a more in-depth analysis of the characteristics of female directors: here we consider the affiliation with the controlling agent and a simple proxy for their education.

Section A of Table 7 classifies companies according to the nature of women's affiliation with the controlling agent. In the majority of diverse-board companies at least one of the women has a family connection with the controlling shareholder (being the controlling shareholder herself or his wife, daughter or close relative). More precisely, in 47.3% of diverse-board companies female directors are exclusively family members and in a further 9.3% there is at least one family-affiliated woman. Overall, family-affiliated female directors are present in 73 (mainly small) companies representing 10% of total market capitalization.

As for their education, Section B of Table 7 highlights that in the large majority of diverse-board companies at least one of the female directors holds a bachelors' degree (BA), whereas only for 20% of those companies women are not graduated.

Table 8 considers the same characteristics from a director-level perspective. 94 out of 173 female directors (54%) are family-affiliated and in nearly three cases out of four a female director holds (at least) a BA. The proportion of women who are graduated is significantly higher in the non-family group (95% *vs.* 60%).

These descriptive statistics shed a light on a twofold nature of female representation in Italian boards. On the one hand, there are female directors who are owners (or owners' relatives) and run the company (the largest group). On the other hand, there are professional, on average better educated, directors.

To better understand this duality, Table 9 provides a breakdown of women classified according to their characteristics in terms of affiliation and education and to their role in the board, *i.e.* whether they are executives, or serve as independent directors or, finally, are neither executive nor independent directors. Only a minority of female directors is independent (nearly 20%). In almost half of the cases, women are non executive directors, while in one case out of three they have an executive role.

As expected executive roles are generally held by family-affiliated women (68% of cases). With a comparable frequency a non executive female director is family-affiliated (Table 9, section A). As for the education, in all cases but one independent female directors hold (at least) a BA, while the proportion of graduated directors is 74% in the non executive group and 65% among the executives (Table 9, section B).

At a first glance, the state of the art of female representation in Italy appears to differ substantially from the Anglo-Saxon countries, where female are less likely to be executive/inside directors (Carter *et* al., 2003; Singh *et* al., 2008). On the contrary, in those countries the large majority of female directors is independent (Adams and Ferreira, 2009).

A previous study on Italian boards – in a historical perspective – provides some evidence on personal characteristics of Italian female directors such as family affiliation (kinship) and education (Gamba and Goldstein, 2008)[7]. The authors find that the percentage of family-affiliated women has decreased in the last four decades while the educational level of female directors has considerably increased over the last ten years.

3. - Female Directorship and Corporate Characteristics

In this section we investigate whether, and the extent to which, female directorship is associated with certain corporate characteristics. To this end, we examine whether the ownership and control structure, the presence of institutional investors, the sector in which the firm operates and some board characteristics affect female representation[8]. All the variables are described in Table 10, while summary statistics are in Table 11.

In order to conduct our investigation, we also control for some other firm's characteristics. First of all, we control for firm's size, as measured by the logarithm of market capitalization, and some performance measures, namely the return on equity (Roe) and Tobin's Q. As in Adams and Ferreira (2009), Tobin's Q is cal-

[7] The authors analyzed the importance of women representation in the board of directors of Italian listed companies. They carried out an investigation of the common characteristics of women directors in seven benchmark years (1962, 1970, 1978, 1986, 1994, 2002 and 2007) drawing information from various sources.

[8] Data on internal governance mechanisms are drawn from 2009 Annual Reports on Corporate Governance; data on ownership and control structure and institutional investors participation are drawn instead from Consob databases.

culated as the *ratio* of the firm's market value to its book value, where the firm's market value is the book value of assets minus the book value of equity plus the market value of equity. Moreover, we include as control variables also board size and a measure of the firm age (since going public), in order to counter potential alternative explanation for female representation, such as "*inertia*"[9] (*i.e.* traditional boards may tend to maintain the same structure).

In performing our analyses, we formulate a number of hypotheses:

HP1. We expect female representation to be positively correlated to company size, as measured by market capitalization, in that large caps are more subject to market scrutiny and thus have a greater incentive to conform to social expectations (Di Maggio and Powel, 1985; Meyer and Rowan, 1977). Moreover, as suggested by Adams and Ferreira (2009), larger firms have might more women as directors because they have more diverse workforces, so that it may be more important to have diverse leadership[10].

HP2. We expect a positive correlation between larger boards and female directorship. Firms which do not consider diversity as an advantage, could tend to prefer small and homogeneous boards, while firms with a lower preference for homogeneity could tend to have larger boards (see de Cabo *et* al., 2009)[11]. Moreover, larger boards may also "accommodate" women more easily, since they have more seats available for potential female candidates[12]. In our sample the average board size is 9.93 and the median value is 9.

HP3. We expect that different ownership and control structures induce a different presence of women on board: a more dispersed ownership might have a greater preference for diversity and, among concentrated ownership, family companies may be more willing to appoint family-affiliated female directors. In order to test this hypothesis, we study how the degree of ownership concentration and the nature of the controlling agent affect gender diversity. We measure ownership concentration through the free float and the control stake. We expect that female

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9 See Hillman A.J. *et* al. (2007).

10 A number of studies report correlations between firm's size and women directorship (Burke R., 2000; Singh V. *et* al., 2001; Hyland M.M. and Marcellino P.A., 2002; Singh V. and Vinnicombe S., 2004; Hillman A.J. *et* al., 2007; Peterson C.A. and Philpot J., 2007; Terjesen S. and Singh S., 2008; Adams R. and Ferreira D., 2009). Common measures of firm's size are market capitalization, sales, total assets, number of employees.

11 The finding that the larger the board, the greater the number of female directors is common in the literature (cfr. Hyland M.M. and Marcellino P.A., 2002; Brammer S. *et* al., 2007; Sealy R. *et* al., 2007) .

12 Cfr. Agrawal A. and Knoeber C.R. (2001); Carter D.A. *et* al. (2003).

directors are more present in companies with a less concentrated ownership, since the more the number of shareholders, the wider the interests to take into account (Hillman *et* al., 2002; Carter *et* al., 2003; Kang *et* al., 2007). The average control stake in our sample is 51.97%, while the median is slightly higher (nearly 54%). The free float has an average of 40.59% and a median of 37%.

As for the nature of the controlling agent, we test whether family-controlled companies, state owned firms, companies coalition, widely held and foreign companies have different preferences towards female directorship. As descriptive statistics have shown, the large majority of our sample is family-controlled (66% of our sample) while only a few (nearly 10%) are owned by a foreign shareholder or are widely held. State owned companies account for the 8% of our sample.

HP4. We assume that female representation varies across industries[13]. Adams and Ferreira (2009) show that female directors are less prevalent in firms which deal with infrastructure, energy or electronics than with consumer products. They explain this results observing that the consumers of the products are more likely to be diverse and hence having a woman' perspective may be particularly valuable in those firms. Brammer *et* al. (2007) find the highest rates of female directors on UK boards in the retailing, banking, media and utilities sectors. They interpret these findings considering that these sectors have greater female participation in the workforce, which results in a greater pool of female candidates from which to select potential directors.

HP5. The pressure for gender diversity comes from a number of different stakeholders. Among them are institutional investors, who increasingly scrutinize corporate boardrooms for diversity (Browder, 1995; Gillan and Starks, 2000; Singh, 2005). Hence, we assume that the presence of institutional investors as major shareholders positively affects female representation. We consider ownership by institutional investors, both Italian and foreign and in particular whether they are major shareholders, *i.e.* hold more than 2% of the capital of Italian listed companies[14]. In our sample this occurs in 50% of our firms; in 44% of the sample there is at least one foreign institution investor.

[13] A number of studies find correlations among industry and female representation, even if findings are inconsistent (Fryxell G.E. and Lerner L.D., 1989; Hyland M.M. and Marcellino P.A., 2002; Brammer S. *et* al., 2007; Hillman A.J. *et* al., 2007; Sealy R. *et* al., 2007; Joy L., 2008).

[14] In Italy shareholders are required to disclose holdings of more than 2% in Italian listed companies.

HP6. Finally, we investigate whether women directorship is affected by some board characteristics, such as the average age of the board, the percentage of independent directors and the percentage of directors appointed by minorities. With reference to the average age of the board, our hypothesis is that older board are more resistant to women directors (Carter *et* al., 2002). The average age of the directors in our sample is 56.1 (the median is 56.4). The oldest board has an average age of 69, the youngest of 40. Directors appointed by minorities were still not very represented in 2009, since the average percentage of such directors in the boards is 0.055 and the median is 0[15]. Finally, the average percentage of independent directors in the board is 0.345 (the median is 0.33).

3.1 *Data and Methodology*

In order to take all these factors into account, we perform some probit regressions where the dependent variable is whether at least one women is in the board. Our sample includes all the 262 Italian companies listed on the Italian Stock Exchange at the end of 2009 for which all data are available. For these firms data on board of director characteristics (gender and age) are obtained from the Consob database, while other data on board composition and attendance are drawn from companies' Corporate Governance Annual Reports for the year 2009.

We do not only investigate which variable are correlated to female directorship as a whole, but we also try to understand if they differ according to the "type" of woman appointed. In particular, we want to learn whether the predictors of family-affiliated female directorship differ from those of not-affiliated.

Hence, we estimate three different model. In the first (section 3.2) the dependent variable is a dummy measuring the presence of at least a woman in the board, while in the other two models we consider separately the presence of family-affiliated and non-family female directors (section 3.3)[16].

[15] This is also because the legal mandate for at least one minority director is fairly recent, and thus implementation is still a work in progress. This is not the case for privatized firms which have longer been subject to similar provisions (which envisage the so-called "*voto di lista*").

[16] We have also performed some Tobit regressions, in order to measure the impact of our regressors on the percentage of female directors in the board (all females, affiliated females and not-affiliated women). The related results are not provided here, since they are completely in line with the probit findings.

3.2 *Female Directorship*

Tables 12-14 show the results of the probit regressions where the dependent variable is the dummy *female*.

As for the control variables, all the regressions show that the probability of having at least one female director decreases with firm size. This finding, in line with our descriptive statistics, is against our assumptions and the main results in the literature. Board size is always positive and statistically significant, suggesting, as expected, that firms with larger boards are more open to diversity[17]. The variable *listing year* is always significant and negative, indicating that women directors are more likely in firms listed for a longer period, as shown also by Hillman *et* al. (2007). Finally, no correlation between performance and women's presence seems to exist since the coefficients for *ROE* and *Tobin's Q* are never significant.

In Table 12, columns (2)-(7) we regress our dependent variable against some measures of firms' ownership and control structure. Results indicate that the probability of having female directors is higher in widely held companies or in firms owned by a foreign shareholder, but also, on the opposite extreme, in companies with a concentrate ownership.

In Table 13 we extend our analysis by regressing the dependent variable against variables related to the sector in which the firm operates. Results suggest that firms in the high technology sectors have a higher probability to appoint women as directors as compared to other sectors. The positive relationship might be explained considering that firms in this industry are younger (the average listing year is 2000, the highest among all sectors), smaller (they represent only 4% of the entire market) and more dynamic than others companies, considering the peculiarities of the sector in which they operate.

Finally, in Table 14 we consider the effect on our dependent variable of both institutional investors presence and board characteristics. As shown by columns (1) to (3), female directorship is also positively related to the presence of institutional investors. The result is mainly driven by foreign institutional investors, since the coefficient for italian institutional investors is positive but not significant, whereas that for foreign institutional investors is positive and significant at the 5% level. Finally, results do not support our hypotheses on the effects of board characteristics, since none of the variables considered is statistically significant.

[17] This result is in line with Carter D.A. *et* al. (2003); Hillman A.J. *et* al. (2007); de Cabo R.M. *et* al. (2009).

3.3 *Family and Non-Family Affiliation*

In Tables 15-17 we show the results of the probit regressions using as dependent variables whether there is a family-related women board members (Model 1) and whether there is an indipendent woman board member (Model 2) separately. Comparing the results of the two Models, some interesting findings emerge.

Control variables. As for the control variables, we observe that the results for size of the company and *board size* are confirmed, even if the variable company size is not always related to the presence of not family-affiliated women. Also the year when the firm went public looses significance, especially with regard to family-related women, while it is negative when non-family directorship is considered. *Roe* and *Tobin's Q* are, as before, never significant.

Ownership and control. In Table 15, columns (2)-(3) the dependent variables are regressed against ownership concentration measures. A first difference emerges between the two Models. While the probability of having a non-family woman is not related to these variables, the presence of family female directors is higher in companies where ownership is more concentrated. Considering the type of owner (Table 16), we observe other differences. The probability of having a non-family female is higher in widely held, foreign and state owned companies and lower with family control (both organized in a coalition or single). What matters in explaining the presence of a family-affiliated female director is the variable *family,* whose coefficient is positive and significant at the 1% level. Overall, the results suggest that ownership and control structure matters in explaining not only the presence of a female director, but also the kind of woman director.

Sector. In Table 17 we provide evidence on the relation between the company sector and female directorship. Family and non-family female directors appear to sit in different sectors. Family-affiliated females are more frequently present in firms active in the consumer products sector (in line with Adams and Ferreira, 2009) and less in public utilities. Non-family women are more likely present in the high technology sectors and lower in the consumer industry. All the other sector-variables do not matter.

Institutional investors. In Table 18 we extend our analysis by considering institutional investors presence. As for family-related women, data suggest that institutional investors with major shareholdings favour female representation (but the effect of either foreign and Italian institutional investors alone is not significant). This result is in line with the discussion in section 3.2. As for independent women directors results differ according to the type of controlling agent. When it is foreign or the company is widely held, institutional investors major shareholdings do not play any role. Instead, when the controlling agent is a family or the state, the presence of institutional investors as a whole increases the probability of having a non-family female director. The result is stronger in the case of family companies, where also the presence of foreign institutional investors seems to play a role[21]. In firms with a lower propensity to a "real diversity", such as family firms and, to a lesser extent, state owned companies, the role played by outside shareholders is more important than in companies which, in principle, could be more open to diversity, such as widely held and foreign companies.

Board characteristics. Finally, in Table 19 we include also variables measuring board characteristics. None of them is related to the presence of family female directors. Instead, the probability of having a not-affiliated woman increases when the average age of the board falls and is higher in firms with a higher percentage of independent directors. The percentage of minority directors is never significant.

Overall, our results provide evidence of a twofold nature of female representation in the Italian market. On the one hand, family-affiliated women are more present in smaller companies, with a concentrated ownership and which operate in the consumer products sector. On the other hand, not-affiliated women are more common in widely held companies or in firms owned by a foreign shareholder, in the IT/telecommunication sectors, and in companies with younger and more independent boards. In both models the presence of institutional investors and the size of the board seem to be associated with greater female representation.

4. - Conclusion

In the paper we offered a preliminary analysis of women on Italian listed companies' boards. Our objective was to understand who are currently the women directors and what drives their presence on various companies' boards, which might offer some elements to understand how have they been selected.

The female presence still concerns the minority of companies (mainly the smaller ones). When women are present, in most cases they are alone. Even a simplified descriptive (regression) analysis shows some interesting regularities: their presence is associated to different characteristics of boards and of women themselves, depending in particular on whether they are related (through family links) to the controlling agent.

This might provide some insight and indications regarding the future process of recruitment of women associated with the imposition of gender quotas in Italy. Further insights might come from a deeper analysis of the effects on performance and governance, which is still limited by the extremely small share of board seats held by women.

ANNEX

TABLE 1

GENDER QUOTAS REGULATION ACROSS EUROPEAN COUNTRIES

Country	Corporate Governance Code		Legislation	
Norway			All public limited firms are required to have at least 40% female directors.	2003 (effective since 2006)
Finland	Under the comply or explain principle, it is recommended that both genders are represented in public companies boards.	2010	A 40% gender quota is required for wholly state-owned companies.	2004 (effective since 2006)
Sweden	Listed companies should strive for equal gender distribution on the board.	2008	The issue of gender quotas is being debated.	
Spain	Firms with no or few female directors should explain the reasons and the solutions taken (the nomination committee should take steps to ensure that no gender bias affects directors' appointment).	2006	The law requires a 40% gender quota in board of directors.	2007 (effective from 2015)
France	An appropriate balance between men and women should be taken into account in board and committees composition.	2010	The law requires a 40% gender quota for large listed companies.	2011 (effective from 2017)
United Kingdom	The UK Corporate Governance Code recommends that search of candidates and appointments are made with due regard to the benefits of diversity, including gender. After the 2011 revision, ad hoc disclosure on diversity policy is required and gender diversity is stated as one of the areas to take into account in the board review.	2010-2011	No specific legislation but Davies Report (2011) made recommendations; the compliance with them will be carefully monitored.	
Italy	The benefits of diversity, including gender, should be taken into account in the annual board review.	2011	The law requires a one-third gender quota for listed and state-owned firms (three-term sunset clause).	2011 (effective from 2012)
Germany	Respect for diversity and appropriate consideration of women shall be taken into account in the appointment of the management board and in the filling of managerial positions in the enterprise.	2010	The issue of gender quotas is being debated.	
Netherlands	The supervisory board shall prepare a profile of its size and composition, which considers diversity and states the objectives pursued in relation to it.	2008	Minimum representation of 30% of each gender in large companies (250 employees).	2011 (effective by 2016)
Belgium	Gender diversity should be taken into account in companies' key policies and in board composition.	2009	Law imposes at least 1/3 of each gender in management boards of state and listed companies.	2011 (5 years to comply)

TABLE 2

FEMALE REPRESENTATION IN CORPORATE BOARDS FOR ITALIAN LISTED COMPANIES IN 2004-2009

	2004		2005		2006		2007		2008		2009	
	#	%	#	%	#	%	#	%	#	%	#	%
Female directors	122	4.5	130	4.6	133	4.7	155	5.4	158	5.4	173	6.3
Companies with at least a female director	91	33.8	97	35.3	103	36.4	118	39.9	120	41.0	129	46.4

TABLE 3

DISTRIBUTION OF IN ITALIAN LISTED COMPANIES BY NUMBER OF FEMALE DIRECTORS (END OF 2009)

	N. of female directors	N. of companies	% Market capitalization
Companies with female directors	5	1	0.3
	4	2	0.3
	3	3	0.2
	2	28	13.1
	1	95	19.6
All-male board	0	149	66.5

TABLE 4

FEMALE DIRECTORS REPRESENTATION IN ITALIAN LISTED COMPANIES BY MARKET INDEX (END OF 2009)

Market index	N. of companies	% of companies with at least a female director	Average n. of female directors	Average % of female directors	Average board size
FTSE MIB	38	31.6	0.50	3.1	13.55
FTSE MID CAP	43	48.8	0.70	5.4	12.40
STAR	70	50.0	0.60	6.7	9.36
Other	127	48.0	0.65	8.2	8.32
Total	278	46.4	0.62	6.7	9.93

TABLE 5

FEMALE DIRECTORS REPRESENTATION IN ITALIAN LISTED COMPANIES BY INDUSTRY (END OF 2009)

Industry	N. of companies	% of companies with at least a female director	Average n. of female directors	Average % of female directors	Average board size
Consumer	85	47.1	0.65	7.4	8.86
Financial	59	45.8	0.69	6.2	12.49
Industrial	79	46.8	0.59	6.5	9.87
IT & Telecommunication	27	55.6	0.74	9.3	8.07
Public utilities	28	35.7	0.36	3.6	9.71
Total	278	46.4	0.62	6.7	9.93

Table 6

FEMALE DIRECTORS REPRESENTATION IN ITALIAN LISTED COMPANIES BY CONTROL MODEL AND CONTROLLING AGENT (END OF 2009)

A) Control Model	N. of companies	% of companies with at least a female director	Average n. of female directors	Average % of female directors	Average board size
Single	184	49.5	0.68	7.6	9.53
Formal coalition	58	43.1	0.55	5.4	10.72
Informal coalition	19	36.8	0.42	4.7	8.84
Widely held	9	44.4	0.56	4.7	10.33
Cooperatives	8	25.0	0.25	1.4	15.38
Total	278	46.4	0.62	6.7	9.93
B) Controlling agent					
Family	184	47.3	0.66	7.2	9.33
Other/Non-family	94	44.7	0.54	5.8	11.10
Total	278	46.4	0.62	6.7	9.93

Table 7

DISTRIBUTION OF COMPANIES BY AFFILIATION AND EDUCATION OF FEMALE DIRECTORS (END OF 2009)

Characteristics of female directors		N. of companies	% of companies with at least a female director	% of total number of companies	% of total market capitalization
A) Affiliation	Family	61	47.3	21.9	7.1
	Non-family	56	43.4	20.1	23.8
	Both	12	9.3	4.3	2.7
	All-male board	149	-	53.6	66.5
B) Education	At least one BA	102	79.1	36.7	32.0
	Not graduated	27	20.9	9.7	1.55
	All-male board	149	-	53.6	66.5

Table 8

FEMALE DIRECTORS BY AFFILIATION AND EDUCATION

	Family affiliated		Non-family affiliated		Total female directors	
	#	%	#	%	#	%
Bachelor's degree	56	60	75	95	131	76
Not graduated	38	40	4	5	42	24
Total female directors	94	100	79	100	173	100

TABLE 9

FEMALE DIRECTORS BY AFFILIATION, EDUCATION AND ROLE (END OF 2009)

	Executive		Non executive		Independent		Total	
A) Affiliation	#	%	#	%	#	%	#	%
Family	39	68.4	55	67.9	0	0.0	94	54.3
Non-family	18	31.6	26	32.1	35	100.0	79	45.7
B) Education								
Bachelor's degree	37	64.9	60	74.1	34	97.1	131	75.7
Not graduated	20	35.1	21	25.9	1	2.9	42	24.3
Total female directors	57	32.9	81	46.8	35	20.2	173	100.0

TABLE 10

DESCRIPTION OF THE VARIABLES

Name	Description
Female	Dummy variable assuming value equal to one if at least a female director holds a board sit
f_ female	Dummy variable assuming value equal to one if at least a family affiliated female director holds a board sit
nf_ female	Dummy variable assuming value equal to one if at least a non-family affiliated female director holds a board sit
Lcap	Natural logarithm of firms' market capitalization at the end 2009
ROE	Return on equity in the 2009 financial year
Tobin's Q	Ratio between the market value of the firm and its book value
Board size	Number of directors
Listing year	Year of listing
Control stake	Stake held by the controlling shareholder or coalition or by the shareholder with the highest stake
Free float	Stake held by dispersed shareholders or by institutional investors
Family	Dummy variable assuming value equal to one if a company is controlled by a family
C. Coalition	Dummy variable assuming value equal to one if a company is controlled by a coalition of companies
F. Coalition	Dummy variable assuming value equal to one if a company is controlled by a family coalition
Foreign	Dummy variable assuming value equal to one if a company is controlled by a foreign controlling agent
Wh/Foreign	Dummy variable assuming value equal to one if a company is either widely held or controlled by a foreign controlling agent
Soe	Dummy variable assuming value equal to one if a company is state-owned
It/Tlc	Dummy variable assuming value equal to one if a company is in the It/Telecommunication sector
Consumers	Dummy variable assuming value equal to one if a company is in the consumers' sector
Financial	Dummy variable assuming value equal to one if a company is in the financial sector (*i.e.* banks, insurance companies or other financial institutions)

Name	Description
Industrial	Dummy variable assuming value equal to one if a company is in the industrial sector
P.Utilities	Dummy variable assuming value equal to one if a company is a public utility
Mh_ii	Dummy variable assuming value equal to one if at least one institutional investor is a major shareholder
Mh_iiee	Dummy variable assuming value equal to one if at least one foreign institutional investor is a major shareholder
Mh_iiit	Dummy variable assuming value equal to one if at least one Italian institutional investor is a major shareholder
Age board	Average age of directors
% min_dir	Percentage of minority directors in the board
% ind_dir	Percentage of independent directors in the board

Table 11

DESCRIPTION OF THE SAMPLE

Name	N. Obs	Mean	Min	Max	Median
Female	278	0.464	0	1	0
Family female	278	0.26	0	1	0
Non-family female	278	0.24	0	1	0
Lcap	278	19.11	15.03	24.99	18.81
ROE	263	-14.2%	-974.7%	164.5%	2.19%
Tobin's Q	278	1170.1	435.9	5409.3	1029.8
Board size	278	9.93	2	25	9
Listing year	278	1997	1978	2009	2000
Control stake	278	51.97%	0%	95.01%	53.99%
Free float	278	40.59%	1.03%	100%	37.02%
Family	278	0.662	0	1	1
C. Coalition	278	0.093	0	1	0
F. Coalition	278	0.118	0	1	0
Foreign	278	0.064	0	1	0
Wh/Foreign	278	0.097	0	1	0
Soe	278	0.079	0	1	0
Mh_ii	278	0.507	0	1	1
Mh_iiee	278	0.442	0	1	0
Mh_iiit	278	0.126	0	1	0
Age board	278	56.1	40	69.6	56.4
% min_dir	278	0.055	0	0.75	0
% ind_dir	278	0.345	0	0.9	0.33

TABLE 12

PROBIT REGRESSIONS[(a)]

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Lcap	-0.0754***	-0.0697***	-0.0682***	-0.0713***	-0.0705***	-0.0718***	-0.0766***
	(0.000)	(0.001)	(0.002)	(0.002)	(0.001)	(0.002)	(0.001)
ROE	0.0005	0.0004	0.0004	0.0004	0.0004	0.0004	0.0005
	(0.167)	(0.267)	(0.261)	(0.265)	(0.269)	(0.270)	(0.225)
Tobin's Q	-0.0000	-0.0000	-0.0000	-0.0000	-0.0000	-0.0000	-0.0000
	(0.635)	(0.633)	(0.609)	(0.628)	(0.666)	(0.640)	(0.526)
Board size	0.0356***	0.0379***	0.0371***	0.0377***	0.0394***	0.0385***	0.0409***
	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.000)
Listing year	-0.0563*	-0.0512*	-0.0524*	-0.0522*	-0.0504*	-0.0514*	-0.0538*
	(0.060)	(0.090)	(0.082)	(0.087)	(0.096)	(0.088)	(0.077)
Control stake		0.0030		0.0031	0.0031*	0.0030	0.0036**
		(0.106)		(0.100)	(0.098)	(0.106)	(0.044)
Free float			-0.0025				
			(0.166)				
Family				-0.0209			
				(0.782)			
C. Coalition					-0.0644		
					(0.557)		
Soe						0.0428	
						(0.731)	
Wh/Foreign							0.2451**
							(0.045)
Obs.	262	262	262	262	262	262	262
Pseudo R^2	0.0587	0.0663	0.0638	0.0665	0.0672	0.0666	0.0783

[(a)] The dependent variable is a dummy variable assuming value equal to one if at least one female director is in the company's board. Regressors: size, performance measures, board size, listing year, ownership and control structure variables. In parentheses p-values are reported. * , **, and *** indicate statistical significance at the 10%, 5%, and 1% level, respectively. Marginal effects are reported.

TABLE 13

PROBIT REGRESSIONS[(a)]

	(1)	(2)	(3)	(4)	(5)
Lcap	-0.0719***	-0.0763***	-0.0764***	-0.0781***	-0.0720***
	(0.002)	(0.001)	(0.001)	(0.001)	(0.002)
ROE	0.0005	0.0005	0.0005	0.0005	0.0005
	(0.152)	(0.222)	(0.236)	(0.205)	(0.232)
Tobin's Q	-0.0000	-0.0000	-0.0000	-0.0000	-0.0000
	(0.550)	(0.491)	(0.470)	(0.554)	(0.487)
Board size	0.0425***	0.0421***	0.0443***	0.0411***	0.0399***
	(0.000)	(0.000)	(0.000)	(0.000)	(0.001)
Listing year	-0.0597*	-0.0541*	-0.0564*	-0.0554*	-0.0515*
	(0.052)	(0.075)	(0.066)	(0.070)	(0.093)
Control stake	0.0045**	0.0035*	0.0034*	0.0037**	0.0038**
	(0.018)	(0.052)	(0.059)	(0.039)	(0.036)
Wh/Foreign	0.2352*	0.2487**	0.2527**	0.2464**	0.2366*
	(0.054)	(0.042)	(0.039)	(0.044)	(0.056)
It/Tlc	0.2221*				
	(0.053)				
Consumers		0.0602			
		(0.395)			
Financial			-0.0931		
			(0.270)		
Industrial				-0.0463	
				(0.515)	
P.Utilities					-0.0826
					(0.471)
Obs.	262	262	262	262	262
Pseudo R^2	0.0887	0.0803	0.0816	0.0795	0.0798

[(a)] The dependent variable is a dummy variable assuming value equal to one if at least one female director is in the company's board. Regressors: size, performance measures, board size, listing year, ownership and control structure variables, sector. In parentheses p-values are reported. * , **, and *** indicate statistical significance at the 10%, 5%, and 1% level, respectively. Marginal effects are reported.

TABLE 14

PROBIT REGRESSIONS[(a)]

	(1)	(2)	(3)	(4)	(5)	(6)
Lcap	-0.0864***	-0.0886***	-0.0671***	-0.0794***	-0.0831***	-0.0885***
	(0.000)	(0.000)	(0.003)	(0.001)	(0.000)	(0.000)
ROE	0.0004	0.0005	0.0004	0.0004	0.0003	0.0004
	(0.269)	(0.196)	(0.190)	(0.283)	(0.326)	(0.274)
Tobin's Q	-0.0000	-0.0000	-0.0000	-0.0000	-0.0000	-0.0000
	(0.430)	(0.386)	(0.631)	(0.334)	(0.397)	(0.443)
Board size	0.0441***	0.0438***	0.0422***	0.0455***	0.0436***	0.0400***
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Listing year	-0.0800**	-0.0705**	-0.0666**	-0.0904***	-0.0789**	-0.0811**
	(0.012)	(0.025)	(0.032)	(0.006)	(0.013)	(0.011)
Control stake	0.0053***	0.0052***	0.0045**	0.0052***	0.0053***	0.0054***
	(0.006)	(0.007)	(0.019)	(0.007)	(0.006)	(0.006)
Wh/Foreign	0.2334*	0.2408**	0.2245*	0.2179*	0.2256*	0.2366*
	(0.056)	(0.051)	(0.069)	(0.077)	(0.066)	(0.051)
It/Tlc	0.2515**	0.2419**	0.2298**	0.2408**	0.2559**	0.2480**
	(0.038)	(0.037)	(0.049)	(0.047)	(0.032)	(0.042)
Mh_ii	0.2287***			0.2289***	0.2277***	0.2303***
	(0.001)			(0.001)	(0.001)	(0.001)
Mh_iiee		0.1765**				
		(0.013)				
Mh_iiit			0.1315			
			(0.195)			
Age Board				-0.0094		
				(0.187)		
% min_dir					-0.1840	
					(0.568)	
% ind_dir						0.0905
						(0.621)
Obs.	262	262	262	262	262	262
Pseudo R^2	0.1201	0.1060	0.0935	0.1249	0.1210	0.1207

[(a)] The dependent variable is a dummy variable assuming value equal to one if at least one female director is in the company' s board. All regressors. In parentheses p-values are reported. * , **, and *** indicate statistical significance at the 10%, 5%, and 1% level, respectively. Marginal effects are reported.

Table 15

PROBIT REGRESSIONS[a]

	Model 1 *f_female*			Model 2 *nf_female*		
	(1)	(2)	(3)	(1)	(2)	(3)
Lcap	-0.0678***	-0.0622***	-0.0584***	-0.0264	-0.0285	-0.0312*
	(0.000)	(0.001)	(0.003)	(0.129)	(0.109)	(0.084)
ROE	0.0003	0.0003	0.0002	0.0003	0.0003	0.0003
	(0.255)	(0.403)	(0.448)	(0.461)	(0.409)	(0.363)
Tobin's Q	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	(0.642)	(0.629)	(0.704)	(0.790)	(0.791)	(0.769)
Board size	0.0215**	0.0241***	0.0238***	0.0228**	0.0222**	0.0219**
	(0.014)	(0.006)	(0.008)	(0.011)	(0.014)	(0.014)
Listing year	-0.0308	-0.0250	-0.0249	-0.0371	-0.0389	-0.0398
	(0.230)	(0.332)	(0.328)	(0.148)	(0.131)	(0.124)
Control stake		0.0042***			-0.0008	
		(0.003)			(0.567)	
Free float			-0.0040***			0.0014
			(0.006)			(0.331)
Obs.	262	262	262	262	262	262
Pseudo R^2	0.0396	0.0601	0.0575	0.0405	0.0417	0.0437

[a] Model 1: The dependent variable is a dummy variable assuming value equal to one if at least one family-affiliated female director is in the company's board. Model 2: The dependent variable is a dummy variable assuming value equal to one if at least one not family-affiliated female director is in the company's board. Regressors: size, performance measures, board size, listing year, ownership concentration variables. In parentheses p-values are reported. * , **, and *** indicate statistical significance at the 10%, 5%, and 1% level, respectively. Marginal effects are reported.

TABLE 16

PROBIT REGRESSIONS[(a)]

	Model 1 *f_female*					Model 2 *nf_female*				
	(1)	(2)	(3)	(4)	(5)	(1)	(2)	(3)	(4)	(5)
Lcap	-0.0455**	-0.0635***	-0.0608***	-0.0599***	-0.0611***	-0.0419**	-0.0267	-0.0305*	-0.0339*	-0.0386**
	(0.024)	(0.001)	(0.002)	(0.001)	(0.001)	(0.023)	(0.122)	(0.078)	(0.060)	(0.038)
ROE	0.0002	0.0003	0.0003	0.0002	0.0002	0.0003	0.0003	0.0002	0.0004	0.0002
	(0.383)	(0.401)	(0.373)	(0.410)	(0.409)	(0.393)	(0.461)	(0.458)	(0.353)	(0.495)
Tobin's Q	0.0000	0.0000	0.0000	0.0000	0.0000	8.11e-06	0.0000	9.74e-06	4.16e-06	0.0000
	(0.571)	(0.581)	(0.611)	(0.603)	(0.612)	(0.868)	(0.779)	(0.844)	(0.938)	(0.755)
Board size	0.0280***	0.0263***	0.0235***	0.0232***	0.0236***	0.0204**	0.0231**	0.0244***	0.0252***	0.0263***
	(0.003)	(0.004)	(0.007)	(0.008)	(0.007)	(0.023)	(0.011)	(0.006)	(0.005)	(0.005)
Listing year	-0.0120	-0.0241	-0.0265	-0.0243	-0.0247	-0.0501**	-0.0369	-0.0327	-0.0404	-0.0404
	(0.632)	(0.349)	(0.304)	(0.343)	(0.337)	(0.048)	(0.151)	(0.192)	(0.120)	(0.108)
Control stake	0.0036**	0.0043***	0.0042***	0.0042***	0.0043***					
	(0.019)	(0.003)	(0.004)	(0.005)	(0.003)					
Family	0.2367***					-0.1886***				
	(0.000)					(0.004)				
C. Coalition		-0.0821					-0.0136			
		(0.361)					(0.886)			
F. Coalition			0.0751					-0.2081***		
			(0.380)					(0.005)		
Wh/Foreign				-0.0718					0.2627**	
				(0.510)					(0.012)	
Foreign					-0.0501					
					(0.673)					
Soe										0.2607**
										(0.022)
Obs.	262	262		262	262	262	262	262	262	262
Pseudo R^2	0.1127	0.0628	0.0627	0.0616	0.0608	0.0719	0.0406	0.0700	0.0601	0.0598

[(a)] Model 1: The dependent variable is a dummy variable assuming value equal to one if at least one family-affiliated female director is in the company's board. Model 2: The dependent variable is a dummy variable assuming value equal to one if at least one not family-affiliated female director is in the company's board. Regressors: size, performance measures, board size, listing year, ownership and control structure variables. In parentheses p-values are reported. * , **, and *** indicate statistical significance at the 10%, 5%, and 1% level, respectively. Marginal effects are reported.

Table 17

PROBIT REGRESSIONS[(a)]

	Model 1 *f_female*					Model 2 *nf_female*				
	(1)	(2)	(3)	(4)	(5)	(1)	(2)	(3)	(4)	(5)
Lcap	-0.0434**	-0.0477**	-0.0455**	-0.0468**	-0.0394*	-0.0307*	-0.0346*	-0.0339*	-0.0348*	-0.0420**
	(0.031)	(0.019)	(0.022)	(0.020)	(0.054)	(0.085)	(0.048)	(0.060)	(0.054)	(0.020)
ROE	0.0002	0.0003	0.0002	0.0003	0.0002	0.0004	0.0003	0.0004	0.0004	0.0004
	(0.352)	(0.323)	(0.412)	(0.307)	(0.408)	(0.247)	(0.326)	(0.351)	(0.341)	(0.346)
Tobin's Q	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	4.56e-06	6.21e-06	0.0000
	(0.584)	(0.660)	(0.632)	(0.510)	(0.743)	(0.850)	(0.842)	(0.933)	(0.910)	(0.841)
Board size	0.0285***	0.0310***	0.0297***	0.0281***	0.0264***	0.0259***	0.0232***	0.0247***	0.0250***	0.0273***
	(0.003)	(0.001)	(0.002)	(0.003)	(0.005)	(0.004)	(0.009)	(0.008)	(0.005)	(0.003)
Listing year	-0.0146	-0.0149	-0.0140	-0.0145	-0.0051	-0.0477*	-0.0418	-0.0400	-0.0415	-0.0452*
	(0.566)	(0.544)	(0.578)	(0.561)	(0.833)	(0.073)	(0.108)	(0.122)	(0.113)	(0.084)
Control stake	0.0040**	0.0032**	0.0035**	0.0037**	0.0041***					
	(0.012)	(0.033)	(0.026)	(0.015)	(0.007)					
Family	0.2392***	0.2206***	0.2323***	0.2415***	0.2163***					
	(0.000)	(0.001)	(0.000)	(0.000)	(0.001)					
Wh/Foreign						0.2366**	0.2524**	0.2610**	0.2625**	0.2917***
						(0.018)	(0.015)	(0.013)	(0.012)	(0.007)
It/Tlc	0.1159					0.2019**				
	(0.274)					(0.042)				
Consumers		0.1604**					-0.1095*			
		(0.010)					(0.062)			
Financial			-0.0612					0.0122		
			(0.378)					(0.860)		
Industrial				-0.0736					-0.0321	
				(0.213)					(0.590)	
P.Utilities					-0.2187**					0.1578
					(0.027)					(0.109)
Obs.	262	262	262	262	262	262	262	262	262	262
Pseudo R^2	0.1165	0.1353	0.1151	0.1181	0.1360	0.0731	0.0726	0.0602	0.0612	0.0686

[(a)] Model 1: The dependent variable is a dummy variable assuming value equal to one if at least one family-affiliated female director is in the company's board. Model 2: The dependent variable is a dummy variable assuming value equal to one if at least one not family-affiliated female director is in the company's board. Regressors: size, performance measures, board size, listing year, ownership and control structure variables, sector. In parentheses p-values are reported. * , **, and *** indicate statistical significance at the 10%, 5%, and 1% level, respectively. Marginal effects are reported).

TABLE 18

PROBIT REGRESSIONS[a]

	Model 1 *f_female*			Model 2 *nf_female*					
	(1)	(2)	(3)	(1)	(2)	(3)	(4)	(5)	(6)
Lcap	-0.0566***	-0.0543***	-0.0453**	-0.0363**	-0.0377**	-0.0288	-0.0494**	-0.0450**	-0.0503**
	(0.005)	(0.009)	(0.027)	(0.045)	(0.044)	(0.111)	(0.010)	(0.017)	(0.012)
ROE	0.0003	0.0003	0.0003	0.0004	0.0004	0.0004	0.0003	0.0003	0.0004
	(0.414)	(0.344)	(0.362)	(0.275)	(0.249)	(0.269)	(0.313)	(0.362)	(0.275)
Tobin's Q	0.0000	0.0000	0.0000	5.28e-06	3.12e-06	0.0000	5.92e-06	0.0000	3.32e-06
	(0.683)	(0.720)	(0.614)	(0.920)	(0.953)	(0.805)	(0.901)	(0.738)	(0.945)
Board size	0.0307***	0.0310***	0.0308***	0.0259***	0.0260***	0.0257***	0.0212**	0.0280***	0.0214**
	(0.001)	(0.001)	(0.002)	(0.004)	(0.004)	(0.005)	(0.015)	(0.002)	(0.015)
Listing year	-0.0280	-0.0193	-0.0195	-0.0552**	-0.0523*	-0.0503*	-0.0703***	-0.0596**	-0.0653**
	(0.246)	(0.434)	(0.429)	(0.040)	(0.051)	(0.063)	(0.008)	(0.022)	(0.014)
Control stake	0.0037**	0.0035**	0.0033**						
	(0.017)	(0.026)	(0.030)						
Family	0.2016***	0.2106***	0.2180***				-0.2073***		-0.1985***
	(0.002)	(0.001)	(0.001)				(0.002)		(0.003)
Wh/Foreign				0.2330**	0.2381**	0.2303**			
				(0.019)	(0.018)	(0.022)			
It/Tlc				0.2119**	0.2080**	0.2064**	0.2157**	0.2555**	0.2111**
				(0.035)	(0.038)	(0.039)	(0.035)	(0.015)	(0.039)
Soe								0.3002***	
								(0.008)	
Consumers	0.1576**	0.1615***	0.1587**						
	(0.011)	(0.009)	(0.010)						
Mh_ii	0.1183**			0.0863			0.1237**	0.1055*	
	(0.034)			(0.121)			(0.030)	(0.057)	
Mh_iiee		0.0612			0.0721				0.1026*
		(0.304)			(0.213)				(0.087)
Mh_iiit			0.0699			0.0560			
			(0.407)			(0.507)			
Obs.	262	262	262	262	262	262	262	262	262
Pseudo R^2	0.1495	0.1389	0.1376	0.0814	0.0785	0.0746	0.1022	0.0906	0.0960

[a] Model 1: The dependent variable is a dummy variable assuming value equal to one if at least one family-affiliated female director is in the company's board. Model 2: The dependent variable is the dummy variable assuming value equal to one if at least one not family-affiliated female director is in the company's board. Regressors: size, performance measures, board size, listing year, ownership and control structure variables, sector, institutional investors. In parentheses p-values are reported. *, **, and *** indicate statistical significance at the 10%, 5%, and 1% level, respectively. Marginal effects are reported.

TABLE 19

PROBIT REGRESSIONS[(a)]

	Model 1 *f_female*			Model 2 *nf_female*				
	(1)	(2)	(3)	(1)	(2)	(3)	(4)	(5)
Lcap	-0.0550***	-0.0553***	-0.0522**	-0.0273	-0.0283	-0.0340*	-0.0400*	-0.0328*
	(0.007)	(0.007)	(0.010)	(0.133)	(0.129)	(0.070)	(0.051)	(0.092)
ROE	0.0003	0.0002	0.0003	0.0004	0.0004	0.0003	0.0002	0.0001
	(0.423)	(0.482)	(0.421)	(0.244)	(0.247)	(0.326)	(0.480)	(0.587)
Tobin's Q	0.0000	0.0000	0.0000	-9.08e-06	-8.35e-06	-3.12e-06	-0.0000	-4.38e-06
	(0.711)	(0.724)	(0.705)	(0.872)	(0.883)	(0.956)	(0.836)	(0.937)
Board size	0.0309***	0.0304***	0.0311***	0.0272***	0.0273***	0.0271***	0.0213**	0.0294***
	(0.002)	(0.002)	(0.001)	(0.002)	(0.002)	(0.003)	(0.018)	(0.001)
Listing year	-0.0303	-0.0273	-0.0266	-0.0676**	-0.0682**	-0.0745***	-0.0864***	-0.0744***
	(0.227)	(0.259)	(0.272)	(0.016)	(0.014)	(0.007)	(0.002)	(0.005)
Control stake	0.0037**	0.0037**	0.0035**					
	(0.018)	(0.017)	(0.020)					
Family	0.2020***	0.1970***	0.2008***				-0.2155***	
	(0.002)	(0.003)	(0.002)				(0.001)	
Wh/Foreign				0.2055**	0.2084**	0.2227**		
				(0.035)	(0.035)	(0.026)		
Soe								0.3670**
								(0.012)
It/Tlc				0.1974*	0.1963*	0.1773*	0.1794*	0.2226**
				(0.051)	(0.054)	(0.070)	(0.069)	(0.029)
Consumers	0.1575**	0.1538**	0.1577**					
	(0.011)	(0.013)	(0.011)					
Mh_ii	0.1189**	0.1171**	0.1168**	0.0859	0.0865	0.0951*	0.1287**	0.1074*
	(0.033)	(0.036)	(0.036)	(0.126)	(0.121)	(0.089)	(0.027)	(0.057)
Age Board	-0.0019			-0.0111*	-0.0111*	-0.0131**	-0.0134**	-0.0147**
	(0.737)			(0.067)	(0.064)	(0.033)	(0.022)	(0.011)
% min_dir		-0.1604			0.0491		-0.3527	-0.5068
		(0.576)			(0.849)		(0.222)	(0.181)
% ind_dir			-0.1831			0.3606**	0.3694**	0.2842*
			(0.215)			(0.027)	(0.019)	(0.088)
Obs.	262	262	262	262	262	262	262	262
Pseudo R^2	0.1499	0.1504	0.1534	0.0939	0.0940	0.1128	0.1375	0.1269

[(a)] Model 1: The dependent variable is a dummy variable assuming value equal to one if at least one family-affiliated female director is in the company's board. Model 2: The dependent variable is a dummy variable assuming value equal to one if at least one not family-affiliated female director is in the company's board. All regressors. In parentheses p-values are reported. * , **, and *** indicate statistical significance at the 10%, 5%, and 1% level, respectively. Marginal effects are reported.

TABLE 20

FEMALE REPRESENTATION AND SOME PERFORMANCE AND GOVERNANCE OUTCOMES

	Performance outcomes						*Governance outcomes*								
	Tobin's Q			Stock volatility			Attendance			Board meetings			*CoRe* indicator		
	#	Mean	t	#	Mean	t	#	Mean	t	#	Mean	t	#	Mean	t
All-male board	149	1205	1.15	135	29.6	1.05	138	90.09**	2.03	143	11.19***	2.82	121	1.70	-0.84
Diverse board	129	1128		108	28.01		119	88.22**		125	9.26***		100	1.84	
Diverse board companies															
Family	63	1100	0.25	54	27.20	-0.69	58	87.98	-0.24	62	7.98***	-3.34	53	1.73	-0.85
Non-family	56	1081		47	28.95		51	88.35		53	10.81***		43	1.94	

#Mean comparison test (t statistics are reported: * , **, and *** indicate statistical significance at the 10%, 5%, and 1% level, respectively).

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Broadening the View: Diverse Types of Entrepreneurs

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In this paper the hegemonic image of the entrepreneur is confronted with a more diverse picture derived from a research project in which a variety of qualitative methods were applied. The paper opted for an exploratory study which emphasizes the generation of theory from data in the process of conducting research. Thus the open-ended approach of grounded theory is used and 29 narratives, problem-centred interviews with female and male entrepreneurs were conducted. From these interviews four different entrepreneurial types emerged: the strategic planner, the step-by-step entrepreneur, the crisis entrepreneur and the bricoleur.
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The Global Entrepreneurship Monitor (GEM) 2007 Report on Women and Entrepreneurship states yet again that female entrepreneurs make an important contribution to the development of the global economy. Therefore, investment in women's entrepreneurship is a key contributor for countries to increase the volume of new venture creation. According to the authors of the GEM-Report on Women and Entrepreneurship ignoring the potential of women's entrepreneurial activity means «that countries put themselves at a disadvantage and thwart their opportunity to increase economic growth. For this reason, finding ways to empower women's participation and success in entrepreneurship is critical for more sustainable and successful economic development in all countries» (Allen, Elam, Langowitz, Dean, 2008, page 6).

Keeping in mind women's entrepreneurship matters to foster the creation of value, the German government supported women-run businesses. According to German government statistics, since 1998 over 1 billion euros have been spent on supporting women-run businesses. Nevertheless, around 75% of German female business founders still see themselves as discriminated against compared to men (Bga, 2007) and in 2006 Germany maintained the critical position 36 (out of 37 countries) in GEM concerning support of female start-up activities (see Sternberg, Brixy, Hundt, 2007). Rolf Sternberg and Heiko Bergmann (2003, page 33) have pointed out that besides a lack in supportive infrastructure, there still exist cultural factors that are «not necessarily conductive for women starting business in Germany. [...] In recent years, media reports about starting businesses have increased, but the image of the typical business founder continues to be male dominated». Still, please cross out "nowadays", the image of the entrepreneur[1] in Germany continues to be based on the (masculine) entrepreneur of the early 20th century, which might be one of the cause of reasons for the gender gap in starting and growing businesses in Germany since the beginning of the GEM in 1999. Most recently, this gap seems to close: in 2008 and 2009 the difference between male and female founders is still visible, but no longer statistically significant. However, this is not due to on an increase of female start-up activities but obviously a result of a decrease of male's TEA-quota over 4 years (see Stern-

1 As Gupta V., Turban D. and Bhawe N. (2007) show, this effect is supposed to be strong in the case of implicitly presenting a masculine stereotyped image of entrepreneurs, which encourages men's intent to found a business and discourages female potential founders even if both groups have had similar entrepreneurial intentions. If those stereotypes are presented explicitly, the effect went in the opposite direction. Insofar, we argue that "political correctness" in presenting images of the entrepreneur will be counterproductive as long stereotypes are still active in the consultant's minds and therefore expressed only implicitly.

berg, Brixy, Hundt, 2010). Such, we can state that Germany as one of the "innovation-driven economies" (see Bosma and Levie, 2010, page 9) does not open up and benefit from the potential of men and women as entrepreneurs as desired and required (see Bosma and Levie, 2010, page 25). The GEM report still defines the start-up activities of women in Germany as "considerably in need of improvement" (Sternberg, Brixy, Hundt, 2010, page 13).

1. - The Hegemonic Image of Entrepreneurs

The desire to build a "private kingdom" or even a "dynasty" (Schumpeter, 1993 [1934], page 138) is one dominant feature of an entrepreneur (see also van Praag, 2005, page 20 and Ahl, 2006, page 599). This implies a considerable size of a business. In the (German) point of view of a successful entrepreneur, this aspect has even attracted increasing attention. In the German-speaking world, Dennis De (2005, page 16*f*) sees a movement away from the original meaning of this concept, the core of which he regards as the responsible, bold and resolute leadership of a business: «Nowadays, most people associate entrepreneurship mainly with captains of industry… if someone says, for example, "my uncle is an entrepreneur", that suggests some vague large scale undertaking, instead of an owner of a small business, a software consultant or a roofer. All these people, however, are entrepreneurs according to the original meaning of the German term ...» (translated by the authors).

If one looks at the growth model of "classical" entrepreneurship theory, (see Flamholtz, Randle, 2000; Baghai, Coley, White, 2000; Timmons, 1999; Pümpin, 1992; Greiner, 1972), it also becomes apparent that the "normal case" of growth is to be found in the expansion of the business in terms of employees and sales, which is implicitly or explicitly evaluated in a positive way. According to this entrepreneurial image the "entrepreneurial hero" or the "heroic self-made man"continue to dominate (see Reich, 1999, page 25, see also Ahl, 2006, page 599 and page 613). According to this myth, neither do the "normal" people encountered in everyday life have a place in founding and running a business, nor is there room for entrepreneurial thinking and acting of female employees: «To the entrepreneurial hero belongs all the inspiration; the drones are governed by the rules and valued for their reliability and pliability» (Reich, 1999, page 26).

The functionality of such views for industrial societies may have held sway for a long time, but, in light of an increasingly observed transformation to a knowledge-based information society, many see these views as obsolete at the very least, if not dangerous. Already in 1987, in the first publication of his essay "Entrepreneurship Reconsidered: The Team as Hero", Robert R. Reich issued the following warning: «There is just one fatal problem with this dominant myth: it is obsolete. The economy that it describes no longer exists. By clinging to the myth, we subscribe to an outmoded view of how to win economic success – a view that, on a number of counts, endangers our economic future» (Reich, 1999, 1987, page 27). Karin Berglund and Anders W. Johannson (2006) also maintain that there is a chasm between entrepreneurship theory and the image it depicts of the actual everyday reality of both groups.

This hegemonic (masculine) type of entrepreneurship belies the heterogeneity of today's entrepreneurial activities in Germany (and the world at large). The latter are characterised even more by the diverse forms of businesses themselves as well as by the entrepreneurial individuals and their motivations in founding, running or taking over a business. Therefore Dorothy Moore (2006, page 8) calls for the development of a new "career lens" that captures the fluid character of the context in which female careers develop: «For the womanpreneur, irrespective of any single career strategy or combination, it is the ability to self-design a career and make the necessary crossovers at important life points that are keys to success. As depicted here, the interacting links and the core of energy drive the entrepreneurial woman. How that drive works out depends on personal and environmental factors, backgrounds, perceptions and individual circumstances, and the moderating influence of seeking work-life balance».

Recent studies point to a growing proliferation of different business forms, a development seen to be largely attributable to the increase in female businesses (see Arum and Müller, 2004; Lohman and Luber, 2004, page 37). Thus, apart from the traditional entrepreneurship, there is also a distinct "part-time entrepreneurship" or "side entrepreneurship" and a "necessity entrepreneurship", or chosen to avoid it, but which exhibits or can develop entrepreneurial characteristics.

We confronted this hegemonic image of entrepreneurs with a more diverse picture derived from a research project, in which a variety of methods were applied. This included analysing differences among female entrepreneurs, thereby following Patricia Lewis who considers this being a rather neglected field of researched (2006, page 461). As Cheryl Tibus (2007) shows, there are clear leadership profiles distinguishing female business owners from female business executives, the former scoring higher on transforming leadership behaviours and characteristics than the latter ones. If "context *does* matter" (Tibus, 2007, page

13) this point of view should be a fruitful starting point when analysing our types of entrepreneurs further.

In order to gain an adequate understanding of entrepreneurial activity, a trans-disciplinary research design is required; one that is constructed in a process-oriented way and uses both quantitative and qualitative methods. Nevertheless, there is an emphasis on qualitative methods in our approach, the use of which has been increasingly called for by the international entrepreneurial research community (see *e.g.* Hindle, 2004, page 577).

Qualitative approaches are particularly suited for the task of investigating new phenomena or those caught in an "emergent stage" and enable the study of very intricate aspects of these phenomena, such as feelings and thought processes (see, for instance, Strauss, Corbin, 1998, page 11). Thus the open-ended approach of grounded theory is used: the first step was not the development of a hypothesis but data collection by a variety of methods.

At first, following Helene Ahl (2006), we performed a discourse-analysis (see for methodology and method of discourse analysis *e.g.* Bührmann, 2007; Chilton, 2004; Dreyfus, Rabinow, 1983; Gee, 2005; Fairclough, 2004) of the image of female entrepreneurs of organisations and institutions that consult and support prospective (female) entrepreneurs. We laid our focus on understanding what knowledge about founding a business our interviewees are confronted with, whether and to what extent they could identify with this knowledge. Thus, we considered the websites as an element of the inter-discourse, concerning the topic of starting, running or taking over a business.

By conducting this discourse analysis we reconstructed what we call the "normal entrepreneur". This entrepreneur is implicitly expected to be male, because he is working around the clock for his plan-guided business, unburdened by caring for his family. He is founding his business as a *solo* entrepreneur, not as part of a team or a cooperative.

Furthermore:

- his prepares himself well ahead of time before becoming self-employed and structures his life around preparing for self-employed activities;
- he shows a distinct type of enterpreneurial self. His care for the business is complemented by a pronounced desire for self-realisation. A high value is placed on his on-going personal and professional training and education;
- he uses mainly cultural capital as a resource and obtains specific qualifications to realise his goals;
- family is important for him, however, in terms of social capital.

We conducted 29 narrative, problem-centered interviews with female and male entrepreneurs. In a process of open coding, developing categories and relating them to subcategories, we made patterns emerge which we then connected to theoretical concepts found in literature. Our result of this part of the project is a typology covering the following four types which emerged from interviews with women entrepreneurs as well as with men: these types are to be understood as Weberian ideal types ("Idealtyp"). They are abstractions but claimed nonetheless as essential to understand any particular social phenomena (see Weber, 1903-1917 [1949]).

- Strategic Planners;
- Step-by-Step Entrepreneurs;
- Crisis-Entrepreneurs;
- Bricoleurs.

Those types differ regarding the categories: the reason for starting the entrepreneurship, the entrepreneurial process, the capital resources (see Bourdieu, 1979, 1983, 1992) of the entrepreneur and their self-perception as an enterpreneurial self.

The **strategic planner** corresponds closely with the hegemonic image of the "normal entrepreneur". This type is working around the clock for his plan-guided business, unburdened by caring for his family – on the contrary, the family cares for him and functions as a support system "in the background". Entrepreneurs of this type undertake long-time preparations to start their business and structure their lives around preparing for their self-employed activities.

> «*I became self-employed at the age of thirty-three. I had planned that ten years before. I had always told my girlfriend that at some point I would work for myself by running a fitness studio... After I had been trained to be a clerical worker, I took the next path and became a physical therapist, because it's really important for me to be well qualified. It's always been of the utmost importance for me to have solid professional training and to be prepared for everything*». (Ms. E.)

The strategic planner shows a distinct type of enterpreneurial self. A high value is placed on on-going personal and professional training and education. Apart from a marked willingness to pursue "life-long learning", a caring attitude concerning the well-being of the business is a motivating factor of the entrepreneurial activities of the strategic planner.

Step-by-step entrepreneurs develop their business in a process that has been planned beforehand, beginning with the start-up idea (which is often based on professional experience or the acquisition of specific knowledge), and adjusting to the respective circumstances that arise in the process.

> «*Each* interim *goal I reach brings whit it a new goal. I've noticed that I'm someone who's always moving forward. I've come to think in dimensions – I never thought that was possible. But that's in fact how it is*».
>
> (Ms. K.)

Those entrepreneurs do not primarily assess the development of the business in terms of quantitative growth. Planned reduction is an accepted option, depending on the personal and market-related circumstances:

> «*I don't want any more growth, because it won't work out if I grow and remain* solo. *I have to find a partner to do that and I don't want that right now. Of course, I ask myself at the moment, where do I stand? Or, what position am I actually in as a business? ... It's a difficult question, because for the first time in my life, I'm asking myself if I should take a step back and become smaller. And that's almost more difficult than becoming larger, in terms of how I lead my life...*». (Ms. J.)

Entrepreneurs of this type direct their care mainly toward themselves, «… being content with a manageable business that provides them with a living». This sentence characterises the attitude of the majority of small business owners, whether men or women, as Ahl points out (2006, page 613). "Doing something I have fun doing" is a common motivation, as is "being able to work the way I want to". Many interviewees of this type regarded themselves as lacking leadership ability in the early stages of their business' development. They have grown step-by-step into their role as the "boss":

> «*And I had to learn and realise that despite everything, even though I'm nice, I'm still the boss* […] *there are two worlds and I can't enter the other world. Of course, I'll go with them to eat an ice cream or something, but there are areas where my presence isn't wanted. And I had to recognise this (differentiation of roles), which was extremely difficult in the beginning*». (Ms. J.)

They identify themselves closely with their businesses and see this as "typical for an entrepreneur". This identification is mainly functional in nature and an another important identification criterion is success:

> «*I'm definitely an entrepreneur – otherwise I wouldn't be successful*».
>
> (Ms. K.)

The entrepreneurial characteristics that the interviewees ascribe to themselves included ambition, a high degree of professional competence, possession of a wealth of ideas as well as the willingness to take on responsibility. At the same time, some of them have difficulties labelling themselves as entrepreneurs:

> «*You're labelled an entrepreneur even as a small business owner with three, four employees. That's simply what you're considered, but I don't feel like some raving entrepreneur who has to be in this group. I'd rather continue to see myself as a freelancer. I don't really see myself as an entrepreneur*».
>
> (Mr. E.)

Obviously, the *status* attached to being a (female) entrepreneur, which is defined through the hegemonic image of the entrepreneur, does not offer the interviewed persons of this type a figure they can identify with.

We labelled the third type **"Crisis Entrepreneurs"**. Their decision to engage in entrepreneurial activities has been initiated or even dominated by external factors people have little or no control over. We were able to identify certain critical life events to be relevant in Germany at the beginning of the 21st century. These are:
- unemployment or looming unemployment, connected with poor or non-existent possibilities in the labour market;
- the German reunification in 1990, which led to massive changes in economic structures the following decades;
- the death of a father or husband, which necessitated the decision to continue running or to take over the family business.

Even if these business founders and owners seem very heterogeneous at first glance there are many commonalities that emerged in the interviews. Before encountering a critical life event, none of the crisis entrepreneurs gave much consideration to the challenge of taking up an entrepreneurial activity. Nevertheless, they developed entrepreneurial qualities by running a business. The care for others, whether children, family or employees, is the central concern in the founding or taking over of a business. Caring about the business is likewise pronounced, but is clearly perceived as a means to an end. The first priority is caring about other people. Self-concern is focused on little or not at all.

The founders of a business in Thuringia (in the former GDR) had held positions with a high level of (managerial) responsibility or were already self-employed but had to develop a new structure and direction for their business in order to adjust to the changing circumstances.

«*Self-employment was actually the reason I did it. I had already worked for fifteen years in an apartment firm and the working conditions –* [...] *– were not that good, and there was a possibility then for people to become self-employed*». (Ms. H.)

«*I became self-employed in 1973. I decided to take this step, because in 1972 in the GDR the laws for self-employment were relaxed. The changes in the law also applied to trade work.* […] *It was clear to me that this was the path I had to take. I didn't give it any consideration that something could go wrong*». (Ms. G.)

The entrepreneurs characterised here from the new (east) and old (west) German states share a tendency to identify themselves a lot stronger with the image of the entrepreneur as expressed through individual entrepreneurial attributes, rather than with the entrepreneurs as associated with big business and high management ratios. Their image of the entrepreneur is characterised by boldness and innovation. In contrast to the image of the normal entrepreneur, their idea of an entrepreneur is a founder who works actively with others and draws on a wealth of ideas.

Another group of entrepreneurs who encountered a critical life event are those, who took over a family business after a father or spouse had died or could no longer work. They had definitely been around the entrepreneurship a great deal *via* their parents or familial situation, which had clearly a positive influence on their preparedness to engage in entrepreneurial activities (see Moore, 2000; Löhr-Heinemann, 2005). Nevertheless, the decision to keep the business going becomes somewhat involuntary in their specific situation, thereby showing parallels to the economy of necessity, since the survival of the business plays a decisive role as a means of securing a living (for the family).

The hegemonic entrepreneurial image obviously hinders these women from identifying themselves as entrepreneurs.

Interviewer: «*Do you see yourself as an entrepreneur?*».
Ms. I.:«... not as a traditional entrepreneur».
Interviewer: «What is a traditional entrepreneur?».
Ms. I.: «Well, someone who learned everything from scratch and had a very different background than I have, because I had to learn a lot over time. I don't have this typical background, a degree in business and accounting … ». (Ms. I.)

A clear link can be seen here between the growth of an entrepreneurially-moulded self-perception and the successful development of the business. The entrepreneurs recognise what they do for the business and grow into their roles:

> «*I really grew into it. It just came to me*». (Ms. T.)
> «*I see myself as being* […] *stronger as an entrepreneur. Since I've been freed from this certain pressure here and we've restructured, management-wise – I've seen myself more as an entrepreneur since that time*». (Ms. I.)

These entrepreneurs demonstrate a marked identification with the business:

> «*… the firm and I, myself. That's one thing. I can't separate them*». (Ms. P.)
> «*Because I live with and for the firm*». (Ms. P.)

For all of the entrepreneurs grouped under the crisis label, a pronounced change occurred over time in their view of the image of an entrepreneur, because the critical life event meant for these women that their initiation into becoming an entrepreneur was like "jumping into cold water":

> «*It's really a tremendous amount of work. I have to say that you don't have any idea of that beforehand*». (Ms. B.)

This helps to explain why their initial image of the entrepreneur is defined by the hegemonic entrepreneurial image. Nevertheless, their view of entrepreneurs develops over time, becoming more similar to the perception these entrepreneurs have of themselves. Thus, identifying oneself as an entrepreneur based on **function** changes to identifying with the **status** of an entrepreneur. They regard it as self-evident that being an entrepreneur implies taking on social responsibility:

> *Interviewer: «As a local entrepreneur do you also play a role in the city's society?».*
> *Ms. B.: «Yes, I would say so. Yes».*
> *Interviewer: «Is that important as an entrepreneur?».*
> *Ms. B.: «Yes, definitely. I don't know how it is in large cities. I can't say. But in cities of this size, definitely».* (Ms. B.)

Those who have become entrepreneurs through the advent of a critical life event – especially the family entrepreneurs – place high demands on themselves and others. They developed an entrepreneurial personality that follows criteria of economic efficiency, criteria that apply to themselves as a whole. This type receives and revitalises a business, as can be shown in the case of the effectively forced taking over of a family business, in which previously non-entrepreneurially oriented actors develop their enterpreneurial self through their daily work. A similar situation can be found in the special case of businesses that were "phased out" in the aftermath of the GDR. Parts of those businesses of which were taken over by previous employees and given a new direction.

For Germany, this type of entrepreneur is important in view of the ca. 350,000 companies in need of new owners in the future (Freund, 2004) and in connection with the ongoing integration of the new German states. The success factors of this group thus deserve deeper investigation.

Bricoleurs (see Baker and Nelson, 2005; Levi Strauss, 1962) use elements of their biography (internal bricolage), e.g. key experiences, specific qualifications and link these to the pool of resources immedialely available in the external environment (external bricolage) whereby they construct resources and business opportunities. Joan Winkel distinguishes explicitly between internal and external bricolage, interpreting bricolage as a moderator of the relationship between opportunity discovery and opportunity development on the one hand and between opportunity development and opportunity exploitation on the other hand. Bricolage is seen as a means of leveraging the entrepreneur's prior knowledge and other existing resources to navigate the entrepreneurial process (Winkel, 2007, page 5). A typical experience has been expressed by one of our interviewees:

> *«I was lucky to get a film in my first year that had already been very successful at other festivals. That was obviously the best thing that could have happened to me. At the same time, I felt that my colleagues were suspicious of me, that they were wondering how I got this film as others had also tried to get it».* (Ms. D.)

In contrast to the step-by-step entrepreneurs, the bricolage type entrepreneurs are acting even more pro-active in the founding and formation of the business:

> «*For me, it was important at first* [...] *to have enough energy to do it and pave my own way exactly. I knew exactly where I wanted to go. And I took along the others who were with me*». (Ms. G.)

In the further development of the business, exploiting opportunities also proves to be an effective strategy of opening up the developmental possibilities of the company. The positive experiences with this approach lead the entrepreneurs to be open to new opportunities and to seizing them. Typical for internal bricolage, Ms. C. told us:

> «*In that case I didn't think twice. Maybe, if a good opportunity arises ...* ». (Ms. C.)

But bricoleurs associate also to the pool of resources immediately available in their external environment (external bricolage). They make good use of impetus from the surroundings to successfully navigate the business:

> «*Then I came into contact with "Gourmet of the Day", from the paper Feinschmecker. They wanted to do a cooking show for this day and they wanted me to do it. I did that and then came up with the idea to offer cooking courses there. That's what I'm doing now. This developed in that way throught out a year and I got new customers through the cooking course and it's progressed like a snowball effect*». (Ms. C.)

In this case, the proximity of bricolage to "serendipity" becomes obvious: «Serendipity, [...], is a quality embodying more than just luck, – it recognizes chance, but it also needs preparation» (Martello, 1992, page 81). A "mere chance" does not exist. Interdependence among events and thereby the emergence of resources needs recognition and insight as well as activity as the grounding base. «Through serendipity, receptive entrepreneurs can perceive star-bright moments of discovery, insights which can then guide them through innovation and implementation, either in existing business environments or in the new vistas just revealed» (Martello, 1992, page 83).

Most of the bricoleur entrepreneurs have developed a distinctive "entrepreneurial self", even if they would not be inclined to call it that. They take an entrepreneurial approach both to their working day as well as their private lives:

> «*As soon as I walk out the door, I think about how I'm being perceived. I'm private at my own place but when I go out I think, the person you meet on the street could be your customer*». (Ms. L.)

Quite often they equate themselves with the business. Being asked whether she ever thought of herself as a business, this entrepreneur replied:

> «*Yes, I manage my business. At the same time, I continue to view my personal business not just as what I do professionally, but also what I do in managing the family, which my husband also does*». (Ms. N.)

The bricolage entrepreneurs are often motivated by the pressure of self-realisation. They truly want to be "independent" and in a position to realise their own ideas and visions.

> *Interviewer: «Was there something you wanted to achieve by being self-employed?»*
> *«Yes, just what that word expresses, to be self-employed, to never have to encounter a boss who pushes me around. It's nice to know I can decide for myself where I'm going, how I'm going to do something, definitely*». (Ms. Q.)

For bricoleurs understood as moderators of the relationship between opportunity discovery and development as well as between opportunity development and exploitation on the other hand the topic of "economic capital" was rather marginal. They assess ideas as crucial, instead, and make use of social capital (networks) to leverage their impact. The majority of bricolage entrepreneurs in our sample are educated, thus having access to this form of cultural capital as well as to role-models in their family.

The image of the entrepreneur plays a subordinate role in this group, however, because the *status* "entrepreneur" is not a decisive factor for them in founding a business. The self-perception of these entrepreneurs often deviates significantly from the rather hegemonic-oriented idea of the "entrepreneur in general". This type exhibited the tendency to reject the entrepreneur status but to identify closely with their respective profession. A salient facet of this group was their distinction between the "entrepreneur as such" and "oneself as entrepreneur".

«But I would also question whether I'm an entrepreneur because I work in the field of social work. I don't know. You don't use that word there. I think that more knowledge about entrepreneurship is useful. And I see too that I'm undertaking things that have to do with being an entrepreneur but I actually wouldn't really call it that, not really. You don't ever use that word in the field of social work».

Interviewer: «How would you refer to yourself then?».

«I have a lot of practice». (Ms. R.)

The strength of the bricolage type is being able to "create something from nothing" (Baker & Nelson, 2005) and thus to set new impetuses in motion. This correlates exactly with the political will and economic necessity of regions that are subject to structural change without access to a generous amount of capital resources. To that extent, the bricolage type should take up a more central position among prevailing entrepreneurial images.

A comparison of the different types yields the following typology (see diagram 1):

DIAGRAM 1

TYPES OF ENTREPRENEURS

	Normal Entrepreneur	Step-by-step	Crisis	Bricolage
Reason	goal/plan	developments	facts	coincidence, construction/ leveraging of resources
Approach	strategic & resource-oriented	incremental & resource-based	forced	occasional idea-driven
Business goals	robust/rapid expansion of	gradual expansion of	preserving the business	survival of the business, self-realization
Capital resources:				
Economic Capital	-/+	-/+	-/+	-
Cultural Capital	+	+	-/+	+
Social Capital	+	+	+	+
Entrepreneurial self	+	+/-	-/+	+
Occurrences in our sample	1 female, 1 male	4 female, 1 male	6 female, 1 male	10 female, 2 male

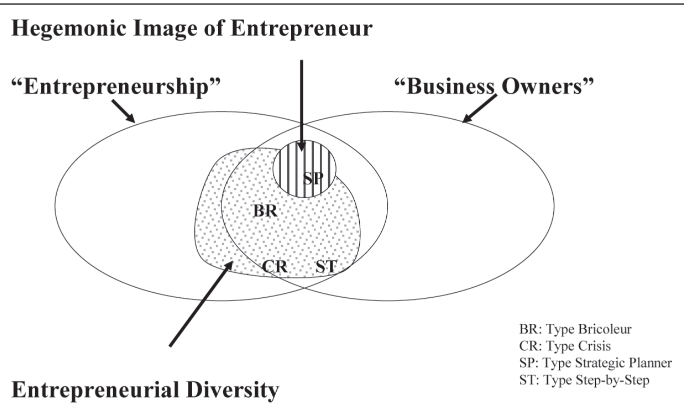
Caption: + = important resource; – = unimportant resource

2. - Conclusions

With a few noticeable exceptions, recent discussions of entrepreneurship have assigned one major function to empirical research: the testing or verification of hypotheses. This contribution tries to make clear the bearing of empirical research on theory. For empirical research does more than prove or disprove hypotheses. As Robert Merton states: « … it performs at least four major functions which help shape the development of theory. It *initiates*, it *reformulates*, it *deflects* and it *clarifies* theory» (Merton, 1961, page 103). Our findings help to reformulate the theory of entrepreneurship in pointing out that one cannot simply assume that business owners have necessarily developed entrepreneurial characteristics. In the light of our findings we have to be careful not to mingle both categories. In our framework we distinguish "entrepreneurship" as a concept to be set apart from existing (male and female) "business owners" (see diagram 2). As we have shown in our project, crisis and step-by-step entrepreneurs slowly grow into the role of an entrepreneur, thereby developing specific profiles as "entrepreneurial selves". This highlights the necessity for further research on the processes of developing entrepreneurial qualities before or after becoming business owners. On the other hand, those qualities are also called on, developed and required when the individuals in question are managers, employees, teachers, researchers and students – or unfurl their entrepreneurial skills in the "underground economy" (Williams, 2006). This implies expanding the currently dominating understanding of entrepreneurship which is mostly related to business owners. Therefore, the border areas of both zones as well as the overlapping part should be looked at more closely as a whole.

DIAGRAM 2

MAPPING ENTREPRENEURSHIP



In the overlapping area, we position the hegemonic image of the entrepreneur at the core, an image that continues to take its bearings from the classical type of business persona described in the first part of this chapter. This "normal entrepreneur" is primarily seen as one who evinces entrepreneurial qualities through the growth and expansion of his/her business. Success indicators for this type are sales and number of employees, figures relied on to demonstrate the expansion of the entrepreneurship. This hegemonic image of the entrepreneurship reflects only a portion of the actual entrepreneurial activities found in the intersecting field of "entrepreneurship" and "business owners". Nevertheless, this image can make it difficult for potential, female (and possibly male) entrepreneurs to regard themselves as 'entrepreneurs' and to act accordingly. We suggest to broaden future research questions in order to analyse the hegemonic image of entrepreneurship in its relevance to motivate or rather de-motivate women, "modern 'new' men" and "postmodern-flexible men" which make up more than 60 percent of German men (see Wippermann, Calmbach, Wippermann, 2009, page 22), to found and grow a business.

For that reason, we are calling for a more diverse image of entrepreneurship based on a comprehensive understanding of "value added". In order to really understand the growth of an enterprise, one must go beyond management *ratios*, highlighting how growth influences different stakeholders and the society. Not an individual entrepreneur but rather the interplay of actors should be focused (see *e.g.* Bierbaum, 2008). Sustainability of the firm's existence and impacts should be examined closer, too.

Moreover, non-linear processes due to complex relations among success factors have to be taken into consideration (see Kollmann, Herr, Kuckertz, 2008). Growing enterprises generate their own complexities; successfully negotiating these complexities can only come about through a learning process. This must also be incorporated into the (male and female) image of the entrepreneur, thereby focussing cognitive aspects as well as affective ones and the interactions of both systems (see Baron, 2008).

2.1 *Limitations and Further Research*

Limitations result from the methodological approach and the restrictions in terms of which regions in Germany have been selected. Both aspects imply limitations regarding the representativeness of the results. The project presented intended to develop and deepen our understanding of facets of entrepreneurship in Germany, without intending to make statements about the distribution of the types discussed. Instead, we suggest the typology to be tested in terms of its quantitative dimension on national as well as on international level.

On the qualitative side of the research, there are additional research questions that need to be addressed, particularly with regard to the bricolage and crisis entrepreneurial types:

- How exactly are development processes of the "entrepreneurial self" initiated?
- (How) do these processes stabilise or maintain their own dynamic?
- What role does the embeddedness of founders into networks play?
- Do approaches exist that support special entrepreneurial types or is external support rather destroying their specific potentials? Are non-linear curves (see Chrisman *et* al., 2005) to be expected between design variables of guided preparation and performance?

Furthermore, in the context of entrepreneurial diversity it is necessary to ask for the relevance and the interplay of other social dimensions or categories, such as ethnicity, sexual orientation or age. We suggest expanding the research perspective from a so called intra-categorical view – upon which we concentrated our research up until now – to an inter-categorical one. In doing so, it should be possible to identify categories and/or dimensions relevant for the becoming of a bricoleur, a crisis or a step-by-step type. Based on this, the question comes up whether common categories for all types in question exist. If, instead, the categories differ, we should further ask, in what manner exactly. According to this mode of research the field of the so called intersectional studies contributes important research results and findings which should be used in further research.

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Gender Diversity in the Corporate Boardroom: Do Women Affect Risk?[#]

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This paper provides a brief overall view of the previous research carried out on gender diversity and shows how, against all expectations, the presence of women in the boardrooms cannot affect firms' leverage and total risk. We draw on theories from psychological, social and economic issues about groups and gender diversity within groups, and carry out a cross-country analysis using data of listed companies for Italy, France, Germany, Spain and Norway. We argue that differences are factitious to justify discrimination or unpopular strategic decisions; despite this, they seem to drive to a larger literature than that which exists.
[JEL Classification: G12; G30; G34; J16; J33].

Keywords: gender diversity; gender preferences; leverage; risk; board diversity.

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The co-authors have worked on the paper collectively. Nonetheless, the single specific contributions can be summarized as follows: Nadia Cosentino, section 5.1; Carmela Donato, section 2; Fabiola Montalto, section 4; Alessia Via, section 3. The Introduction and the Conclusions were written by Fabiola Montalto and by Alessia Via jointly.
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1. - Introduction

In our paper, we examine the role of women on the board in Italian listed companies. In doing so, we have taken as a benchmark the listed companies of four European countries: France, Germany, Spain and Norway.

The countries mentioned above are comparable from a legal point of view because each of the four countries applies the civil-law system.

The reason of this choice is to find out the possible differences, in terms of women's risk behavior in countries where there is a different perception of women's role both culturally and legislatively. In particular, we want to compare the role of women on the board in Italian listed companies with respect to both geographically and culturally similar countries, such as Spain and France, and geographically and culturally dissimilar countries, such as Germany and Norway.

Given that the prejudices concerning the different risk behavior of men and women seem to affect their success as managers in the boardrooms, it is necessary to understand whether this stereotype is confirmed by empirical evidence and if it actually reflects their economic and managerial behavior. The importance of this research lays in the need to provide a common explanatory framework on the issue.

Besides the aforesaid reasons, we have decided to study the Italian case because the historical and political moment that we are living can give us the possibility to deepen the analysis since, the new bill on female quotas in the boardrooms is before the Italian Parliament for discussion in these days. Moreover, the perception is that the Italian boardrooms are, in spite of appearances, a men network.

The next section provides a discussion of some of the issues involved in gender diversity across countries. This is followed by a brief discussion on gender differences in risk preferences. We describe our econometric specification in sections 4 and 5, illustrating the model, the data used and the main results. A summary, some conclusions and the research agenda are presented in the final section.

2. - Gender Differences Across Countries

Here we proceed with a brief description of the five countries and of how the role of women is perceived.

2.1 *Germany*

During the course of the twentieth century women in German society have gradually won victories in their quest for equal rights. However, inequalities persist: a woman's wages and salaries range between 65 percent and 78 percent of a man's for many positions. In most fields, women do not hold key positions. Generally, the higher the position, the more powerful is male dominance.

Currently, in March 31, 2011 Germany's top industrial companies have promised to recruit and promote more women, especially into executive management positions. The German government indicated that the firms would aim to increase female representation on their boards by 30% by 2013 and companies that fail to meet these goals are going to face sanctions. The call for many more women in the boardroom wants to see an average of 30% female representation on supervisory and executive boards among listed companies by 2018. The amount for Germany's 200 biggest companies is currently 3.2%.

2.2 *Norway*

Norway was the first country in the world to establish a special Gender Equality. Since the 1980s, Norway's changing governments have always been almost 50% women. However, when we look at Norwegian employment figures in total, it turns out that women's firms account for only 6.4% of all employment. On the whole, the imbalance between men and women in economic life is severe. There is a long way to go before an acceptable balance between men and women is found in Norwegian economic life. Our study tries to find out differences in leverage between firms who have women covering decision-making roles and firms without women in the executive. Some studies show that the performance of firms in which the presence of women is remarkable, as assessed by credit rating scores, do not confirm that women's firms are more healthy or feasible in economic terms than men's firms. Although the picture is complicated, the current opinion is that economic performance of women's firms is slightly more toward the low performance end of the scale. Norway has a reputation of extensive equality between the sexes, and substantial progress has been made in this direction over the past decades. However, women are still underrepresented in leading positions.

In 2006, Norway imposed a quota requiring that the boards of directors of public limited companies should be composed of at least 40% female members, and governments across Europe have since adopted or proposed similar rules.

2.3 *Spain*

Since the 1970s, Spain has made a huge progress regarding the equal rights of men and women. However, this process is not yet completed. There has been a remarkable advancement of women's position in Spain in all areas since then.

More recently (2004-2008), a number of laws have been introduced and others changed in order to reinforce equality between women and men.

Although Spain is are not among the countries with the largest wage gaps, the most recently available comparative data showed that the gap was in fact growing and was by far the largest increase (comparing 1995 and 2001 using the European Community Household Panel). Data for 2005 from the Spanish Living Conditions Survey suggest that the wage gap might have dropped significantly, but that large differences remain according to age, type of contract and educational level among other variables.

Finally, women's presence among the highest level posts is less than 20% while it is only 3.4% in the top publicly traded firms.

2.4 *France*

The *status* of women in France does not differ too much, compared to the countries analyzed so far. France is listed as a bad pupil in the area of political gender equality and equality pay.

A long march to emancipation, however, led French women to become true engines of economy and society: indeed, the percentage of French women active in work currently exceeds 64%, which is 2 points higher than EU average.

However, France is still behind in the field of equal pay: the average hourly wage for women is 12% lower than that of their male colleagues. In addition, they are the majority in precarious jobs.

Another source of inequality is the political environment that remains a male reserve even though the Act of June 6, 2000 had attempted to achieve gender equality in politics.

In the end, France is still far from gender equality.

2.5 *Italy*

In Italy the role of women is more related to cultural aspects of the country.

The stages of female emancipation in Italy, from the late 1970s, follow one after the other with a lively rhythm.

However, women continue to pursue equal opportunities and too often they are forced to choose between career and family, and even if they had access to traditionally male positions they continue to earn, on average, 16% less than their colleagues.

In the Italian public administration, women hold a majori-ty of seats than their male colleagues. In this area, the total number of female workers are employed in more functions and have more free time than their male counterparts: about 2/3 of officials executives, in fact, are women.

Despite this achievement, the World Economic Forum, shows that in 2010, out of 128 countries, Italy is at the 74th place for Gender Equality.

3. - Gender Differences in Risk-Taking

The effects of risk preferences and, in general, choice-making have always been studied as a frontier limit between men and women and, consequently, their implications have been seen as a possible resource for the understanding of gender behaviour in different fields.

Studies range from psychology to social and political sciences and economics; precisely, economists and policy-makers focus their attention on consumption, investment, efficiency and overall firm performance.

A crucial issue in the debate on gender-specific outcomes concerns risk preferences. The main purpose of the research is to seek optimal strategies for firms to handle with analysis and management of risks.

According to recent studies (Croson and Gneezy, 2009; Bronson and Howard, 2002; Harris, Jenkins, 2006; Dwyera, Gilkesonb, Listc Byrnes, Miller, Schafer, 1999), women exhibit less risk-taking than men. The most relevant literature demonstrates that, across many real-world domains, men take part in more risky behaviours than women. These results are not only important for general theories of risk taking but also show the need for additional studies to clarify trends and beliefs. Table 1[1] lists ten papers investigating gender differences in risk preferences using both real and hypothetical gambles. The robust finding is that men are more risk-prone than women.

This theoretical and empirical framework provides convincing explanations for the gender differences in risk-taking that generally pertain to emotional responses and to perceptions. The previous literature presents uniform findings in the general population even though, among subsamples formed by managers and professionals, gender differences in risk preferences are smaller than in the general population.

1 Croson R. and Gneezy U. (2009).

First of all, emotional reactions to risky situations are different between men and women. Women are more likely to experience nervousness and fear with respect to men when facing a risky situation and this can obviously affect the utility perceived of a risky decision (Brody, 1993): therefore, the perception of a lower utility of a bad outcome determines a higher risk aversion in women. Moreover, women overweigh the probability of a loss, *i.e.*, they are afraid of losing while men tend to feel anger in the same situations and anger and fear lead to a different kind of evaluation: specifically, a risky choice is considered less risky when angry than when afraid. Again, women result more risk averse than men.

There is a growing literature (Bengtssona, Perssonb, and Willenhaga, 2004; Barber and Odean, 2001; Correll, 2001) indicating that men are more overconfident than women. Men are substantially more overconfident than women about a successful outcome in their performance: they predict a positive result in different tasks that range from solving mathematical problems to winning a gamble. Being more self-confident means that men are more likely to accept and take a risky decision with respect to women. Indeed, studies in investment decisions show that women are less confident than men: this conclusion is due to the evidence that men are generally more overconfident in their success in uncertain situations than women.

Gender difference in risk behaviour is also reported and explained by the interpretation of a risk (Arch, 1993). Different achievements of men and women are due to their different responses to situations perceived as risky: in such situations males are more likely to see a challenge that calls for participation while females see a threat in ways that encourage avoidance. Positive or negative outcomes are, therefore, a result of a different motivation between genders and not of a difference in skill, in enthusiasm, in tenacity or in expertise: women are simply interested in situations in which men are unresponsive and *vice-versa*.

This introduces another problem: reverse causality (Schubert, 2006). First of all, it is questionable whether gender risk-attitudes are caused by differences in individual opportunity sets. In this case, gender specific information on choice options can lead to different behaviours in decision-making. Second, risk-behaviour in general may not correspond to risk-behaviour in contextual decisions.

TABLE 1

GENDER DIFFERENCES IN RISK-TAKING

	Experimental details	Pay	Gain Loss	Summary	Risk Taking	Controls included?
Holt and Laury (2002)	Students	Yes	Gain	Choice between lotteries according to mean–variance. Varied also the level of pay	Low payoffs: M > F High payoffs: M = F	Yes
Hartog, Ferrer-I-Carbonell, and Jonker (2002)	Mail survey and Dutch newspaper	No	Gain	Willingness to pay for high-stakes lotteries. Gender difference in risk aversion parameter is estimated at 10 to 30 percent	M > F	Yes
Dohmen *et* al. (2005)	Rep. sample of German population and students	Real and Hyp.	Both	Survey instrument is validated in experiments. Survey questions predicted behavior well	M > F	Yes
Powell and Ansic (1997)	Students	Yes	Both	Choice of insurance cover in one treatment and an unfamiliar financial decision about gains in another	M > F	No
Eckel and Grossman (2002*a*)	Students	Yes	Both	Choice between lotteries according to mean–variance. Frame (gain/loss) changed between treatment	M > F	Yes
Eckel and Grossman (2002*b*)	Students	Yes	Both	Choice between lotteries according to mean–variance. Lotteries and investment frames with the possibility of loss, and a lottery frame with no loss	M > F	Yes
Fehr-Duda, Gennaro, and Schubert (2006)	Students	Yes	Both	Gender differences depend on the size of the probabilities for the lotteries' larger outcomes	M > F	Yes
Levin, Snyder, and Chapman (1988)	Students	No	Both	Half of the subjects were given the "chance of winning" each gamble, and half were given the "chance of losing" each lottery	M > F	No

	Experimental details	Pay	Gain Loss	Summary	Risk Taking	Controls included?
Finucane *et* al. (2000)	Phone survey	No	Both	Ethnically diverse group of participants. White males were more risk taking than all other groups	M > F	Yes
Schubert *et* al. (1999)	Students	Yes	Both	Choice between certain payoffs and lotteries in abstract and contextual frames	Gains: M > F Losses: M > F Contextual: M = F	No

4. - Estimation and Data-Set

To carry out our analysis, we have considered the following empirical model in which the financing policies of every firm is the dependent variable.

Leverage = f (Women Presence, Country Dummies, Control Variables)

In this model, the financing policies is approximated by the leverage variable, measured by the *ratio* of debt to debt plus equity.

The following describes the independent variables that we have used.

The effect of the presence of women is analyzed through the use of four explanatory variables, employed in the model alternatively, that are: *a)* proportion of women on the board of directors on the total number of components of the board; *b)* proportion of executive positions held by women in relation to the total of these executive roles (including members of executive board, top managers, and all types of executives); *c)* presence of a CEO woman, measured by a dummy variable equal to 1 if there is a CEO woman in the firm, 0 otherwise; *d)* the presence of a CFO woman, measured by a dummy variable equal to 1 if there is a CFO woman in the firm, 0 otherwise.

To understand whether the effect of the presence of women on the financing policies is moderated by membership of the firms in a particular country, and then if the difference between the genders in risk tolerance will change depending on the context, we have included four country dummies for France, Germany, Norway and Spain, respectively, using Italy as reference category. These dummies are equal to 1 when the observation refers to the country corresponding, 0 otherwise.

Regarding the control variables, we have included those factors which, according to the previous literature (Myers, 1984; Titman and Wessels, 1988; Harris and Raviv, 1991; Rajan and Zingales, 1995; Booth *et* al., 2001; Vasiliou and Daskalakis, 2009; Ramlall, 2009), affect the financing policies of the firm. The control variables considered in the regression model were:

- the volatility[2]: to consider this variable, we employ the stock beta and stock price volatility as a proxy, using a 1 year estimation window;
- the growth opportunities[3]: in order to measure this independent variable, price to book value *ratio* is used as a proxy;
- the profitability[4]: the indicator for quantifying the performances of a firm used in this empirical study is the return of capital employed, calculated as the *ratio* between EBIT and total asset;
- size of the firm[5]: as a measure for the firm size in the regression model, the natural logarithm of total asset is used for each firm;
- industry[6]: the role of industry is estimated using the US SIC Core code.

5. - Sample Analysis and Descriptive Statistics

The proposed models are tested on a sample of the largest listed companies from Italy, France, Germany, Norway and Spain extracted from Amadeus, a data-

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[2] PSILLAKI M. and DASKALAKIS N. (2009) have found negative relationship between volatility and leverage; contrary, BENNETT M. and DONNELLY R. (1993) have found evidences supporting positive relationship between them.

[3] RAJAN R. and ZINGALES L. (1995) suggested that a negative correlation should be identified between growing opportunities indicator and debt, according to the agency theory developed by JENSEN M.C. and MECKLING W.H. (1976), but also with Myers' theory (1977), that argues that firms with a high leverage tend to abandon more viable investment projects. Conversely, according to the pecking order theory, a positive correlation between leverage and growing opportunities could be explained: the debt rises when the internal financing resources are not enough for investment and diminishes when these are sufficient.

[4] There are more points of view regarding the type of correlation between profitability and the leverage of the firm. According to the pecking order theory, a negative value of the correlation coefficient is expected between them. On the other hand, authors like LELAND H. and PYLE D. (1977) sustained that the capital structure represents an instrument of signalling the performances and the perspectives of the firm, and this is the reason why a positive value of the correlation coefficient between the two variables is expected.

[5] The size is considered positively correlated to the leverage. Indeed, it is considered that big firms have a stronger base for diversifying the investment projects and for limiting the risk of cyclic fluctuations (WARNER J., 1977; ANG J.S. *et* AL., 1982; TITMAN S. and WESSELS R., 1988).

[6] In a study of capital structure of small and medium sized enterprises, MICHAELAS N. *et* AL. (1999) find that industry specific effects influence the maturity structure of debt raised by SMEs.

base of comparable financial information for public and private companies across Europe. The sample consists of *cross-section* data of firms whose observations refer to the year 2009. We exclude firms such that the observations on the variables of interest were not available. The entire sample consists of 859 observations of which 192 concerning Italian firms, 138 French firms, 435 German firms, 49 Norwegian and 45 Spanish firms.

A descriptive analysis of variables allows us to understand the main characteristics and attributes of the sample, providing a support for the interpretation of the reports resulting through the use of regressions. Table 2 provides information on major characteristics of the variables used in the analysis for each country.

TABLE 2

DESCRIPTIVE STATISTICS*

(a)

Variable	Obs.	Mean	Std. Dev.	Min	Max
Leverage	192	.62445	.1854398	.0865466	.9866993
Proportion of women on the board of directors	192	.0620627	.1041833	0	.75
Proportion of executive positions held by women	192	.0504051	.1366864	0	1
Beta	192	.5676563	.3197532	.02	2.65
P/b *ratio*	192	1.370052	1.461587	.02	11.86
Return on capital employed	192	.7596875	23.00874	-180.5	46.09
Size	192	3957.228	16453.97	7.484	160457
Equity price volatility	192	.41	.1496663	.15	1.07

(b)

Variable	Obs.	Mean	Std. Dev.	Min	Max
Leverage	138	.5232609	.2084568	.04	.98
Proportion of women on the board of directors	138	.0666616	.0944117	0	.5
Proportion of executive positions held by women	138	.1060841	.0946128	0	.5556
Beta	138	.6278027	.3356237	.04	1.42
P/b *ratio*	138	2.054638	1.56929	.06	11.96
Return on capital employed (%)	138	8.231696	9.96783	-40.07	37.73
Size	138	14198.78	30830.45	54.83	241914
Equity price volatility	138	.3022464	.0857259	.09	.53

(c)

Variable	Obs.	Mean	Std. Dev.	Min	Max
Leverage	435	.4567435	.2512993	.0007327	1
Proportion of women on the board of directors	435	.0274618	.1020935	0	1
Proportion of executive positions held by women	435	.0281181	.0936849	0	1
Beta	435	.4753103	.4088768	0	1.77
P/b *ratio*	435	3.676	31.45526	.07	655.33
Return on capital employed (%)	435	2.759241	25.63466	-287.85	145.28
Size	435	4329.55	20650.42	.895	213565
Equity price volatility	435	.4765977	.2204204	.07	2.8

(d)

Variable	Obs.	Mean	Std. Dev.	Min	Max
Leverage	49	.5237679	.2435853	.0645187	.9894291
Proportion of women on the board of directors	49	.3543415	.1485863	.0526316	1
Proportion of executive positions held by women	49	.1039964	.2158949	0	1
Beta	49	.7080481	.3881071	.023033	1.781372
P/b *ratio*	49	1.765918	2.631695	.14	18.02
Return on capital employed (%)	49	-.122126	29.46114	-114.803	46.3588
Size	49	1667.655	3463.478	5.582543	19939.66
Equity price volatility	49	.5603	.2542065	.285956	1.778113

(e)

Variable	Obs.	Mean	Std. Dev.	Min	Max
Leverage	45	.5933333	.1963994	.08	.9
Proportion of women on the board of directors	45	.0956778	.0870391	.0	.375
Proportion of executive Positions held by women	45	.0886956	.0803482	0	.2727
Beta	45	.7528889	.324511	0	1.36
P/b *ratio*	45	2.212667	2.804071	.24	16.72
return on capital employed (%)	45	.5561349	27.58682	-114.803	46.3588
Size	45	14166.06	23940.46	23940.46	108141
Equity price volatility	45	.3357778	.1228726	.08	0.85

* The table shows mean, standard deviation, minimum and maximum values of the distribution of the sample in Italy (a), France (b), Germany (c), Norway (d) and Spain (e), respectively.

Firms that have on average the highest levels of debt are the Italian ones (62.45%) then there are Spanish firms (59.33%). Regarding the variables on the role of women in business, not surprisingly, Norway is the country with the highest average number of both percentage of women on the board of directors (38.83%) and proportions of executive positions held by women (12.03%); this confirms the valorization of the role of women in this country. The country with the largest number of firms with CEO women (15.56%) and CFO women (11.11%) is surprisingly Spain.

5.1 *Results*

This paragraph describes the results of empirical analysis about the effect of the presence of women in the boardrooms on firms' leverage. From an empirical point of view we use primarily an OLS model.

First of all we provide a correlation analysis to understand the presence or absence of multicollinearity between the explanatory variables. Table 3 shows that there is not a strong correlation between independent variables.

TABLE 3

CORRELATION MATRIX*

	A	B	C	D	E	F	G	H	I	L	M	N	O	P
A	1.00													
B	0.23	1.00												
C	0.09	0.32	1.00											
D	0.07	0.29	0.44	1.00										
E	0.10	0.03	0.07	0.05	1.00									
F	-0.02	-0.02	-0.01	-0.01	-0.05	1.00								
G	-0.05	0.03	0.00	-0.04	-0.04	0.04	1.00							
H	0.04	-0.13	-0.02	-0.02	0.11	-0.04	-0.34	1.00						
I	0.01	0.20	-0.06	0.13	0.09	-0.01	0.09	-0.28	1.00					
L	-0.29	-0.21	-0.09	-0.09	-0.19	0.04	-0.03	0.23	-0.44	1.00				
M	-0.01	-0.01	0.12	-0.08	0.03	-0.03	-0.06	-0.06	-0.23	-0.54	1.00			
N	0.56	0.11	-0.01	0.04	0.10	-0.01	-0.04	0.16	-0.11	-0.25	-0.13	1.00		
O	0.06	0.07	0.08	0.07	0.13	-0.01	0.08	-0.11	-0.10	-0.24	-0.13	-0.06	1.00	
P	0.06	0.11	0.05	0.08	0.53	-0.09	0.18	-0.41	0.36	-0.38	0.02	-0.01	0.22	1.00

* The table shows the results about correlation between explanatory variables. Each letter (A, B, C, D, E, F, G, H, I, L, M, N, O, P) indicates, respectively one variable: Proportion of women on the board of directors, Proportion of executive position held by women, dummy CEO woman, dummy CFO woman, Beta, Price to book value, Return on capital employed (%), Equity price volatility, Dummy France, Dummy Germany, Dummy Italy, Dummy Norway, Dummy Spain, logSize.

The sector Dummies are not so correlated with other Variables.

Also the Vif test (*Variance Inflation Test)* shows that the correlations between explanatory variable are not so high.

Table 4 describes the results of the OLS analysis.

As it is possible to notice, all four variables representing the role of women in the firms have a coefficient not significantly different from zero in the respective regressions. All control variables have statistically significant coefficient, including industry dummies.

These findings could result from some complications inherent in the OLS model, such as omitted variable bias and the problem of endogeneity of the variables included in the model, which could affect the validity of the estimates. In fact, the problem with this study is that the correlation between risk and participation of women may not in any way imply causality. A reverse causality may be true, or there could be a third variable, not considered in the analysis, which explains both the greater risk that the greater presence of women. Later, considering the possible significance of endogeneity problems, in the form of reverse causality and correlation between the errors, we apply the technique of the 2SLS model. In this regard, we think the participation of women in the labor force might be a good instrument to take into account the endogeneity of the role of women in the firm. The participation rate of women in labor force is defined as the percentage of women in the total labour force, considering the total working age population. The total labour force comprises all persons aged 15 to 64 who are either employed or actively looking for a job. The data on participation rates are derived from the annual European Community Labour Force Survey, using data for 2009.

Table 5 reports the results of the 2SLS analysis.

TABLE 4

RESULTS OF THE OLS ANALYSIS#

Variables	(1) OLS leverage	(2) OLS leverage	(3) OLS leverage	(4) OLS leverage
Proportion of womenon the board of directors	-0.00593			
	(0.0574)			
Proportion of executive position held by women		0.0258		
		(0.0685)		
Dummy CEO woman			-0.0118	
			(0.0310)	
Dummy CFO woman				-0.00856
				(0.0425)
Dummy France	-0.149***	-0.150***	-0.150***	-0.148***
	(0.0282)	(0.0286)	(0.0280)	(0.0281)
Dummy Germany	-0.143***	-0.142***	-0.143***	-0.142***
	(0.0237)	(0.0237)	(0.0235)	(0.0237)
Dummy Norway	-0.119***	-0.121***	-0.121***	-0.120***
	(0.0450)	(0.0425)	(0.0421)	(0.0425)
Dummy Spain	-0.112***	-0.114***	-0.112***	-0.112***
	(0.0343)	(0.0347)	(0.0346)	(0.0350)
Beta	-0.122***	-0.122***	-0.121***	-0.122***
	(0.0263)	(0.0263)	(0.0263)	(0.0264)
Price to book value	-0.000569***	-0.000569***	-0.000569***	-0.000569***
	(0.000168)	(0.000168)	(0.000168)	(0.000168)
Return on capital employed (%)	-0.00137***	-0.00137***	-0.00137***	-0.00137***
	(0.000403)	(0.000401)	(0.000401)	(0.000402)
Equity price volatility	0.462***	0.463***	0.462***	0.462***
	(0.0608)	(0.0609)	(0.0607)	(0.0609)
Log size	0.0590***	0.0590***	0.0590***	0.0591***
	(0.00562)	(0.00562)	(0.00562)	(0.00564)
Dummies industry	yes	yes	yes	yes
Constant	0.434***	0.211***	0.434***	0.208***
	(0.0679)	(0.0537)	(0.0679)	(0.0545)
Observations	859	859	859	859
R-squared	0.491	0.491	0.491	0.491

The table shows the results of OLS regressions, where the dependent variable is leverage. In the regressions there are, as explanatory variables, alternatively, the proportion of women on the board of directors on the total number of components of the board, the proportion of executive positions held by women in relation to the total of these executive roles (including member of executive board, top managers, and all types of executives), the presence of a woman CEO, measured by a dummy variable equal to 1 if there is a woman CEO in the firm, 0 otherwise, the presence of a woman CFO, measured by a dummy variable equal to 1 if there is a woman CFO in the firm, 0 otherwise, respectively in columns (1), (2), (3), (4). The industry dummies are included in the model. Standard error cluster robust in brackets. (*) (**) and (***) indicate statistical significance of each coefficient to a level of 10%, 5% and 1% respectively.

Table 5

RESULTS OF THE 2SLS ANALYSIS[#]

Variables	(1) 2SLS leverage	(2) 2SLS leverage	(3) 2SLS Leverage	(4) 2SLS leverage
Proportion of women on the board of directors	0			
	(0.0258)			
Proportion of executive position held by women		0		
		(0.0952)		
Dummy CEO woman			0.0390	
			(0.0242)	
Dummy CFO woman				0.189***
				(0.0680)
Dummy France	-0.149***	-0.149***	-0.145***	-0.165***
	(0.0252)	(0.0260)	(0.0253)	(0.0263)
Dummy Germany	-0.143***	-0.143***	-0.140***	-0.146***
	(0.0212)	(0.0213)	(0.0209)	(0.0217)
Dummy Norway	-0.120***	-0.120***	-0.119***	-0.138***
	(0.0386)	(0.0379)	(0.0381)	(0.0399)
Dummy Spain	-0.113***	-0.113***	-0.113***	-0.134***
	(0.0308)	(0.0311)	(0.0310)	(0.0333)
Beta	-0.122***	-0.122***	-0.123***	-0.120***
	(0.0236)	(0.0236)	(0.0239)	(0.0245)
Price to book value	-0.000569***	-0.000569***	-0.000571***	-0.000575***
	(0.000150)	(0.000150)	(0.000150)	(0.000150)
Return on capital employed (%)	-0.00137***	-0.00137***	-0.00137***	-0.00132***
	(0.000359)	(0.000359)	(0.000362)	(0.000351)
Equità price volatility	0.462***	0.462***	0.463***	0.454***
	(0.0542)	(0.0545)	(0.0544)	(0.0527)
Log size	0.0590***	0.0590***	0.0589***	0.0576***
	(0.00503)	(0.00505)	(0.00512)	(0.00517)
Dummies industry	yes	yes	yes	yes
Constant	0.144***	0.144***	0.140**	0.141**
	(0.0529)	(0.0529)	(0.0567)	(0.0558)
Observations	859	859	859	859
R-squared	0.491	0.491	0.488	0.467

[#] The table shows the results of 2SLS regressions, where the dependent variable is leverge. In the regressions there are, as explanatory variables, alternatively, the proportion of women on the board of directors on the total number of components of the board, the proportion of executive position held by women in relation to the total of these executive roles (including member of executive board, top managers, and all types of executives), the presence of a woman CEO, measured by a dummy variable equal to 1 if there is a woman CEO in the firm, 0 otherwise, the presence of a woman CFO, measured by a dummy variable equal to 1 if there is a woman CFO in the firm, 0 otherwise, respectively in columns (1), (2), (3), (4). The participation of women in the labor force is the instrument used. The industry dummies are included in the model. Standard error cluster robust in brackets. (*) (**) and (***) indicate statistical significance of each coefficient to a level of 10%, 5% and 1% respectively.

Using the instrumental variable chosen, the only statistically significant explanatory variable of our interest is that related to the presence of a female CFO in the company. The coefficient has also a positive sign; this would be consistent with the statement made by Venanzi (2003), such that there is a greater propensity to borrow from firms that have the presence of women managers, in this case managers who deal with purely financial choices.

Despite controlling for endogeneity problems, the other explanatory variables of interest are not statistically significant; there is no empirical evidence that shows how and to what extent women on the boards or who have not better specified executive roles can affect negatively performance or other important economic indicators. The presence of women on the board or in the highest executive positions can not affect leverage, even less in a negative way. All control variables have statistically significant coefficient, including industry dummies.

Although the results show that there is no statistical significance, it is possible that country factors can affect the relationship under study. It is interesting to deepen the relationship between the presence of women in the boardrooms and firms' leverage, in order to see if the effect of the women on firm policies is not constant from country to country, and so whether, with variation of institutional and social contexts, the pressures to which woman is subject will be different, and, therefore, the extent to which there will be a gender difference in risk propensity may be different.

Therefore, in order to see how the belonging to a certain country influences the role of the women in the firm, we carry out some analysis, to test the conditional effect on firms' leverage. In other words, we include within the model of analysis some interaction variables between variables on women's role in the company and dummy variables about home country for France, Germany, Spain and Norway, respectively, using Italy as reference category. Our aim is to measure the partial effect of the presence of women in the boardrooms on firms' leverage. In particular, the results of this analysis are reported in Table 6.

TABLE 6

RESULTS OF THE RELATIONSHIP CONDITIONED BY COUNTRY DUMMY#

Variables	(1) OLS leverage	(2) OLS leverage	(3) OLS Leverage	(4) OLS leverage
Proportion of women on the board of directors	0.0437			
	(0.136)			
Proportion of executive position held by women		0.0196		
		(0.0972)		
Dummy CEO woman			-0.0244	
			(0.0589)	
Dummy CFO woman				-0.170***
				(0.0462)
Dummy France	-0.155***	-0.174***	-0.152***	-0.147***
	(0.0325)	(0.0348)	(0.0282)	(0.0285)
Dummy Germany	-0.137***	-0.143***	-0.144***	-0.145***
	(0.0258)	(0.0247)	(0.0237)	(0.0238)
Dummy Norway	-0.202**	-0.113**	-0.113**	-0.114**
	(0.0907)	(0.0454)	(0.0440)	(0.0444)
Dummy Spain	-0.0969**	-0.0906**	-0.131***	-0.118***
Board*GERMANY	0.0758			
	(0.229)			
Board*FRANCE	-0.136			
	(0.150)			
Board*NORWAY	0.188			
	(0.260)			
Board*SPAIN	-0.179			
	(0.352)			
Executive*GERMANY		0.0324		
		(0.142)		
Executive*FRANCE		0.220		
		(0.190)		
Executive*NORWAY		-0.118		
		(0.213)		
Executive*SPAIN		-0.250		
		(0.279)		
CEO*GERMANY			-0.00157	
			(0.0775)	
CEO*FRANCE			0.0550	
			(0.0868)	
CEO*NORWAY			-0.134	
			(0.116)	
CEO*SPAIN			0.136	
			(0.103)	

Variables	(1) OLS leverage	(2) OLS leverage	(3) OLS Leverage	(4) OLS leverage
CFO*GERMANY				0.219**
				(0.0951)
CFO*FRANCE				0.141
				(0.0860)
CFO*NORWAY				0.0863
				(0.116)
CFO*SPAIN				0.209***
				(0.0787)
Beta	-0.122***	-0.122***	-0.120***	-0.123***
	(0.0266)	(0.0266)	(0.0263)	(0.0265)
Price to book value	-0.000565***	-0.000567***	-0.000566***	-0.000569***
	(0.000164)	(0.000168)	(0.000166)	(0.000168)
Return on capital employed (%)	-0.00141***	-0.00136***	-0.00135***	-0.00135***
	(0.000410)	(0.000400)	(0.000403)	(0.000399)
Equity price volatility	0.459***	0.463***	0.463***	0.462***
	(0.0614)	(0.0611)	(0.0615)	(0.0611)
Log size	0.0594***	0.0595***	0.0590***	0.0590***
	(0.00570)	(0.00572)	(0.00567)	(0.00567)
Dummies industry	yes	yes	yes	yes
Constant	-0.148**	0.184***	0.205***	0.193*
	(0.0577)	(0.0578)	(0.0668)	(0.109)
Observations	859	859	859	859
R-squared	0.492	0.492	0.493	0.493

[#] The table shows the results of the relationship conditioned by country dummy, using OLS regressions, where the dependent variable is leverage. In the regressions there are, as explanatory variables, alternatively, the proportion of women on the board of directors on the total number of components of the board, the proportion of executive positions held by women in relation to the total of these executive roles (including member of executive board, top managers, and all types of executives), the presence of a woman CEO, measured by a dummy variable equal to 1 if there is a woman CEO in the firm, 0 otherwise, the presence of a woman CFO, measured by a dummy variable equal to 1 if there is a woman CFO in the firm, 0 otherwise, respectively in columns (1), (2), (3), (4). The participation of women in the labor force is the instrument used. The industry dummies are included in the model. Standard error cluster robust in brackets. (*) (**) and (***) indicate statistical significance of each coefficient to a level of 10%, 5% and 1% respectively.

The results show that even the country of the company does not appear to have any influence on relations between the explanatory variables of interest and the level of indebtedness, since the interaction variables are not statistically significant. The only exception is that related to the interaction between the dummy variables which takes into account the presence of a CFO woman and the Germany dummy and Spain dummy respectively. It seems that in the case of Germany and Spain company that have a CFO woman there is more leverage than in the case where the CFO is a man, and that would be in contrast of arguments about women's greater risk aversion in the case of Germany and Spain. However, the level of debt is higher comparing with Italian firms with CFO women, such that Germany and Spanish CFO women are less risk adverse than the Italian ones. All control variables have statistically significant coefficient, including industry dummies.

Italian firms with CFO women have a lower level of debt than firms of other countries probably because, Italian women try to preserve firms where they work and so they put in place more conservative financial policies. What we say is supported by the results which show that women CEO are more important in countries such as Germany and Spain.

In summary, we can say that the only variables of our interest in the analysis with some explanatory power are the variables related to the presence of a CFO woman probably because it is more related to financial policies.

6. - Conclusions

This paper provides a brief overall view of the previous research carried out on gender diversity issues whether to show if the presence of women in the boardrooms can affect firms' leverage and risk or not.

Regarding the relationship between leverage and the explanatory variables on the role of women in the firms (the proportion of women on the board of directors on the total number of components of the board, the proportion of executive position held by women in relation to the total of these executive roles, the presence of a woman CEO, and the presence of a woman CFO), using the instrumental variable regression, the only statistically significant explanatory variable of our interest is that related to the presence of a female CFO in the company. The coefficient has also a positive sign; this would be consistent with the statement made by Venanzi (2003), such that there is a greater propensity to borrow from firms that have the presence of women managers, in this case managers who deal with purely financial choices. Despite controlling for endogeneity problems, the other explanatory variables of interest are not statistically significant; there is no empirical evidence that shows how and to what extent women on the boards or who have not better specified executive roles can affect performance or other important economic indicators negatively. The presence of women on the board or in the highest executive positions cannot affect leverage, even less in a negative way.

One of the problems is that there are not enough CFO/CEO women to create a statistically meaningful sample. Nonetheless, although the results show that there is no statistical significance, it is possible that country factors can affect the relationship under study. It would be interesting to deepen the relationship between the presence of women in the boardrooms and firms' leverage, in order to see if the effect of the women on firm policies is not constant from country to country, and so whether, with variation of institutional and social contexts, the pressures to which a woman is subject will be different, and, therefore, the extent to which there will be a gender difference in risk propensity may be different. The results show that even the country does not appear to have any influence on relations between the variables of interest and the level of indebtedness, since the interaction variables are not statistically significant. The only exception is that related to the interaction between the dummy variable which takes into account the presence of a woman CFO and the France dummy. It seems that in the case of French companies that have a woman CFO, their leverage level is lower than in the case where the CFO is a man, and that would be in support of arguments about women's greater risk aversion in the case of France. However, the level of debt is higher comparing with Italian firms with CFO women, such that French women CEOs are less risk averse than the Italian ones.

In summary, we can say that the only variable of our interest in the analysis that has some explanatory power is that related to the presence of a woman CFO, probably because it is more related to financial policies.

6.1 *Limitations and Future Research*

We believe that this analysis could be a starting point for the study of the Board Diversities in terms of gender in Italy through an empirical analysis, since there are not similar works in the previous literature. Moreover, it can be considered as a local contribution to an explanatory framework that researchers still cannot agree on.

This research aims to clarify recent trends and to eradicate the stereotypical attitude according to which the presence of women on the board or in the highest executive positions can affect leverage in a negative way. It is undeniable that physical, psychological and social differences exist but, probably, the false beliefs on gender risk behavior and skills are spread to justify unequal treatments like wage gaps, discrimination and institutional barriers to career progression in the workplace.

We propose the possibility of using panel data as a guideline for future research; our study is in fact a cross-sectional analysis, which has not allowed us to use more advanced statistical techniques such as GMM. As regards to the comparison with other countries, however, we believe that the comparison between Italy and other countries (including non-European) might be interesting to see how the social context or other qualifying structural country factors may be important in explaining differences in risk behavior between men and women.

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Women on Boards: Norway the Example to Follow

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We explore the overall situation of women on boards in Norway, Germany and Italy and review the debate surrounding women's involvement in governance. Italy and Germany are following the law path undertaken by Norway to reach the women quota in boardrooms. We use data to demonstrate the quota law is a success and argue it should be considered an example to follow. We discuss some propositions on how gender diversity brings different value creation within boardrooms accordingly with the critical mass approach. Moreover, the paper explores in a synoptic overview the micro and macro-level dimensions of the three countries considered.
[JEL Classification: M12; M16; M38].

Keywords: gender; diversity; organization; behaviour; governance; quota law; boardroom; women; micro-level dimension; macro-dimension; critical mass approach; value creation.

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1. - Introduction

Board of directors are overwhelmingly dominated by men (Heidenreich, 2009, 2010). Worldwide, only a small percentage of directors of large corporations are women: it seems no more than 5-20% of directors of such organizations are women though (Vinnicombe, Singh, Burke, Billimora, Huse, 2008). This gender disproportion is under challenge in Western countries, as equal employment opportunities and gender parity turn into the norm. Despite many decades of research, intervention and efforts to increase board gender diversity, this *ratio* remained stable, except when affirmative actions have forced a change (Toomey, Christine, 2008).

Several studies identify significant reasons why appointing more women as directors: the "normative case" for more women suggests that it is unethical for a group of people to deny the access to the societal power as a result of individual traits only (Cvijanovic, 2009). Other studies identify the "business case" as the main argument to represent gender diversity in the boardrooms. Generally, if a segment of society talent is systematically excluded from board directorships, due to the gender, this leads to suboptimal company boards. Instead board diversity should lead to more effective boardroom behavior, a better understanding of the marketplace and better decision-making.

Unfortunately barriers for women do exist (Joy, 2008; McGregor and Funtaine, 2006); the "glass ceiling effect" is the term used for women on board literature to express the apparently transparent and impenetrable, at the same time, obstacles to women's evolution within boards of directors (Vinnicombe *et* al., 2008).

Indeed the debate (Toomey, Christine, 2008) on women on corporate boards has gained a considerable interest since many authors argued that women directors on boardrooms offer many contributions, such as new ideas, transformations in the management style and communication leading to an increase of firm performance. However, since women have experienced to be small minorities within the boardrooms, when they form coalitions and become a consistent minority of at least three (Torchia, Calabrò e Huse, 2010) women, they can affect the culture of the group according to the "critical mass approach". Gendered director networks with social network analysis tools (Biggins, 2011) shows that women directors in global and national networks are more likely to show the characteristics of small-worlds, that is, high clustering coefficients and female directors with a "positive assortment" instead. Hence as the seats distribution within the boardrooms pursues a law influence, the model of the expected seats is a helpful tool to chart the effectiveness of governance or affirmative action such as the introduction of *quotas*, which are to be implemented for reasons of social equity. Successful change requires a comprehension of what is being changed, and knowing whether and in what women and men directors are similar or different is a good point: the conclusion and the starting point, at the same time, is that men and women directors are "fundamentally similar"; let's go and look at what rather makes the difference then!

The contribution of women to the boardrooms has been deeply studied making the "business case" for appointing more women within boardrooms. Despite debates on the strategic importance of women directors are always on-going, most corporate boards have only one women director or a minority of women directors and they are still seen as tokens (Barabasi, 2003; Watts, 2004).

Hence while a lone woman can and often does make substantial contributions (Hillman, Shropshire and Cannella, 2007) and two women are generally more powerful than one, increasing the number of women to three or more enhances the likelihood that women's voices and ideas are heard and that boardroom dynamics change substantially. In fact, women who have served boards alone experience the situation of lone women excluded from socializing and even from some decision-making discussions (Ragins, Townsend and Mattis, 1998). Two women together can develop strategies for raising difficult and controversial issues in a way that makes other board members pay attention. But the situation (Torchia, Calabrò e Huse, 2010) seems to positively change when three or more women serve on a board together; having three or more women on a board creates a critical mass, where women are no longer seen as outsiders and they are able to influence the content and process of board discussions more substantially, causing a fundamental change in the boardroom and enhance corporate governance making the difference in the boardroom.

Board diversity delivers a broad range of perspectives, facilities creativity, enhances the quality of ideas, stimulates alternatives, enhancing in this way the level of innovation, whereas homogeneous boards of directors are more likely to inhibit the critical evaluation of alternatives with negative effects on innovation (Kolvereid, 1992; Cliff, 1998).

In particular, critical mass theory (Torchia, Calabrò, Huse, 2010) advocates that the nature of the groups interactions depends on the size: when the group quantitatively reaches a certain number, the critical mass, a qualitative change will take place in the nature of such interactions; in the case of women it predicts that when a certain threshold of three women is reached, the subgroup's influence arises.

Very few women (Newman and Park, 2003) are appointed to the boards of directors of companies despite being appointed as a director of a company board often represents the peak of a management career (Goldin, 1990). Having women in key positions is argued to be associated with long term company success and competitive advantage, adding value through women's distinctive set of skills, and creating cultures of inclusion through a diverse workforce. It has also been argued that since women directors tend to be younger than their male colleagues on the board, the boards may benefit from new ideas and strategies. Women directors are even economically advantageous to a company (Burton and Ryall, 1995) and furthermore those women's strong influence on consumer purchases suggests that companies should have a female perspective on their boards. Furthermore, well-balanced boards including women directors reduce the likelihood of corporate failures. In fact homogeneous groups tend to have homogenous ways of solving company problems (Morck, Shleifer and Vishny, 1988): "group think" errors would be less likely to occur with a uniform board. Corporate women directors are also thought to serve as role models, mentors, and champions for high performing women in the organization, and monitor the application of social justice and equity policies in recruitment. Women directors add value to a company through their contribution to business (Burgess and Tharenou, 2002) by participation on company boards and board gender composition definitely affects board effectiveness. Moreover the literature (Stephenson, 2004) on gender-based differences asserts that women and men are different in their leadership behaviour; while men are more likely to be assertive, ambitious, aggressive, independent, competitive, self-confident women tend to be affectionate, kind, helpful, sensitive; women have a behaviour more democratic and participative and less autocratic and directive at work while men tend to be more hierarchical, speaking assertive, competing for attention at work. Generally the contribution of women varies on the base of the board tasks. In fact it may be more important to ask how, rather than if, women contribute to board decision-making; in order to do that it is necessary to open the black box of actual board behaviour to explore how they may contribute.

Unfortunately there is the glass ceiling effect though (Catalyst, 1999); it refers to situations where the advancement of a qualified person within the hierarchy of an organization is stopped at a lower level because of some form of discrimination, most commonly sexism or racism (Crenshaw, 1991).

Literature (Stephenson, 2004) and practical evidence on the glass ceiling have showed that women's presence in ownership does not ensure that they can significantly influence firm decisional processes; similarly women's presence in governance roles does not entail glass ceiling removal. Thus there are many barriers to break the glass ceiling such as lack of mentoring and/or few role models; insufficient or limited developmental assignment opportunities and other career enhancing activities; restricted career growth because of poor training; institutional rigidity that works against the fragile balance between family and work (children, career break, limited mobility); self imposed limitations. But what effectively happens once beyond the glass ceiling then?

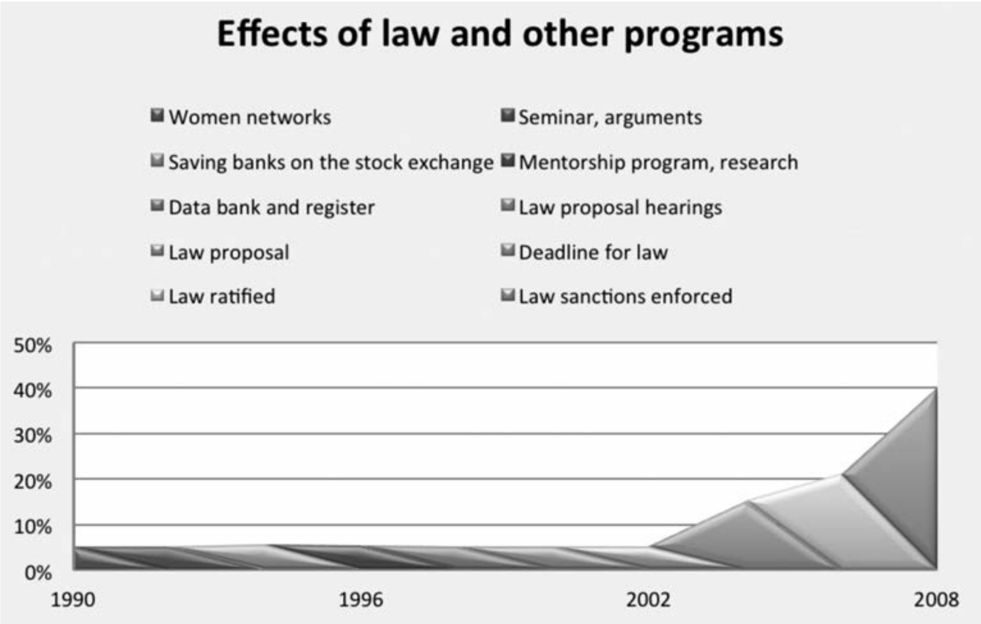
Research suggests that, once women manage to break through the glass ceiling, they continue to encounter a range of problems and barriers. Hence the aim is to figure out the possible remedies to take the action though (Frankforter, 1996).

An important role is attained by both Private and Public Institutions. It is in the Institution's best interest to break the glass ceiling in order to:
- improve retention of existing employees who have tribal knowledge;
- enhances ability to attract new talent who bring new ideas and fresh perspectives;
- makes the corporation more marketable to a diverse consumer;
- minimize potential law/class action suits.

Where potential areas of possible improvement could be:
- creating a workforce and workplace that values diversity and fosters inclusion
- ensuring high performing women and careers are developed and tracked for senior level growth and opportunities
- encourage internal "networking" as a support infrastructure
- commit to re-establishing career paths for those returning from leaves of absence
- mentoring programs that lead to advancement in the workplace

But what to do to take the action though?
- be proactive, hence communicating career goals to management, in addition knowing and utilizing available resources provided within the company
- understand and address personal work/life balance issues
- seek mentors and role models, such as network, network and then network
- understand the key competencies within the company
- seize opportunities for continuous education and career development
- stay motivated

Thus Norway has one of the longest tradition of women on boards with a *quota* law of 40% (Teigen, 2008). The government and parliament ideally wanted an action to increase female board representation to take place on a voluntary basis (Anderson, 2007). The quota (Toomey, 2008) requirements apply to all publicly owned enterprises (state-owned limited liability, state-owned enterprises, companies incorporated by special legislation and inter-municipal[1]), cooperative[2] companies and all public limited companies in the private sector (actually any rule has been set for privately owned limited liability companies). Generally, the development in the years before the law was passed was slow (Teigen, 2002, page 86), thus encountering many steps before the quota law came into force as the Graph below show.



After the law was passed through Parliament in 2003, the number of women on boards increased, and it has doubled in 2004 compared 2002.

1 Inter-municipal companies are publicly owned by two or more municipalities together.
2 A cooperative company is a business organization owned and operated by a group of individuals for their mutual benefit. The company is a legal entity, owned and democratically controlled by its members. Members often have a close association with the enterprise as producers or consumers of its products or services, or as its employees. Cooperatives often share their earnings with the membership as dividends, distributed in accordance with their participation in the enterprise, for example, in the form of patronage, instead of according to the value of their capital shareholdings (as is the case with a joint stock company). In Norway, this type of companies is common in food production.

The debate (Toomey, Christine, 2008) on women as directors on boards is focused on women's under-representation on boards, which continues to be well documented by many researchers. Many are the groups of activists[3], (Catalysts, No-For-Profit Organizations, Foundations, Governments themselves) who are debating (Cvijanovic, 2009) and fighting to follow the Norway's example. They inaugurate the diversity on board to progress discussions and actions on how improving this diversity on boards. Numerous arguments for the recruitment of women directors have regularly proposed, as we have already seen in part. They include: *(a)* increased diversity of opinions in the boardroom; *(b)* women directors bringing strategic input to the board; *(c)* influence on decision making and leadership styles of the organization; *(d)* providing female role models and mentors; *(e)* improving company image with stakeholder groups; *(f)* women's capabilities and availability for director positions; *(g)* insufficient competent male directors; *(h)* ensuring "better" boardroom behavior. Diversity is such a core business issue for companies and accountability, performance and credibility are linked to opening up leadership opportunities to a wider range of talented women as well (Ragins, Townsend and Mattis, 1998). It is well known that senior executive management positions are feeder roles to boards. Making these positions more accessible and creating pathways for women are issues that many companies are taking seriously. The flow on benefits of increased diversity and its affect on workforce participation, employee retention and company performance are being realized and recognized across the business world.

These groups of activists joining "diversity on boards" conferences seek establishing face to face contact with Norwegian directorships and main actors, build associations to support and mentor women and grow opportunities to encourage and promote diversity. The aim of the conference series is to provide commercial and practical outcomes for attendees.

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[3] A knowledge activist is someone, some group or department that takes on particular responsibility for energizing and coordinating knowledge creation efforts throughout the corporation. Therefore, he acts in three roles: as a catalyst of knowledge creation, as a connector of knowledge creation initiatives and as a merchant of foresight.
To catalyze social processes of knowledge creation, a knowledge activist formulates "process triggers" and creates space or context for knowledge creation. The concepts of micro communities of knowledge, imagined communities and shared maps of cooperation help the knowledge activist to connect knowledge creation initiatives: since there are limits to the number of participants in micro communities, the knowledge activist establishes imagined communities, whereby shared maps of cooperation are important. As a merchant of foresight, the knowledge activist finally provides overall direction to the knowledge creation taking place in various micro communities.

What follows is the experience of these groups of activists:
Fidar ⇨ this is a no-profit group with the issue is to bring more women on the boards. They are used to organize events and conferences as well. It has been founded by the Ministry. They have arranged lots of conferences around collaborating with many groups and joining different meetings of shareholders;
RMI ⇨ aim of the institution: understand responsibility and value creating management in a corporate governance. The topic at the beginning was the cognition in terms of diversity in the cognitive process which stimulates the ability to cooperate, and the motivation as an intrinsic dimension which brings to the willingness to cooperate. These two dimensions make the decision making process possible.

"Fondazione Bellisario" is a no-for-profit organization. The Foundation represents the place where to increase the value of the female professionalism in the private and public sector and it promotes a culture care of the equality and the open dialogue. The main objective is to constantly call the attention of the entrepreneurship, politicians, Institutions on innovative ideas and projects in order to promote the female entrepreneurship nationally and internationally. Social commitment, new technologies, communication, economy and finance, social firm responsibility are the arguments relevant to the studies and researches. The Foundation is active in all the economics, political and Institutional fields nationally, whereas it counts on professional coordinators locally.

"Lega Nazionale delle Cooperative e Mutue", Legacoop, is the oldest Italian cooperative. It promotes the development of the cooperation and mutuality as well as the economic relations of the cooperatives which adhere to it in order to favor the diffusion of cooperative principles and values. One of the main objectives has to do with the equal opportunities[4]. Work of women within the cooperatives is essential. The organization can give contribution to build a context able to favor women to conciliate work and private life.

2. - Theoretical Background

Research (Peterson and Philot, 2007) suggests that the impact of women on boards depends on the qualifications they bring along. In fact women directors differ from their male counterparts in terms of their prior professional experiences:

[4] Dora Iacobelli is the president of the Commission of Legacoop.

women are more likely to come from non-business backgrounds and hold more advanced degrees (Hillman *et* al., 2002 and Ruigrok *et* al., 2007). Women executives hold positions related to the "soft" managerial issues, such as human resources, corporate social responsibility, marketing, advertisement. Hence, women make contribution to the boardrooms with different experiences and backgrounds which stimulate divergent thinking and improve board decision making (Burke, 1997) with their different backgrounds women offer unique perspectives.

Based on some empirical (Gilden, Berkeley, Gender and Just, 2008) evidence collected from the respondents of Norwegian corporate boards the results prove that the impact of women board members on board decision-making depends on the prior professional experiences and the values they bring along rather than their gender *per se.* Furthermore the presence of women with similar professional experiences but different values on corporate boards may be able to enrich board decision-making. However when women directors have professional experiences different from those of male board members, this may create significant barrier for women to influence board decision-making. In fact when women with non-traditional professional backgrounds are appointed to corporate boards, their lack of relevant experiences seems to limit their potential to contribute to board work. Hence, contrary to the predictions of theories, the research on Norwegian firms suggests that diversity in women directors' backgrounds is often a constraint rather than a resource. However by introducing gender as a moderating variable it is possible to speculate that women directors, more than their male counterparts, are likely to champion their unique background, skills and attitudes which may result in their willingness to raise and keep alive issues that may be uncomfortable for board members. But such championing best results in productive outcomes only when conditions like trust and cohesion exist among board members (Hawarden and Stablein, 2008). At this stage, four characteristics emerge to help corporate directors to face difficult issues at the board table and make contribution though.

First, the expertise is one of the most important feature board members should have. Being well prepared thus emerges as an important aspect for directors in allowing them to bring up topics potentially uncomfortable and conflicting. Board members are generally concerned with getting all the necessary information to evaluate corporate performance.

Second, honorable intentions concerns the evidence that a strong sense of commitment to their board role and their organizations is necessary for the betterment of the group, thus the group is more likely to entertain the issue.

Third, agency responsibility entails the importance to the board of being proactive, requiring explanation, providing opinions, and where needed, giving expert advice as well as criticism to management and board.

Finally, credibility as a challenge of the board members at a board table. Their willingness to champion difficult issues is the ability to persuade the board to engage in serious debate and support their position on the issues (Buttner and Rosen, 1988, 1989; Carter and Rosa, 1998; Coleman, 2000; Fay and Williams, 1993; McKechnie, Ennew, and Read, 1998; Read, 1998; Riding and Swift, 1990; Verhuel and Thurik, 2001).

Therefore, championing a though issue may arise tensions in the boardroom. Three factors facilitate the issue discussion:

- being able to balance persistence and resilience;
- working though a team;
- exercising influence.

According to this latter point it is necessary the consideration of women of feeling they are having a positive, measurable effect on board decisions. In fact the board work, as being predominantly male, suffers the stereotype threat. These psychological mechanism bring women to be perceived as unequal board members and thus reduce the potential positive contribution of women on board decision making. A possible explanation for these findings is that when women possess different professional experiences, this may bring them in a strong minority position (Lau and Murninghan, 1998) which may prevent them from being able to express their opinions. A possible solution to this situation could be creating a perception of similarity with the majority. In fact the key to make women directors a precious resource for boardrooms is to select women with appropriate characteristics and create conditions for women to be able to make distinctive contributions (Erhardt, Werbel and Schrader, 2003; Joy, Carter, Wagner and Narayanan, 2007; Nguyen and Faff, 2007). Nevertheless the results suggest that the more different women directors' values are from those of male counterparts, the higher the influence on board decision-making is. A possible explanation is that women feel strong about their values and they are more likely to raise their voices when issues discussed in the boards are in contrast to their values then. Differences in women's values are associated with higher participation of women in board discussions and higher impact on issues as well as the way in which the board conducts its business. Another contribution regards the consideration of women equality perception (Branson, 2007) as an important factor influencing the way women contribute to board decision-making. Women are unlikely to be perceived as less valuable board members and they are less likely to contribute to board decision-making. Understanding of such dynamics is critical to the discussion of whether or not women directors can make a difference to the work of corporate boards. If one considers the positive cognitive effects of women characteristics with no consideration for the equality perception, bringing in women with similar professional experiences and different values will enhance board decision-making. However it is necessary to convince the rest of the board members that women are as effective as men in order to realize their potential. In accordance with that, the findings suggest that male respondents are more likely to negatively evaluate women's influence on board decision-making.

Accordingly we propose our first proposition:

Proposition 1: *Women directors will affect the board decision making process differently than their male counterpart. Women with the characteristics of high expertise, honorable intentions, agency responsibility and credibility will be more able to champion the discussion of tough issues, exercising a stronger influence on board.*

In the Italian companies (Gamba, Golstein, 2008) the criteria according to which evaluating employees, and thus women, and the possibilities to grow professionally, required to whom want to reach the highest vertexes of organizations, depend above all on the organizational relevance of the face-time. This latter seems to be a cultural feature typical of the Italian management, unknown to the other European countries then; in particular, it represents the expression of the values owned by the "male" Italian cultural working life. And if women don't adhere to those constraints, they are automatically cut out of the competition. The necessity of being available in office always, even when it is not directly useful to the course of the job, heavily affects the position of women, who have always the most significant domestic and familiar charge. Even in the couple where both work hard, responsibilities are often divided in an unequal way (Bombelli, Cuomo, 2003); in addition when crucial situations arise the woman is who must sacrifice her career. Furthermore in the recent years, the possibility of forecasting their career path is diminishing for both men and women, thus the seats at the top position decrease rapidly. In fact in Italy it is not anymore possible to interpret career opportunities as a climb to the top, rather the "tourneys theory" of James E. Rosenbaum is more appropriate to describe the career chances though. The theory entails that at every passage or stage, organizations select the best resources to bring forward. In this sense women possess strong skills and competences although they are not valorized enough. Nevertheless in Italy as well as in other countries, analysis with the objective of finding out interventions of formation and organizational development have been conducted with the objective of estimating the contribution of women within organizations and increasing their potential though. Thus many initiatives, seminaries, workshops, activities have been set in order to enhance the potential and capacities of women and spread the knowledge around gender differences and value they can offer to the firms. The identifications of those competences assigned to women such as being available, careful to others, able to better communicate, patients, able to manage stress, creative, flexible, intuitive, oriented to the process, and the knowledge of not fully employing those competences have been noticed and expressed in many companies. In fact corporate governance and the role and functions of Italian boards of directors, especially women directors, have emerged as critical topics for organizations; hence in Italian corporate boards the paucity of WBDs can be seen as one manifestation of a broader phenomenon, namely the lack of circulation in the country's elite and the poor quality of corporate governance. Board diversity, including in terms of gender balance, can thus be seen as an efficiency issue. Globally women's access to the labor market has been slower and more difficult in Italy than in other European countries since they were long excluded from certain professions. In fact gender stereotypes, still deeply rooted in Italian society, are responsible for a postponement of a "new labor force creation" and for the under-representation of women in managerial positions and high level jobs (Maione, 2000). As for Germany there is a number of international studies suggesting a correlation between the percentage of women on boards and company performance: findings (Holst, Schimeta, 2011) have shown, for example, that returns on equity and investment as well as stock prices increase with the appointment of a woman as CEO. It has also been shown that executive and supervisory boards with a higher percentage of women tend to make better use of existing company and market potentials. Higher board diversity provides different perspectives, leading to more balanced decisions. In addition a stronger representation of women on supervisory boards also provides added legitimacy for decisions in the eyes of employees, customers, investors, clients, and the public. International businesses are under growing pressure to open up higher levels of senior management to women in order to maintain a positive image in the international business community. In fact the introduction of a gender quota by Deutsche Telekom AG provides one striking example of the potential of equal opportunity policies to improve a company's public image. The government commission German Corporate Governance Code (DCGK), which aims at communicate standards for good corporate governance to Germany's exchange-listed companies, has responded to the arguments put forward in favor of greater diversity in corporate management. In June 2010, the DCGK explicitly recommended "appropriate consideration of women" on both executive and supervisory boards. Companies that do not comply with this recommendation have to publicly explain their actions. However, if we turn back the discussion to Norway, since women directors on corporate boards offer contributions such as new ideas, more communication, and lead to an increase of firm performance, the contribution of those women directors is not only a matter of what they can contribute with, but it depends highly on their ability and willingness to make alliances with most influential actors, spend time on preparations, attending the important decision-making arenas, taking leadership roles, being visible. Running a board is very much a matter of being able to manage all these activities, indeed when entering a board as a token, a women is often not a part of the ruling alliances. However she has means to become a part of the power game and be influential. Furthermore the unsatisfactory preparations of male directors gave the women possibilities. The women get the possibility to influence decision-making and to improve their *status* as directors, even if they had been elected as tokens (Erkut, Kramer and Konrad, 2008). In fact, in most corporate boards, there is only one woman or a small minority of women and as such they are often considered tokens. The argument for a higher number of women in corporate boards are numerous and research on women directors question how many women a board should have to produce on firm value and how women directors actually contribute to firm performance. Researches on the minority influence on group decision-making, drawing on the critical mass theory, as well as tokenism theory has been built. In particular women directors are seen as a minority subgroup within a larger group. Minorities are easily marginalized when their presence in a larger group is modest (Burgess, Tharenoun, 2002). So due to their underrepresentation in the group, they are viewed as a symbol or a token. Tokens are perceived negatively and they are often doubted and not trusted; as a result being labeled as a token often creates discomfort, isolation and self-doubt and can interfere with performance. However when the size of the minority group increases to the point that it is no longer a token minority, the perspective of its members and the nature of the relations between the minority and the group changes qualitatively. In fact when the size of the minority group increases, it gains trust, and the majority benefits from the resources minority, specifically women, can bring to the organization. Therefore, the influence of a minority in a group depends upon the strength, immediacy and number of its members. Critical mass theory in particular (Erkut, Kramer and Konrad, 2008), suggest that the nature of group interactions depends upon size. When the size of the subgroup reaches a certain threshold, or critical mass, the subgroup's degree of influence increases, meaning that when minority group reaches critical mass, a qualitative change will take place in the nature of group interactions. Most studies on critical mass suggest that women, as minorities in male-dominated environments, have little chance to exert influence on the organization until they become a consistent or significant minority. Above that point, they could begin to effect organizational changes. So since critical mass theory predicts that when a certain threshold (Erkut, Kramer and Konrad, 2008) is reached the degree of the subgroup's influence grows, studies and experiments have lead to the definition of a threshold that represents critical mass. The effectiveness of group pressure increases when the group size is three so three usually represents the tipping point influencing the group setting. So the critical mass of women directors is reached when boards of directors have "at least three women". The main findings show that Norwegian boards with at least three women directors change their work-style, thus influencing the dynamics and the processes among board members. The core idea is that with at least three women directors it is possible to increase the likelihood that women's voices and ideas are heard and that boardroom dynamics change substantially.

Therefore we propose our second proposition:

PROPOSITION 2: *Women have a significant impact on boards when they are at least three: women affect the board decision making process when they are not considered tokens anymore and become a consistent minority, thus when they reach the critical mass.*

When the core concept is to explore the effects of women members on board dynamics and how they feel when entering boardrooms made of men principally, the core question remains how this diversity is perceived by the women themselves and the male counterparts in Norwegian, Italian and German boardrooms.

The study of Norwegian women directors has received attention since the 1980s (Aagoth, Mari, 2010) on the extent to which women have been able to become members of corporate boards of directors, breaking through the "glass-ceiling". These studies (Aagoth, Mari, 2010) demonstrate that women get traumatized by the games of power among board members inside the boardrooms and outside. Women's shocking perception was about the male members main interests: prestige, power, creating alliances, development of contracts and networks. The male intense power game has been played using those women and involving them to reach the objectives because the whole board decision-making itself may be a power game. Women must even share such interests in it when they are to contribute on corporate boards. Regarding the building of alliances, the observation of those women on how and why directors form alliances in the boardrooms (meaning to get power and tools necessary to manipulate board decisions), comments reveal the way men behave differently from women before a board meeting. In fact while women don't usually make calls in advance to influence decisions, it often happens in the boards among men. They talk before the meetings and when women attend many board meetings they haven't the perception that unexpectedly something has been decided without having been discussed before. So women observed that when men want to be influential they make alliances. Another finding shows that there is not the same admission and impact to decision-making arenas. In fact not all board members have an equal admission and impact to all decision-making rooms. Women must also reach the consistent number to gain power. Hence sometimes members must be entirely involved in particular arenas to get to understand who makes decisions. Moreover it's important to build communion between women in such common places and while doing common things. It means a lot not to be alone as a woman on a board. In fact there are some arenas when women feel to be excluded at all.

Thus our third proposition follows:

Proposition 3: *Women often don't feel at ease within boardrooms made of men because of a certain glass ceiling effect. Once through the glass ceiling women are more likely than men to experience this effect since their leadership positions are more precarious than those of their male counterparts, thus associated with a greater pressure and risk of failure.*

In Italian firms pressed by performances and outcomes, even at a degree parity level, the possibilities of career for men and women haven't been equalized yet. Despite the rates of women with high degree at work are similar to the average of other countries, there is a strong underrepresentation of women at high levels, even in prevalent female sectors. Hence here the question is: what obstacles have those women faced during their career path? Which behaviors do they show toward their job? It is interesting to notice that the argument "careering women" doesn't appear on researches conducted on Italian careering people, since the number of women at high level is so small that it is unfeasible to set a relevant sample. However, since the beginning of 80's, the empirical investigations on female work were meanly concentrated on the quantitative aspects of the phenomenon, whereas the few qualitative studies had low hierarchy positions as objective. The aim was to chart a socio-demographic and professional profile of the sample of careering women and figure out the cultural and organizational mechanisms which obstructed, or even facilitated, the female careering climbing. Beyond the stereotypes and a background not always appropriate with the organizational needs, it's the personnel management the place where more criticalities have been met; it is referred to the hiring mechanisms, the evaluation systems which were not objective and transparent, the pay gap which assigned always an inferior market value to women. Another criticality has been finally noticed in the weakening of the decisional power of women caused by their difficulties in the access to the organizational networks, where the main and crucial management information circulates. This last aspect, the "authority gap", depends on gender stereotypes in the labor market. The discussion around this phenomenon and the man-woman interactions within Italian organizations have been influenced by Rosabeth Moss Kanter theories, which promote the homosociability; this is a process through which careering men, looking for men similar to them in terms of studies, common interests, gender, sponsor and facilitate the entrance of men within the group work. Nevertheless, in Italy, it is surely a matter of slower career for women, but consistent with that, there is the relevant issue of the salary gap: within the specific qualifications, significant spreads among female and male salaries may be find, and furthermore the higher the qualification, the wider the spread.

In Germany, first it is essential to give the meaning of Equal Opportunity. The diverse concepts of Equal Opportunity is in terms of promotion for women, *Frauenforderung*, which is associated to expenses and major social security taxes; and *Gleichstellung,* which means similar treatment, thus the objective is to realize a fair and equal behavior toward women within firms. In this case, as long as there is a major percentage of one woman representative on the German boards, it will be hard for her to make a significant impact on the board's style and practices beyond that of her immediate business skill set. To truly give women the chance to participate in improving corporate governance it is vital that they have a more significant presence on the board. Companies need to make moving beyond tokenism a strategic objective. In addition since it is hard to find the right women with the required experience and competences, companies need to consider a broader range of profiles and experiences when looking for potential board recruits. Furthermore Germany is recognized as a laggard in terms of public policy focused on helping women in the workplace. However the initiatives finalized to sensitize careering men on the theme of the Equal Opportunity between women and men are many although they are not enough.

Finally the roles of women, as well as men, in the society are strongly embedded in the cultures and changes in the laws are never sufficiently strong to rapidly manage dis-embedding or re-embedding processes. Hence the macro-level dimension strongly affects the board outcomes. Indeed they need time and tests to realize a cultural base on which rebuilding a new role system. Apparently the degree of masculinity and femininity of a national culture is the main factor to create gender differences at work, especially at high levels; this factor is always positively related to the power distance, meaning the degree of inequality within a group. Hence while the female component is mostly oriented to the equality, teamwork, creating relationships, male societies appear to be less adaptive and creative but more rigid. However, at the same time, the gender diversity and the board effectiveness in these terms are influenced by micro-level board processes as well.

Norway has a long history of promoting gender equality, thus Norway is a country less dominated by large power distance and strong hierarchies (Teigen, Heidenreich, 2009) in workplaces if compared to Latin countries, where power distance is strictly related to the degree of centralization of authority and the degree of autocratic leadership. This doesn't encourage open debate and enactment in encountering groupthink, thereby enhancing board effectiveness; in addition similar considerations apply to use of knowledge and skills, as support of the benefits of an active use and integration of board members expertise and skills for group decisions. However, about cognitive conflicts, although it shows a negative association between conflicts and board task performance, especially, control and advisory task performance, there are evidences in the Norwegian institutional context of the positive effect of cognitive conflict on board control and advisory task performance. Therefore since it is a country strongly characterized by less individualism, it allows individuals to have a high level of participation in decision-making. Consequently board processes will be less stronger predictors of board effectiveness and board task performance since this less individualism may induce somewhat less parallel opportunism; in fact more individualistic societies are more likely to be characterized by a more intensive opportunistic behavior as well as a lesser social control. Hence, when conflicts arise, they lower hierarchical and cognitive barriers among board members and create conditions for board being more participative in firms' critical decisions. This is why Norwegian boards have a tradition of being more active then. As a consequence, it may lead to a glass ceiling effect: high collectivist-low power distance cultures might have a "ceiling effect" (Equal Opportunities Commission, 2004; Women and Equality Unit, 2004), since processes tend to be naturally higher and the lesser variance in the good process of Norwegian boards will lower the power of board processes on task performance. However higher is the chance to break it, thus stimulating diversity. Consistent with that, in Norway, the elements of diversity refer to the degree of education and technological development. These two elements are considered together because they are strictly correlated. Hence Norway, with a high degree of education and progress levels have higher conciliation of work, and private life needs is much easier: Norwegian women are more likely to reach higher positions among the most well-knowing population, breaking the "glass ceiling".

As for Italy the perspective is different and somehow opposite. In fact Italy has always been characterized by power distance, uncertainty and masculinity. The intensity of these characteristics has lightly changed in the years: they will never change completely and they must be taken into account when analyzing choices of flexibility within Italian firms. Therefore such advanced choices of flexibility appear to be more observable in non Italian firms characterized by knowledge and information intensive processes and more opened to the international competition. However Italy has paid attention to firm external profiles of flexibility, developing systems between the firm and the market (networks, districts) and cooperative models of the labor market closer to the models used in Germany and North Europe. In this perspective the different involvement of women at work in Italy may arise some reflections since it has changed in the years. The female percentage of women available to work seems to increase: hence the demand of time flexibility women require appears to be higher in the South, especially because of the known difficulties of the labor market and the most traditional familiar life models. So the time flexibility at work lays in between the dependence on the productive needs and the conciliation of the life needs, which means women have to often renounce to a certain income, a career, as well as maternity.

Consequently, even if temporarily and partially, the path toward the flexibility in terms of balanced and fair conciliation of women expectations has started: to be continued it would need more favorable conditions among which we find especially the establishment of a familiar life model where the needs and expectations of women and men become balanced and conciliated according to all the aspects of daily life.

Here we propose our fourth proposition then:

PROPOSITION 4: *The role of women in society is a question of how to manage the dis-embedding or re-embedding processes within the country. At the same time it is a matter of how state dynamics, culture, country laws affect the chances for women to break the glass ceiling.*

3. - Discussion

Literature on corporate governance and board of directors hardly considers the impact of macro-social contexts as well as micro- social contexts on governance practices and behaviours. Thus there is a coexistence of macro- and micro-level dimensions in comprehending board effectiveness within corporate boards. From the micro-level dimension the purpose of such studies is to investigate and manage board processes as determinants of board effectiveness, measured as board task performance in control and advice, relating these to the three antecedents of board task performance: effort norms[5], cognitive conflicts[6] and the use of knowledge and skills[7]. From the macro-level dimension cross-national and cross-cultural lenses have been adopted to complement existing board research by introducing macro-level determinants of board effectiveness. According to the institutional perspective, human and social behaviours are driven by the impact of country-level institutions, such as norms, routines and historical patterns, which bring

[5] Effort norms are a «group-level construct that refers to the group's shared beliefs regarding the level of effort each individual is expected to put toward a task». The importance of the effort board members is to be devoted to preparation, analysis and participation in boardroom debates. However the effort devoted to different tasks may vary considerably across boards. Such efforts ensure fruitful and constructive discussions, improving the quality of decision-making and contributing to the performance of cognitive and intellective tasks. Then effort norms make both control and advisory tasks easier.

[6] Cognitive conflicts are related to task-oriented differences in judgment among groups members, meaning «disagreements about the content of the tasks being performed, including differences in viewpoints, ideas and opinions». Task conflicts can be beneficial to task performance when the group is working on no-routine tasks, although relationship conflicts generally decrease satisfaction among group members negatively interfering with task performance. When there is a group of highly qualified individuals without any hierarchical relationship and episodically meeting, relationship conflicts and personal antagonisms are less likely to take place than in organizational teams. Cognitive conflicts can improve decision-making because they facilitate the exchange of information among board members. The presence of cognitive conflicts can increase the quality of debate, inducing board members to consider a broader range of alternatives. For this reason cognitive conflicts may bring to better decision-making processes.

[7] Use of knowledge and skills refers to «the board's ability to tap the knowledge and skills available to it and then apply them to its tasks». This is related to the way board members are processed and coordinated, specifically it is associated with the awareness board members should have of each others' competences and areas of expertise, the clear division of tasks and responsibilities, and the flow of information among the board members. However the mere presence of knowledge does not mean that board members will use them, rather effective boards require active use and integration of expertise and skills to enhance group decision-making.

isomorphism among individuals and companies. On this logic the influence of national contexts on board tasks performance, as well as how context moderates the relationship between processes and tasks, have been investigated by researches. Hence the theories around this, contribute to investigate board processes as determinants of board effectiveness in conducting its tasks and affected by country dynamics. Hence this perspective helps opening the "black box" of corporate boards. Then, focusing on board processes allows to go beyond the recognition of cross-functional differences among board structure, and to investigate how boards themselves engage in their tasks in different contexts, providing evidence for the actual influence of dominant institutional norms and values on board internal mechanisms.

The understanding of control and advisory tasks performance requires identifying predictors of board effectiveness. The need to explore processes in board and governance research has been advocated on the base of "behavioural processes", which represents the main determinants of governance at the micro-level of analysis. As for the macro-level dimension, governance systems are embedded in national institutional environments. They continue to formally as well as substantially differ across contexts, spite of law harmonization, codes of best practice, financial market integration and corporate governance practices are to become similar. Hence at macro-level, national contexts exert a significant influence on board performance and internal processes. In fact, as for background institutions, different contexts are characterized by specific national cultures[8] which have the potential to influence business practices and style, behaviours and work-related values.

A growing body of ethics research investigates gender diversity and governance on corporate boards, at individual and firm levels, in single country studies. Women's representation on corporate boards may be shaped by the larger environment, including the social, political and economic structures of individual countries. Researches indicate that countries with higher representation of women on boards are more likely to have women in senior management and more equal ratios of male to female pay. Countries with a longer tradition of women's political representation are less likely to have high levels of female board representation.

[8] The concept of culture is referred to «a complex of meanings, symbols, and assumptions about what is good and what is bad, legitimate or illegitimate that underlines the prevailing practices and styles and work-related values and behaviours».

Italy. Italy is a very slow going country in terms of women on company boards with her second lowest position if compared to all the other countries. The female under-representation within the boards of directors in Italy is unbelievable. Italy is not in a situation to risk of wasting resources. Nevertheless it wastes a resource which is numerous quantitatively and critical qualitatively: the contribution women can give to all the aspects of the social life and the Italian economy. In fact as it happens in all the *post* industrial societies, women in Italy have professional preparation indexes as well as technical competences higher than men. Then the problem is that the Italian economic and social system don't allow them to spread all the added value they could bring along and furthermore a high percentage of the social investment over their education tends to disappear with the consequent loss of the costs borne. Let's look at some data and take some examples. Intesa Sanpaolo group has a 3.03% of women within its board. It's not that bad if we consider the overall Italian situation but it is that depressing if we look at the other countries. The group is indeed managing to become a social meritocracy laboratory without gender differentiation, for women as well as for men after that the vertexes have experienced and explored those women who work for the group at every level, in order to understand the bottlenecks and the negative drivers. In fact the Gemma project, which is one of the strongest and most visible effort toward the equal opportunity and the removal of organizational and cultural obstacles to fully enhance the female talents has been founded within the group: this is a proof that something has been properly shaking the common consciousnesses. The project entails some concrete actions aiming at providing a broad range of services to better manage and conciliate both the work and family commitments in order to create a full awareness of the women community giving them the opportunity to exploit their talent. This is a managerial and civilization challenge aiming at giving value to the biodiversity because only confronting oneself with diversity it is possible to create such organizational efficiency and trust toward the individual and collective success, generating thus the best results and such extraordinary competitive advantages. The belief is that having the female representation in the whole companies structure is the best condition to allow men to work well. Let's move to another good example. Unicredit group has only 8.07% of women within its board. It is so hard to admit that it is again a good percentage of female representation if we think about how small this figure is really. However the group has also been working on a project, the "2018 objective", which is another step toward the same choice: the idea is that more women in high positions will increase the competiveness of the bank. A group as international as Unicredit, which operates in 22 countries with its own local banks must create a shared value and leadership system, able to recognize the gender diversity, and not only, as a strength point. The group has planned actions able to act in respect of the Italian strongly meritocratic culture to increase the number of women holding high positions. In fact the objective is to reach a balanced vertex team among men and women in 2018, monitoring, in order to do that, the women growth percentage rate. In this sense the group believes that quotas are the best starting point however: Italy should follow the Norway's example.

Italy needs a cultural change, in terms of meritocracy system, as already asserted, and in terms of strategies and services to support the employed women. In fact despite Italy is the country with the smallest percentage of female leadership it has the smallest number of children per women too. Nevertheless the time dedicated to the house care is the highest, with the smallest percentage of children attending the nursery. Such a controversial situation! Thus, the obstacles Italian women usually meet are always of the same kind: the difficulty to conciliate the new family organization with their job, in a situation where pregnancy has a bad effect on the career. Nevertheless the Italian legislation is the most advanced legislation in terms of maternity safeguard: there are many norms but it's difficult to apply them. In fact lots of women undergo discriminations due to the maternity. However Italian women, conscious of their situation, don't want to lump it. Women of Manageritalia[9] and La Casa Rosa[10] have set a concrete project: it involves women workers and companies in terms of health and reintegration at work of women just became mums. The women workers will be helped in their maternity path while the companies will be asked to maintain a constant contact with those women to let them feel in properly.

Lella Golfo proposal. Italy has launched itself forward with the Lella Golfo[11] law proposal in order to capture the chance to make a change. Without a new law, it will take 60 years to reach a female presence of 30% on the boards of quoted companies. This paradox has been emphasized in favor of the law proposed by Lella Golfo concerning the re-balancing of gender representation on

[9] It is the association of managers which works at national and local level representing the associates in the stipulation of collective contracts, in the collective disputes, and in the relationships with authorities and institutions.

[10] It is an association made to help Italian and foreign mothers to arrange workgroup held by experties able to help those women to grow with their children up.

[11] Pdl (People of Freedom party) minister and President of the Marisa Bellisario Foundation.

the boards of quoted companies. Between 1998 and July 2009, the percentage of women occupying a position on the boards of quoted and non-quoted companies rose from 3.4% to 6.3%, a rate of growth that is too much slow. Resistance to the idea of making "pink quotas" law remains, but «If the law had not been introduced in Norway, things wouldn't have changed. Debates and discussions on the matter aren't enough».

However after two years of discussions the Italian Parliament approved a new law that establishes that as of 2015, 30% of board members of Public Companies should be women; from 2012 to 2015 a transitional period will allow companies to become progressively compliant with the new law: *e.g.* in 2012 a 20% quotas should be attained. The law is meant to be temporary, in fact it will be applicable for 9 years, the time considered necessary to compensate the actual lack of women in top positions, the so called glass ceiling effect. Hence with a bipartisan vote parliament has approved the law on compulsory quotas reserved to women on boards of listed companies and state-owned companies not listed on the stock market. The law, signed first by the PDL member Lella Golfo, began its process in parliament and was approved by the Senate in less than a month. It's the first affirmative action ever applied in Italy.

Germany. Germany is another country which suffers the law presence of women in the company boardrooms, with its about 3% of women on executive boards and 10% of women on supervisory board, although the percentage is much higher if compared to Italy.

Thus when Norway first introduced a quota for women on company boards, many countries have started discussing quotas nationally and in Germany, a rate for executive and supervisory boards is particularly much discussed using, as example of best practice and role model, the Scandinavian system. However the debate in Germany has centered on the question of whether or not a quota is needed to increase the number of women on supervisory and executive boards and in leading positions in general, since by 2009 women were significantly underrepresented in supervisory boards and the massive underrepresentation of women on the boards of Germany's top businesses has remained virtually unchanged for years.

Furthermore in Germany millions of working mothers – and sometimes fathers as well – have to make often difficult trade-offs when it comes to work and family. The labor experts say the perception is especially cruel in Germany, a country that despite having a woman chancellor and sitting at the center of supposedly liberal Europe, has one of the widest gender wage gaps on the Continent. In fact, according to the Government, the disparities between working men and women, especially mothers, is creating a drag on female participation in the work force and, consequently, on economic growth as well as hindering changes. In addition a clutch of new data suggest that while the wage gap between women and men is narrowing across the European Union and in the United States, it is stagnant in Germany.

Proposal. After voluntary agreements reached 10 years ago between business leaders and the former Government failed to boost the number of women in German boardrooms, there is the request that the Government finally does something to remedy the absence of women in the boardrooms, even if there is no a common agreement around the notion of mandatory gender quotas. However it is recognized that this is the only instrument to achieve parity. Meanwhile, whereas government ministers are sharply at odds over how to improve things, family Minister Kristina Schroder has floated the idea of a voluntary, flexible quota that each company would set. But fellow Cabinet member Ursula von der Leyen, the labor minister, is firmly opposed to voluntary agreements. Hence, the final result is that after the introduction of the women's quota in Norway, the percentage of women in boards of exchange-listed companies is more than four times higher than before and the introduction of gender quotas in Norway was accompanied by a range of support measures by companies and professional associations, including special training and qualification programs, databases for potential candidates, and the creation of women's networks; meanwhile, the percentage of women in similar boards in Germany has remained more or less constant in the years. Many studies on corporate governance and board of directors consider the impact of macro-social contexts on governance practices and behaviors whereas comparative studies have explored governance mechanism in different settings. Investigating the three countries with three such different contexts the reflection is on the Scandinavian and French civil law traditions, respectively Norway and Italy, because these two contexts differ from each other for several important dimensions, such as shareholders, creditors' protection and cross-cultural aspects; Germany behaves differently within its diverse context and its diverse tradition. From a legalistic perspective, Norway, with her Scandinavian legal tradition, and Italy, with her French legal tradition have shown to differ along several dimensions. First to contextualize, national context has been shown to influence the financial systems and the local patterns of corporate ownership. In fact, on the base of their national origin managers not only contribute to the collective formulation of cultural norms and views, but they also experience social reinforcement pressures which bring their individual-level assumptions and preferences into alignment with those of their native culture. In this sense, from a legal perspective, board task performance is dependent on requirements by corporate laws and voluntary codes of good governance based on a comply or explain principle. Thus, board task performance may vary in different legal regimes. According to the institutional perspective, country-level institutions, such as norms, routines and historical patterns drive human and social behaviors. A higher legal protection and efficiency of the judiciary system characterizes more the Scandinavian system than the Latin system. In Scandinavian countries corporate boards feel greater pressures on task performance, especially in control; such pressures stem from both disclosure requirements and legal responsibilities that board members must adhere to. Scandinavian boards are anyway more involved in both control and advisory tasks. In Scandinavia a higher performance in advisory tasks traditionally emphasizes an active role of boards within firms. Latin countries are more individualistic societies where a larger power distance and stronger hierarchies in workplaces dominate compared to Scandinavian countries. In Latin countries subordinates usually refrain from participating in decision-making so leaders will lead autocratically. Board processes will be stronger predictors of board effectiveness in individualistic rather than in collectivistic societies. Individualism may induce overconfidence in executives to lead the firm, reinforcing the importance of individual decision-making over group *consensus*. Individualism may also allow room for opportunistic behaviors, since individualistic societies are characterized by lesser social control. In individualistic contexts, the presence of competent and skilful professionals in corporate boardrooms does not ensure the effective use of knowledge. Consistent with that, cognitive conflicts are more likely to be suppressed than encouraged in such cultures. This is maybe why boards in Latin countries have a tradition for being passive, especially concerning control task. Furthermore, different leadership styles in dissimilar national contexts will shape group dynamics in that they may stimulate or inhibit effective board processes. Hence, in high collectivistic-low power distance cultures, like Scandinavia as we said, leadership style will encourage board participation, and processes will tend to be naturally more effective. As a consequence it may lead to a ceiling effect in Scandinavian boards. So effort norms, cognitive conflicts, the use of knowledge and skills will have a stronger positive impact on both control and advisory task performance in Scandinavian countries than Latin countries. In terms of corporate governance differences, Germany has a clear two-tier system with two separate segments, an executive board and a supervisory board. This way, decision management and decision control are formally separated. The German two-tier system is firmly rooted in the law. It distinguishes between the management task of the executive board, and the monitoring and advisory tasks of the supervisory board. The *Vorsitzender des Vorstands* (= CEO) is part of the executive board and is not combined with the *Vorsitzender des Aufsichtsrats* (= President of the Supervisory Board), so there is no CEO duality. Furthermore governance systems are incorporated in national institutional environments. They differ across contexts despite law harmonization, financial market integration and diffusion of codes of best practice, which are pushing corporate governance practices to be common around the world. Hence, at the macro-level national have a relevant influence on board task performance and internal processes. Business practices, styles, and work-related values and behaviors are influenced and shaped by national cultures basically. Besides legal constraints, board task performance may be influenced by cultural traits which characterize different national contexts. Latin leaders emphasize family interests, personal wealth and power, while the northern European model of business is driven by responsibility toward employees and society at large. Consistent with it, the consideration of stakeholders' interests in Latin countries is relatively lower compared to Scandinavia. Culture may moderate the relationships between board processes and board task performance basically. In Scandinavian-origin clusters, regulative institutions at the national level have been found to play a role in the managerial employment opportunities for women, investigating the role played by labor regulation, including the role regulative heritage played in encouraging female labor force participation. These countries traditionally have more extensive employment protection laws and better legislation covering social and welfare policies that are designed to safeguard and promote women's pursuit of professional careers outside the home. Scandinavian countries tend to have a higher rate of female labor force participation that enables women to build the necessary professional experience and professional ties that affords them the opportunity to ascend the corporate ladder. Germany is an example of coordinated market economies (CME). This country is hallmarked by strong labor relations, extensive vocational training programs and strong business networks. Germany as being a paradigm case of a "Coordinated Market Economy", relations among firms typically engage in more strategic interactions with trade unions, suppliers of finance, and other actors. Just to understand what it means, I mention the US, the UK and Australia that, on the other hand, are seen as the archetypical liberal market economies (LME) where the market plays a determining role in balancing industrial relations, commerce is largely contractually based and extensive industry collaborations are replaced by competition. The institutional characteristics of CMEs are not conducive to female managerial ambitions because of the character of their "skill regimes". In CMEs, skill regimes are characterized by institutions that make long-term mutual commitments between employers and workers credible with much stronger employment protection legislation and more generous unemployment benefits which make specific skill investments more viable. So considering that the emphasis in coordinated economies on specific skills is more appropriate to the male model of full-time continuous employment, these countries are less likely to develop women with the skills necessary to compete for board positions. Hence, these economies are likely to exclude women from many sectors of employment. Moreover, women's difficult situation has further became worst by maternity leave, and other social policies. While maternity policies are designed to safeguard women's jobs during child rearing and offer women the chance to continue work once the child is of a certain age, employers incur significant costs to cover for maternity absences such as hiring temporary staff. This strengthens the diminished return on investment to the firm, which again results in firms preferring to hire and invest in male employees. So there is a smaller share of women on the corporate board of directors in coordinated market economies than in such liberal market economies. Germany is the system that centers on coordination (Holst, Wiemer, 2010) such as the coordinated industrial district and the highly coordinated economy seek to «establish long term connections with their core workforce and develop distinctive patterns of skill and job organization». The general employment characteristics associated with these countries are a long term commitment to the firm/employer on the part of the employee, segmentation of employees between a core and a peripheral work force, with the peripheral workforce often consisting predominantly of women, an emphasis on firm specific skills and the institutionalization of organizational careers. These factors result in promotions based on seniority within companies and a top management team with a high degree of firm specific skills. Such a system is likely to be a disadvantage to women, who are less likely to invest in firm specific skills, given that their employment trajectory is more likely to encompass career brakes to raise children, and that the investment in firm specific skills takes longer to recuperate and offers less flexibility in career advancement terms. Finally research has established that national culture is an important factor defining women's role in society more broadly, but also that country cultures help shaping corporate board demography. National cultures though consisting of a set of distinct dimensions, also share significant similarities across particular geographic regions. Of particular interest is the degree to which culturally held attitudes towards gender may impact on women's executive career opportunities and ambitions. In particular, we focus on how different patterns, such as gender differentiation, assertiveness, uncertainty avoidance, and power distance, that are present in particular groups of countries play a role in shaping corporate board demography. Gender differentiation is the degree to which men and women are viewed differently in a given society. Where gender differentiation is lower, women are more likely to assume senior positions of authority. Assertiveness refers to elements of aggression and confrontation in social relationships. Assertive societies are deemed to be characterized by more masculine values and norms with an emphasis on toughness and material possessions, suggesting societal attitudes linked to more traditional gender stereotype roles. The Germanic cultural cluster scores high on assertiveness. Uncertainty avoidance refers to a nation's reliance on well established social norms to cope with unpredictability. They stated that companies were occasionally reluctant to take on women directors as there was perceived risk and uncertainty in appointing them, hence countries that score high on uncertainty avoidance are expected to have fewer female board directors. Finally, the concept of power distance captures the degree to which a country accepts and recognizes that power is unequally distributed in society. Hierarchies, patriarchal control and gender inequalities are often associated with countries that are considered to have high power distance. Women are often accorded positions at the bottom of the career ladder and are expected to adhere to more traditional female gender roles, suggesting women are less likely to hold positions of power in such societies. Hence, the Germanic and Latin European cultural clusters are associated with high levels of power distance, so that there is a smaller share of women on the corporate board of directors in countries classified as Germanic, Latin European cultures than in countries classified as Nordic European cultures.

4. - Implications

Norway is the country to have such a long history of promoting gender equality and it seems to be a good example to follow to bring equality in the workplace. Indeed Norway has been promoted the "haven for gender equality"[12]. Should other

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[12] United Nations, Committee on Elimination of Discrimination against Women.

countries as Italy and Germany follow the Norway's example? It definitely takes an open mind to incorporate the lessons that Norway can teach the rest of the world about the value of women on corporate boards. Many countries have been looking at Norway indeed and many activists have been keeping moving that direction though. However Norway has faced many steps before achieving that number but the ground where it operates is rich and suitable to positive changes of women position if compared to other countries. In fact gender equality is set out in legislation in Norway and women are active in all walks of public life and commerce. Nevertheless women still encounter few problems and little chauvinism in Norway and they are expected to take part in meetings on an equal footing with their male counterpart as expression of egalitarianism that permeates Norwegian society. Hence there are many reasons why the quota has became so successful and has set such good changes in Norway. First of all there was broad political support for the quota legislation. Secondly Norway has brought forward an intense political and public debate leading up to the decision of the parliament. However the successful implementation of the quota was due mainly to sanctions: when there were no sanctions in the initial phase, companies did not widely implement the policy on a voluntary basis and companies were given four years to meet the quota. A number of data bases was then established for women to register and for companies to search for talents. Indeed an important aspect is how Norwegian women appear: within the Norwegian company boards they are generally younger than their male colleagues and better educated; the skills profile of women is more or less identical or somewhat higher than their male colleagues. Furthermore seven years after the law has passed, the quota is widely accepted in Norwegian politics and society: the employers' association has not reported any problems and the policy is no longer controversial. Furthermore only a small group of private enterprises in Norway, in addition to public companies, were targeted by the reform. What would have happened if all private companies (both private and public limited companies) had been targeted by the law? A great larger number of women would in this case have had to be recruited to board membership. However the companies where the quota regulations applies are generally more influential in the Norwegian economy. The Norwegian experience generally shows that without a quota legislation there will be no change. Well done Norway!

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Women in Bank Boardrooms: Evidence from Italian Data

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Using a unique dataset on Italian banks, we firstly investigate the main determinants of women's participation on top-decisional memberships and, secondly, we study correlations between women's presence on boards and bank performance. Our main findings suggest that: 1) *women are significantly less likely to hold top decision-making positions, other individual and bank characteristics being equal;* 2) *the presence of women on boards is higher in medium-sized banks, in banks belonging to the major banking groups, in banks with larger and younger boards and in banks that are more efficient, in terms of cost-containment, or that are in need of restructuring.*
[JEL Classification: G21; G34; J16].

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1. - Introduction[1]

During the last two decades, the share of women on bank boards has slowly increased from 2 per cent in 1995 to 7 per cent at the end of 2010, and the number of women is slightly higher on supervisory positions than on executive or decision-making ones (*i.e.* boards of directors). Italy ranks among the EU countries with the fewest women on the boards of its banks.[2] Furthermore, evidence from survey data suggests that in Italy the banking sector is in bottom-rank for women participation in the highest positions in comparison with other economic sectors.[3]

Nevertheless, the involvement of women in the economic activity, and more specifically in corporate governance, has become a topic of great interest and relevance, as the related regulation was making progress with the introduction of quotas in most European countries,[4] and recently in Italy, too, as for listed companies. In particular, the recent crisis contributed to raise attention on this topic for the financial sector, as many economists and researchers have questioned whether a greater participation of women on CEOs or on Board of Directors had

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[2] Using BankScope data, MATEOS DE CABO R. *et* AL. (2009) show that in 2006 the percentage of women in bank Board of Directors in Italy was only 2.8 per cent, the lowest rate in UE25, excluding Portugal (1.9 per cent). The highest share was the one of Sweden (18.7 per cent) and the mean value was 7 per cent.

[3] According to a survey run in 2010 on behalf of the Bellisario Foundation over a sample of Italian firms operating in 24 different sectors, women in middle management and upper positions were only 4.1 per cent in the banking sector, the lowest presence except for the oil sector. The highest female representation was found in the "textile and cloth" sector (15.1 per cent). It is worth noting that the low presence of women on bank boards is in contrast with the relative high female representation in other service sectors. See BELLAVIGNA E.L. and ZAVANELLA T. (2010). Moreover, even if the most of the medium-sized and large Italian banks are listed companies, with a more contestable ownership, the latter have only about 3 per cent of women among their board members (see also FOTI G.N., 2011).

[4] Based on this evidence, Authorities have intervened in many countries on the gender composition of corporate boards. In some European countries it has been followed the example of Norway, which in 2003 approved a regulatory system of "quotas for women". In other countries, it is preferred in the extant legal framework to adopt an approach to "comply or explain" with respect to the adherence to the recommendations on corporate governance codes.

been able to prevent excessive riskiness and leverage, especially after the Lehman collapse in September 2008.[5]

The extant literature on this issue has pointed out mixed results. While most of the studies highlight the benefits originating from promoting gender diversity on boards of banks, there is still no unambiguous evidence about the effects on bank performance resulting from a greater involvement of women in corporate governance.

Our paper seeks to document and explain the determinants for the gender gap in banking top positions, using a rich dataset on Italian banks for the period 1995-2010, which combines individual data on bank governance (the Bank of Italy's OR.SO. Archive) with different measures of performance and risk. Such an analysis informs us of the existence of a "second glass ceiling" for board membership, in the sense that we investigate the probability of reaching a top position, conditional on being a board member. Furthermore, we analyse correlations between women's involvement in corporate governance strategies, by their participation in different kinds of boards (*e.g.* Board of Directors, Board of Statutory Auditors, Supervisory Board, etc.), and past bank performance with a particular attention to portfolio riskiness. Following the branch of the gender literature which has found a higher risk aversion in female behaviour, the idea is to provide new evidence on this point, in order to motivate how past outcomes (mostly in terms of bad loans) can affect subsequent board composition. However, we do not directly study the effects of gender diversity on bank performance, but we concentrate the attention on gender gap determinants, mainly at bank-level. In this direction, evidence on the existence of a positive correlation between past risk exposure and female presence in bank boards may underline the need of women's appointment in banks with higher risk in order to implement more rigorous credit strategy. In the financial crisis this question has become even more urgent, since there is a widespread awareness that turmoil can be to an important extent attributed to failures and weaknesses in corporate governance arrangements (Kirkpatrick, 2009).

To the best of our knowledge, there are no previous studies on the Italian banking sector that analyse the determinants of female participation in bank boardrooms. The rest of the paper is organized as follows. Section 2 summarizes

[5] On this point, some economic newspapers argued: "What If Lehman Brothers had been Lehman Sisters?" and the debate in these terms was well synthesized during the 2009 World Economic Forum. See, Lagarde C., *The New York Times*, 11 May 2010. See also Foti G.N. (2011).

the theoretical framework and the previous findings on gender diversity and bank performance; Sections 3 describes data and variables employed in the analysis and presents some stylised facts. Sections 4 introduces the econometric set-up and Section 5 discusses empirical results. Section 6 concludes.

2. - Main Empirical Evidence and Implications

Most of the empirical evidence on gender diversity and on the impact of women involvement in boardrooms on performance concerns non-financial firms and not-regulated economic activities.

These topics are recent issues for banking industry. However, the financial crisis has given an increasing attention to the composition of the board of directors of banks. As a matter of fact, it was even suggested that among the causes of the failure of governance in financial institutions one should take into account the lack in gender diversity, limiting the comparison of different perspectives.

The literature focuses on two related questions. The first is concerned with the determinants of women's participation in corporate boards, while the second pays attention to the impact stemming from an increase in gender diversity on firm's performance.

The first question implies a discussion of the motivations that lead to a preference for a predominantly male composition of the board of directors and the procedure to remove any obstacles to women's access to company management. With respect to non-financial firms, such a literature generally finds evidence of a positive correlation between women's participation and board size, which may be interpreted as a signal of "preference for homogeneity" (Adams and Ferreira, 2007 and 2009; Bianco *et* al., 2011).[6] By contrast, large boards may indicate that the CEO is open to different opinions and therefore is not worried by gender diversity. Moreover, this literature usually discusses the presence of "tokenism" (Kanter, 1977), that is the situation where some female representation is granted with one or only a few members, who are not given effective power. A positive relationship between gender diversity and the size of the board tends to exclude tokenism, since it reveals that once a woman is appointed, the incentive to designate others does not disappear.

[6] When (suppose) a Chief executive officer (CEO) does not want to be monitored too closely by the Board of Directors, s/he would try to have few "friendly" members in the board, preferably of the same gender. In this case, women can be seen as an annoying element.

The second question has not received a clear-cut answer. Again in the context of non-financial firms, some authors have found a positive correlation between the increasing presence of women on boards, higher shareholder value (Carter *et* al. 2003, who consider gender as well as ethnic diversity) and profitability, or better governance performance (Adams and Ferreira, 2009). Some researchers have shown a negative correlation between gender and performance (Shrader, Blackburn and Iles, 1997), arguing that more gender diversity on boards would lead to over-monitoring activity (Adams and Ferreira, 2007). Some studies have pointed out mixed results depending on firm characteristics (Adams and Ferreira, 2009). Finally, other authors have found no significant correlation (Bianco *et* al., 2011) between governance and performance.

As mentioned, gender literature on banking boards' composition is more recent, particularly with respect to European countries. As far as the first question is concerned and focusing on a cross-section of intermediaries of EU25, Mateos de Cabo *et* al. (2009) find evidence of "preference for homogeneity" but not for tokenism, detecting a positive correlation between gender diversity and board size, as it is generally the case for non-financial firms. Using a three-year panel of European listed banks, Foti (2011) finds that women turn out to be more represented in bigger banks, in boards that are younger and with a high share of independent male members as well as in family-owned banks.

Turning to the second question, Mateos de Cabo *et* al. (2009) find evidence of a positive correlation between higher share of women on boards and bank capitalization and a negative correlation with performance volatility (measured by the standard deviation of ROA). A negative correlation between women's participation in boardrooms and bank riskiness is found in Gulamhussen and Fonte Santa (2009), who consider a cross-section of data concerning large banks from OECD countries. Riskiness is approximated by variables like loan loss reserves, loan loss provision and impaired loan *ratio*, and results are confirmed when controlling for reverse causality.

These findings on women participation in bank boards and performance are consistent with the empirical literature stating that women are in general more risk-averse than men. Most of this literature is based on experimental data (see Croson and Gneezy, 2009, for a survey), which also detect some exceptions: relevant to this paper is the one concerning the case of managers, for whom, according to some researchers, differences in risk preferences by gender tend to disappear, due to either selection or adaptive behaviour. More recently the latter result is confirmed by Guiso and Rustichini (2011), considering a sample of Italian small and medium entrepreneurs, while Adams and Funk (2011), working on a survey on Swedish directors of public-traded firms, come to the conclusion that female directors may even be more risk-prone than their male counterparts.

European comparisons show that Italy is among the countries where women are least represented in bank boardrooms. However, to our knowledge there is little evidence on the Italian banking case (see, Tarantola and Magliocco, 2007; ABI, 2011),[7] and we try to fill this gap in the further analysis.

3. - Sources of Data and Descriptive Statistics

3.1 *Data Sources*

In order to discuss and document the gender gap in the banking sector, we built a panel dataset combining information on bank board members with data on the characteristics and performance of the banks in which they serve on. Our panel includes three kinds of data: *1)* individual information relating to board members that are collected from the OR.SO. ("*Organi sociali*" – Bank boards) Bank of Italy's archive; *2)* information about bank characteristics (*i.e.* legal form, size, geographical area of the administrative headquarters, etc.), which are collected from the Bank of Italy's Census; *3)* data on bank performance and riskiness that are from the Bank of Italy's Supervisory Register and balance sheet data. Data range from 1994 to 2010, but are systematically recorded since 1995.

The OR.SO. database consists of a historical archive of information on boards of all banks and financial intermediaries which are under the supervision of the Bank of Italy. Data include, among others, census information on members (name, date and place of birth, residence, fiscal code, educational degree, etc.), information of the kind of charge (role in the board) and its duration (appointment date, cessation date, causes of cessation, etc.). The bank boards registered

[7] Both studies highlighted the Italian gender gap case among the cluster of the major European countries, particularly in the banking sector. TARANTOLA RONCO A.M. and MAGLIOCCO M. (2007) pointed out this vertical discrimination showing that, at the half of the last decade, the representation of women in all Italian banking boards was less than 5 per cent; the share decreased at 1.5 per cent focusing on large banks and on top-decisional memberships. On the other hand, the ABI's (Italian Banking Association) report, using all kinds of employees in the Italian banking sector, confirms the lower presence of women's directorships in top boards and, at the same time, shows in the last decade an increasing share of women in lower hierarchical levels, as branch officer managers or similar, suggesting that gender is not a discriminatory feature for employment but it becomes a severe constraint for women's career opportunities.

in the archive (and considered in our analysis) are Board of Directors, Supervisory Boards or Boards of Statutory Auditors, General Management and the boards set in case of default procedures.[8]

Following the 2003 corporate reform, Italian banks can have either a traditional or a two tier (dual) governance regime.[9] The traditional regime has a Board of Directors (*Consiglio di amministrazione*), members of which might sit in some committees (Executive Committee, *Comitato esecutivo;* internal control committee, nomination committee, etc.), and a Board of Statutory Auditors (*Collegio sindacale*). In the two tier model, we find a Supervisory Board (*Consiglio di sorveglianza*), which can also have some tasks on strategic supervision that in the traditional regime are only within the scope of the Board of Directors, and a Management Board (*Consiglio di gestione*). For the purposes of this paper, we have generally classified as administrative (and classified as members of the Board of Directors, in what follows) all the members of *Consiglio di amministrazione* in the traditional regime and of *Consiglio di gestione* in the dual one. Moreover, we have classified as "Supervisory board" the members of *Collegio sindacale* (traditional regime) and *Consiglio di sorveglianza* (dual regime). In some Poisson regressions (Section 5) we have however taken into account the effects of the dual governance regime adopted by some banks through a dummy variable (*dummy dual governance*). Finally, our database includes information on the General Management (*Direzione generale*).

As for individual board member characteristics that we consider in the econometric analysis, age, tenure and education are derived directly from OR.SO. In particular, education is caught through a dummy variable (*dummy B.A. degree*) assuming the value of one if the member has at least a B.A. degree (*laurea*). To investigate the role of family affiliation with the bank controlling agent, we have constructed a dummy (*dummy family bank*) which takes the value of one if the board member belongs to the family that controls the bank, when this is the case. The dummy for membership in the same birth municipality takes into account the role of the knowledge that the board member has of the local environment in which each bank operates, as well as the fact that the member is known in the

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8 That is procedures like: *Amministrazione controllata*, *Amministrazione straordinaria*, *Liquidazione coatta amministrativa*, *Fallimento*. The cases of default procedures are very rare, and our main results do not change if we exclude these observations from the sample.

9 See D.Lgs. January 17 2003, no. 6, which came into force from January 1 2004. The law includes also the possibility of a monistic regime, that has not been adopted by any Italian banks. The dual regime has been adopted only by a few banks, starting from 2007.

same environment: the variable assumes the value of one if the board member lives (and works, we suppose) in the same municipality where s/he was born.

To control for bank-level characteristics, in our estimations we usually use the log of total assets (*sizebank*) as a measure of the bank size.[10] The legal form of the bank is taken into account through four dummy variables assuming the value of one if the bank is, respectively, a limited dependent bank (*società per azioni*), a cooperative bank (*banca popolare*), a mutual bank (*banca di credito cooperativo*) or a branch of foreign bank. Dummy variables are also introduced to control for the geographical location of the headquarters, grouping Italian regions in four areas (North-West, North-East, Centre and South), and to control whether the bank is listed on the Italian Stock Market or not (*dummy listed bank*).

Data on bank performance include the *ratio* between operating costs and the income margin (*ceffbank*), which is a measure of cost efficiency. The profitability of a bank is measured through the *ratio* between profits before taxes and total assets (*roabank)*. The ratio between non-performing loans and total loans (*riskbank*) provides information on the riskiness of the bank portfolio.

3.2 *Some Stylized Facts and Descriptive Statistics*

Considering all kinds of boards at the end of each year, in 2010 the share of women was only 7 per cent, even though data show a sensible increase from 1995, when the share was around 2 per cent (Graph *a*1). This result is confirmed if, alternatively, we take into account memberships in banks also for fraction of year (Graph *a*2).

Women are more represented in "supervisory boards" (Table *a*1), in line with the result of Adams and Ferreira (2009) for US non-financial firms.[11] Moreover, the share of women decreases while approaching the top board membership, as it is shown at European level in Quack and Hancké (1997). In particular, according to our data in the case of the Board of Directors, in 2010 female memberships represent only the 1.1 per cent of Chairman memberships (0.2 per cent in 1995) but the 6.3 per cent of Directors that are neither Chairman nor Deputy

[10] In some estimates we have also inserted a dummy variable (*small bank*) based on Bank of Italy's categorical classification and taking into account bank total assets.

[11] ADAMS R.B. and FERREIRA D. (2009) find that women's participation is higher in monitoring-related committees within the Board of Directors. Even if the kind of the boards considered in our paper (supervisory boards or boards of statutory auditors) are not exactly the same as the ones examined by Adams and Ferreira, their prominent scope presents some similarities.

Chairman nor CEOs (1.4 per cent in 1995); if we consider Supervisory boards, the share of women's as President raises to 5.3 per cent (1.6 per cent in 1995), and women are the 12.6 per cent of other memberships.

Consistently with the evidence concerning Italian listed firms (Bianco *et* al., 2011), in most cases when a woman sits on a bank board, she is the only one: in 2010 61.8 per cent of Italian banks had at least one female membership in top positions (25.5 per cent in 1995; Graph *a*3 and Table *a*3); however, among those banks with female presence, in half cases there was only one woman, while in 25.6 per cent there were two.

In 2010 the number of memberships per bank board was 16.9 on yearly average (16.1 in 1995) and this coincides with the median (which was 15 in 1995); the largest boards had 70 memberships (58 in 1995; Table *a*2). The maximum number of female memberships in top boards was 7 (4 in 1995).[12]

Women are in general younger than male board members, even though the age gap has decreased over time (Table *a*4). In 2010 women were on average 48 years old, that is 9 years younger than their male colleagues (the difference was 11 years in 1995). Moreover, the length of their tenure was shorter: in 2010 a woman kept on average a position for 5 years and 10 months, while the corresponding length for male members was 8 years.[13] Education, by contrast, was higher for male members, even though the difference is not statistically significant on the whole sample: in 2010 54.3 per cent of men held at least a B.A. degree against the 52.5 per cent of women (respectively, 45.1 and 43.3 per cent in 1995).

Descriptive statistics on the whole dataset used in the subsequent econometric analysis are summarised in Table *a*5, jointly with variable definition. The panel dataset at individual level has about 253,000 observations and has been used to estimate the probability of gender-diversity in bank boards (Section 5.1). On average in the whole period, an Italian bank board member was 54 years old and maintains the position for 5 years and 3 months (Table a5). One member over two has at least a B.A. degree and a slightly higher share was born in the same municipality where s/he lives and presumably works. Both results seem to be

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[12] Considering that the mean number of women memberships was 1.2 in 2010, there were 15 memberships for each female directorship (in 1995 the average number of women per board was 0.3 and women memberships were 1 over 52).

[13] The tenure gap seems to be increased in the recent years. It is important to notice that the tenure of memberships is underestimated in OR.SO., mainly in the first years after the foundation of that database (in the half-Nineties), due to the fact that some members were already in office in previous years and this is not always correctly recorded.

driven by the presence of a large number of small (and particularly mutual) banks in our sample, which reduces the average share of members holding a B.A. degree and increases the share of members born in the same municipality where they operate (around 54 per cent). Finally, less than 2 per thousand of total board members sit in boards of banks belonging to their own family, considering the very little number of family banks in Italy.[14]

The analysis on correlations between the number of women in boardrooms, board characteristics and bank performance has instead been run at bank-level, thus collapsing the previous dataset (Sections 5.2). The resulting dataset includes more than 15,000 observations (bank-year), considering those banks having at least a member in their boards as a condition for being in activity. Even more, in order to clean balance sheet data from outliers, we have reported outliers of performance indicators at the 1st and 99th percentile of their by year-distribution and those of the riskiness indicators at the 5th and 95th percentile.

4. - The Econometric Set-Up

In order to account for gender diversity in decision-making roles in Italian banks, we run regressions on our dataset using information on each top management position at individual level. We restrict the analysis to those roles that, in the Italian case, are associated with decisional power on bank strategies and lending policies, namely the Chairman of the Board of Directors, the Chief Executive Officer (CEO), the members of the Executive Committee and the General Manager. Our purpose is therefore to test whether it is equally likely or not for female board members to reach top positions with respect to their male counterparts. In other words, this analysis allows us to detect the existence of a "second glass ceiling", the first being the one that prevents women from sitting on boards as simple members.

We estimate the likelihood of sitting in high decision-making positions, conditional on being a board member, by using the panel with the information on each *j* individual, having a mandate in bank *i* at time *t*. Thus, we are able to control for many individual characteristics (summarized in vector X_j, such as age, tenure, family affiliation, and particularly gender), for bank-level features (Z_i) that are potentially correlated with the board composition (size, headquarters' lo-

[14] In case of family affiliation, women are more represented on boards, with an average number of 1.5 and a maximum of 4 in 2010. In 1995 the average number was 0.7 and the maximum was 3.

calization, governance framework and bank performance), and finally for cyclical effects, accounted by time dummies (d_t). We follow equation *(1)*:

$$(1) \quad \Pr(y_{jit} = TopMember) = f(\alpha, \beta X_j, \delta Z_i, d_t, \varepsilon_{jit}) \text{ with } TopMember = 1, 0$$

where y is a dummy variable that is equal to 1 when the individual j sits in a boardroom of bank i at time t in one of the positions mentioned before, and zero otherwise.

To fit equations *(1)* we use a probit pooled regression with robust standard errors (potentially biased for repeated observations), by taking into account the White's correction for heteroskedasticity and the Moulton's cluster correction for groups of observations (alternatively individuals and banks).

In the second step of our analysis we use a panel Poisson regression, in order to measure the links among women's participation in bank boards, performance and riskiness. Our aim is to discuss the relationship between the number of women serving on all kinds of Italian bank boards – with a focus on the Boards of Directors – and the explanatory variables presented in previous equations, accounting for individual-level characteristics and for bank-level features. To this purpose, following the econometric strategy by Mateos de Cabo *et* al. (2009), we define the endogenous variable as the number of women on bank boardrooms in different years (Y_{it}). This variable can take discrete integer values ranging from zero to infinity, so it seems adequate to consider it as a Poisson variable. Poisson-distributed data have the feature of presenting high frequencies of zeros and a high proportion of the sample that clusters on a relatively few, integer (small) values, which is clearly the case when the variable is the number of women in a bank board. In our panel of banks over the period 1995-2010 in the around 60 per cent of the (bank-year) observations there are no women in bank boards and in less than 30 per cent there is only a woman (see Graph 1).

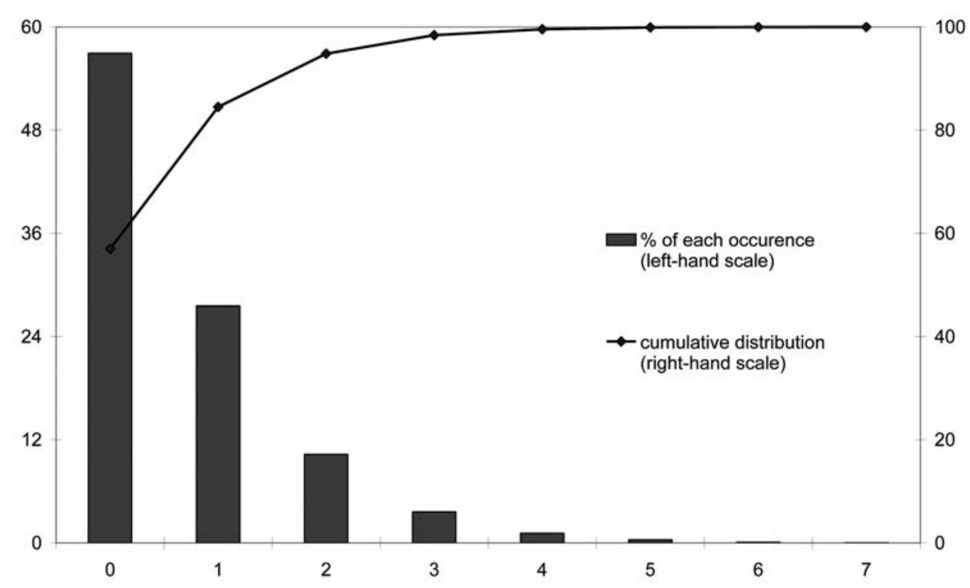
In a Poisson regression, each observation y_{it} is the outcome of a random variable with a Poisson distribution of parameter λ_i . So, the probability that the number of women sitting in all kinds of boards at time t is equal to a given number y_{it} will follow equation *(2)*:

$$(2) \quad Pr\left[Y_{it} = y_{it} \mid X_{it}\right] = \frac{(\lambda_i)^{y_{it}}}{y_{it}\,!} e^{-\lambda_i} \quad \text{with} \quad y_{it}=1, 2, 3 \,.....$$

where λ_i will also represent the expected number of women on the boards. This parameter can be modeled to variate in accordance to a non-negative function, as follows: $\lambda_i = n_i \cdot e^{\beta X}$, where X_{it} is the vector of independent variables, and n_i, the board size, is the exposure variable. In fact, λ_i / n_i is the expected proportion of women on the board.

GRAPH 1

FREQUENCY AND CUMULATIVE DISTRIBUTION FUNCTION OF NUMBER OF WOMEN ON ITALIAN BANK BOARDS



The Poisson distribution is characterized by the so-called equidispersion property, that is mean and variance are equal. In applied exercise this condition is rarely satisfied, because real distributions are often overdispersed. In our dataset the overall mean and variance of number of women on boards are quite similar (0.66 and 0.88, respectively). In order to rigorously discarded the overdispersion hypothesis we have run an appropriate test which rejected it.[15] Thus, after having collapsed our dataset at bank *i*-level, with mean values for board characteristics, we estimate parameters by using a panel Poisson distribution, controlling for re-

[15] In particular, running the test of overdispersion proposed by CAMERON A.C. and TRIVEDI P.K. (2005), we can exclude overdispersion for our baseline regression.

levant bank-level variables varying over time and potentially correlated with governance choices.

5. - Main Econometric Results

5.1 *Gender Diversity in Top Decisional Positions*

The main findings of the probit estimation of equation *(1)* on our panel at individual level suggest that there is a real gender gap in Italian banking system (Table *a*6), in line with the evidence found by the literature for other countries.

In particular, according to our data, being a woman reduces the probability of being appointed in key decisional positions by around 15 percentage points with respect to male directors.[16] This result confirms the existence of a second glass ceiling, which is consistent with our stylized facts, highlighting a very few female members in top positions and a more significant presence of women in supervisory boards.[17] The lower estimated probability of women to sit in decisional key-roles keeps the same magnitude and higher statistical significance (1 per cent) in all of the different models that we have used to estimate equation *(1)*.

Concerning the other individual characteristics, we find that the higher the member's age, the higher the probability of being in charge in higher-decisional positions. We get a similar effect for the tenure of the membership in a given bank, as well as for the number of different memberships in the same bank that further enhances the likelihood of being at top-decisional levels (Table *a*6, Model III). It is plausible that the expertise acquired by a person during a longer membership, collected also in different mandates (*e.g.* from General Manager to Chairman of Board of Directors), is an important requisite to be appointed in decision-making positions. Consequently, as suggested by the descriptive statistics presented above, these key-roles are more likely to be assigned to senior men experiencing longer

[16] Given the estimated marginal effect of the dummy female (-15 percentage points) and given that the fraction of top executive members, in charge in the overall period, is on average 32 per cent in our dataset, this means that women are roughly 50 per cent less likely to be appointed in a top executive position than men.

[17] In particular, Adams R.B. and Ferreira D. (2009), using linear probability models on a sample of non-financial firms in OECD countries, find that women are 7.5 per cent more likely to sit on audit committee than men (see also Section 2). Following their methodology, that is by estimating our equation (*1*) with linear probability models (OLS), we obtain an economic impact on the women's probability of being a top executive that is 40-50 per cent lower than their male counterparts, as suggested by our probit estimation (see previous footnote).

tenure in the same bank. Correlated to this last result is the fact that the presence of a B.A. degree reduces the probability of being in top positions, because senior men are generally characterized by a lower level of education. Being a family member, in the case of a family-controlled bank, still exerts a positive effect on the likelihood of being at the bank vertex (more than 30 percentage points). Finally, living and working in the same municipality where a given member was born decrease the estimated probability: empowerment is more likely in large banks and requires faster turnover and geographical mobility.[18]

Turning to the bank-level features, we find that being appointed in decisional positions is more likely for individuals in charge in those banks that have larger boards and then a higher number of top positions (see also section 5.2).[19] Nevertheless, bank performance, and in particular bank portfolio riskiness, does not exert any effects on the estimated probability: the marginal effect on this performance variable is close to zero (with a statistical significance at just 10 per cent).[20]

5.2 *Women in Boardrooms: Board Features and Past Bank Performance*

To analyse the correlation between women's participation in bank boards and (past) bank performance, we have estimated a Poisson model as in equation *(2)*, using the panel of banks observed during the period 1995-2010. With the aim to preserve board information, many individual level characteristics have been

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[18] These results highlight that having decisional powers in bank headquarters is mainly determined by specific individual skills. So, in order to take into account differential effects stemming from individual skills in case of female directorships, we have interacted the dummy female with the other individual characteristics (age, tenure, family affiliation, education). In regressions that we do not report for shortness, we generally do not obtain statistically significant results on these interaction terms, except for the age variable (positive and significant), signalling that the probability for a woman to sit in top decisional roles is further higher the higher is her seniority.

[19] Indeed, we find that being in top positions is more likely in large banks than in smaller ones and in limited companies with respect to mutual and cooperative banks. By contrast, the likelihood of being a top manager increases in case of foreign banks. Affiliation to intermediaries headquartered in North-West regions, where most of the top 5 banking groups are located, further increases the probability for an individual of being appointed in higher decisional making position, relatively to banks located in other geographical areas.

[20] With the aim to estimate differential effects of bank characteristics on female participation in top administrative and executive positions, we have interacted the dummy female with the other bank-level dummy variables (small bank, mutual bank, southern bank, etc.) and with riskiness indicators. Results (not reported) on interaction terms come generally out not statistically significant, with the exception (negative effect) for mutual banks, in which the probability of being a top-decisional manager is slightly lower for women than in other kind of banks.

collapsed at their mean values, calculated at bank-year level. Through panel estimation approach and by using appropriate lags of bank performance, we can reduce reverse causality problems and endogeneity concerns that can arise in a more severe way in cross-section analyses.

The main findings are shown in Table *a*7, where each of the models presented are significant in explaining differences among the number of women on the boards (both when considering the likelihood ratio test and the Wald test, not reported here for shortness).[21]

Focusing on Model I, which considers as dependent variable the whole number of women sitting in any bank boards (our basic specification), our results show that the portion of women in boards is correlated with both board characteristics and past bank performance. In particular, in this panel analysis we can directly appreciate the effect of board size, and its positive correlation with the presence of women seems to be in contrast with the hypothesis of "tokenism behaviour", confirming a "preference for homogeneity", in line with the evidence highlighted in the related literature (see Section 2). However, we also find non-linear effects stemming from board size, because when the number of members in the board is particularly high, then the (squared) board size inversely correlates with the number of women. This inverted U-shape effect is also detected by Andrés and Vallelado (2008) in the case of board size and performance, and it is possible that in very large boards a tokenism behaviour could appear.

As expected, the share of memberships with a family affiliation positively affects the number of women in bank boards, as a further signal of the homogeneity approach. Moreover, younger boards are more likely to be open to gender diversity, while education and the share of members living and operating in the same municipality where directors were born negatively correlate with the number of women on boards. These apparently surprising results may be explained as additional signals supporting tokenism in corporate governance choices, particularly in the case of banks managed by senior men with consolidated connections with their local environment. In the latter context, these negative effect may also be in-

[21] Results have been checked by using a negative binomial technique with bank random effects (which deals more carefully than Poisson with distributions with higher incidence of zeros). The main findings (not reported for shortness) are mostly confirmed both in the magnitude and in their statistical significance. Moreover, we have also used panel Poisson estimations with bank fixed effects and alternative estimation techniques, such as probit models, after appropriate transformations of the dependent variable. The main results are always confirmed by these robustness checks, too.

terpreted as indirect proxies of the so-called *"reduced pool of women candidate"* to manager positions, by this meaning all those socio-cultural obstacles (lack of long-term career commitment, familiar responsibility, a greater taste for fringe benefits or working conditions, etc.) which drive women to sacrifice their personal career and their relationship experience (an important prerequisite in banking sector) in favour of their family and private life (see also, Bertand and Hallock, 2001).

The effects of board characteristics generally hold in the subsequent models of Table *a*7, when we control for more bank-level features, and in particular in Model III, when we restrict our dependent variable to those women serving on Boards of Directors or on General Management.

Focusing on bank-related characteristics, in our basic estimates we find that the presence of women positively correlates with the status of cooperative banks (*banche popolari*) and negatively with the case of foreign banks, while there are not statistically significant differences between banks located in different Italian regions. Being listed exerts a significant and positive effect on women's participation, when we control for the membership in the top-five banking groups (positively correlated with women's presence) and for banks with branches or subsidiaries abroad (negatively correlated with the gender diversity). Listed banks seem to favour women participation on boards, above all if we run the estimation on a more recent sub-sample period, beginning from 2000, when the number of listed banks increased as consequence of their privatization (Model II). Nevertheless, all these bank characteristics are not relevant (Model III), when we restrict the focus on women on the Boards of Directors or serving on General Management.

To measure the correlation of the past performance and riskiness with the current number of women, we consider financial controls (size, capital, cost-to-income *ratio*, ROA) with one-year lag and the index of portfolio risk (bad loans on total loans) with 2-year lags, since impaired and non performing loans generally need at least two years to be recorded as bad loans. In the baseline specification (Model I) we find that, firstly, the size of the bank (measured by the natural log of the total assets) is negatively related to gender diversity on boards, hinting that in larger banks, when the volume targets increase, the tokenism may operate in a more severe way (a further non-linear effect of bank size).

Secondly, the past profitability is not always significant, while the cost to income ratio and the incidence of capital and reserves on total assets (a proxy of leverage in banks) are inversely correlated with the presence of women in all boards without distinction of scope. The negative coefficient got for the cost-to-income ratio, a measure of efficiency of the banking sector, seems to be consistent with Becker's theory (Becker, 1957), claiming that gender discrimination is lower in more competitive and dynamic markets.

Finally, our estimations point out that the index of portfolio riskiness positively correlates with the women's expected participation on boards. Indeed, the presence of women is higher the higher the incidence of bad loans on their credit portfolio, that is women are more common in banks whose credit portfolio needed to be restructured, a result similar to the one found in the empirical literature.[22]

In general, our findings on women's presence in bank boards are consistent with their participation being more sensitive to past performance, which is also related to the fact that they are more risk averse, and more inclined to monitor and control bank outcomes. Such results can also be seen as a signal of *statistical discrimination* in the sense proposed by Schubert *et* al. (1999). In these terms, the perception that female board members are less risk-prone than men means that they are considered to be less reliable in making the risky decisions that may be necessary for a bank's success and consequently excluded from positions involving a greater degree of risk. Their presence can, on the other hand, be crucial when more rigorous credit policies are needed or in the case of bad performance, as in the recent economic and financial crisis. This kind of discrimination based on different gender risk aversion may also explain why our results on past bank performance tend to disappear when we focus only on women sitting on boards of directors (Model III). We can suppose that in those cases women are presumably more risk-loving and more similar to men's attitude.

6. - Conclusions

The extant literature shows "the Italian Case" in banking sector: Italy is ranked among countries with the lowest representation of women in bank boardrooms.

[22] Ryan M.K. and Haslam S.A. (2008) argue that when a woman is appointed in a top position, it is more likely for her (than for a man) that that position is risky or precarious, since it more often concerns a problematic organization. In other words, after being appointed at the top of a firm, it is more likely for a woman to find herself on top of a "glass cliff". Using data on FTSE 100 the authors find that in a time of a general financial downturn in the stock market, companies that appointed a woman had experienced consistently poor performance in the five months preceding the appointment. In contrast, when the stock market was more stable, companies that appointed a woman had experienced positive (but fluctuating) performance. Nevertheless they also find that the appointment of a woman to the board of directors was not associated with a subsequent drop in company performance. The "glass cliff" hypothesis is not confirmed by Adams S.M., Guptha A. and Leeth J.D. (2009), using data on CEOs in US firms.

However, to our knowledge there is still little evidence; so in this paper we have tried to fill this gap by using the Bank of Italy's archive on all bank board memberships, combined with data on performance, riskiness and balance sheet information from Bank of Italy's Supervisory Reports.

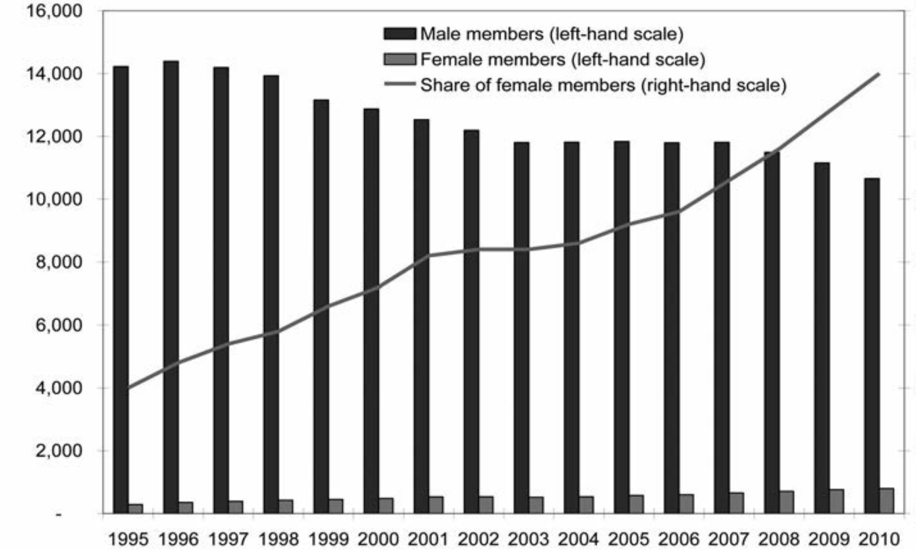
Our main findings support the existence of some gender discrimination in Italian bank boardrooms, mainly considering top-decisional memberships. As highlighted by others studies concerning the major European countries and the United States, women are less likely to sit in high-decisional levels, as well as Chairman of the Board of Directors, CEO or General Manager, thus hinting the presence of a second glass ceiling, over and above the first one, that is the one which prevents women from sitting on boards. In a male-dominated context, this result may be due to some "homogeneity preference", related to socio-cultural factors. Consistently with previous evidence and with our stylized facts, in the Italian banking sector the presence of women at the top-decisional level is still very low, even if it has increased during the last decade. We find that women are more likely to serve on supervisory boards than in administrative and executive ones. Therefore, if women are expected to be more conservative investors than men, they may consequently be excluded from those positions that are more related with risks, and that may be necessary for a bank's success. Nevertheless, their presence can become crucial in case of more rigorous credit policies or in the hypothesis of bad performance. In fact, analysing the correlations between women's participation in bank boards and past performance and riskiness, we argue that, apart in the case of family affiliation, the presence of women is higher in medium-sized banks, belonging to the most important banking groups, with larger and younger boards. Moreover, female memberships are more relevant in more efficient banks, in terms of cost-efficiency, or in banks with higher share of non-performing loans in the past, and with the need to be restructured.

These results may provide some insights to the debate on the opportunity to boost female participation in bank boards, which – in the recent financial crisis, stressing corporate governance presidium and, especially, risk control – is attracting increasing interest, both in the media and at the policy level. So, the recent introduction of quotas for Italian listed banks, concerning both boards of directors and supervisory boards and which will boost women's presence up to 30 per cent of whole memberships, represents a good "natural experiment" to better evaluate the effects of female participation to strategic decisions on Italian bank performance in next years.

APPENDIX

Graph A1

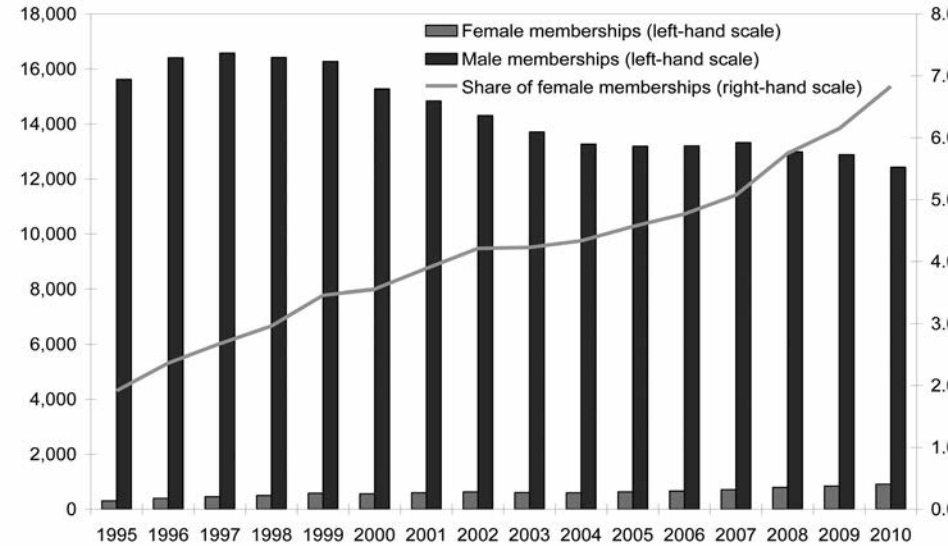
SHARE OF WOMEN ON BANK BOARDS
(units and percentage values)



Source: our computation on the Bank of Italy's OR.SO. database.

Graph A2

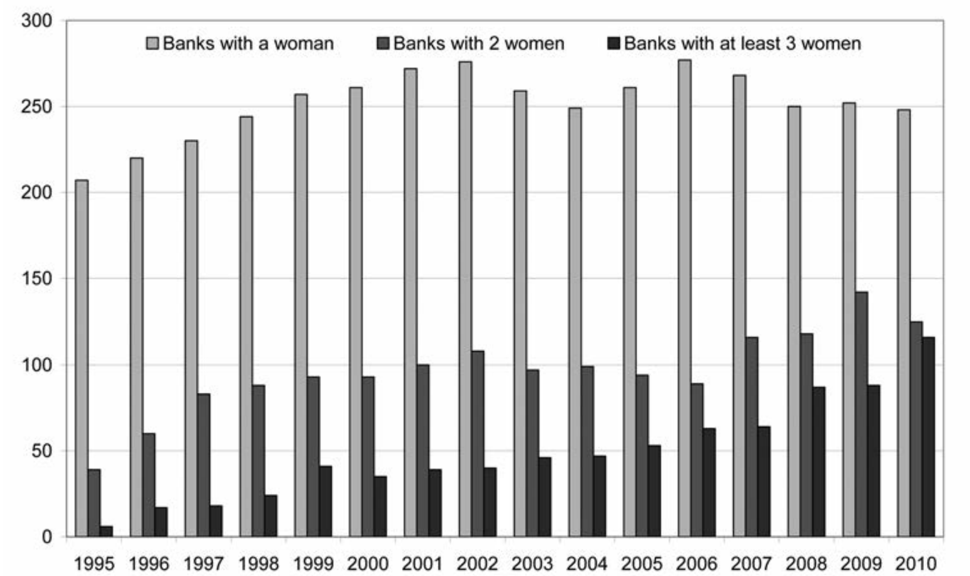
SHARE OF WOMEN'S MEMBERSHIPS ON BANK BOARDS
(units and percentage values)



Source: our computation on the Bank of Italy's OR.SO. database.

GRAPH A3

DISTRIBUTION OF BANKS FOR NUMBER OF WOMEN
ON ALL KINDS OF BOARDS
(units)



Source: our computation on the Bank of Italy's OR.SO. database.

Table a1

SHARE OF WOMEN'S MEMBERSHIPS
BY DIFFERENT KINDS OF BANK BOARDS
(percentage values)

	Board of Directors						Supervisory Board		Default procedure Boards
Year	Share of women (all member-ships) (*1*)	Chairman (and CEO) (*2*)	Deputy Chairman (and CEO) (*3*)	CEO and/or member of the executive com-mittee (*4*)	Other Directors	General Manage-ment (*5*)	President	Other member-ships	Member-ships
1995	1.9	0.2	1.1	0.7	1.4	1.1	1.6	4.2	1.8
1996	2.4	0.2	1.1	0.9	1.7	1.2	2.1	5.1	1.4
1997	2.7	0.6	1.4	1.3	2.0	1.4	2.1	5.7	1.3
1998	3.0	0.7	1.6	1.5	2.2	1.6	2.2	6.3	0.0
1999	3.5	0.7	2.3	1.7	2.3	1.7	2.7	7.6	1.6
2000	3.6	0.5	1.6	1.7	2.6	1.7	2.6	8.0	1.9
2001	3.9	0.8	1.8	1.8	2.8	1.7	2.7	8.7	2.5
2002	4.2	0.8	3.0	2.3	2.9	2.0	3.4	9.4	5.1
2003	4.2	0.7	2.5	2.4	3.0	1.8	2.7	9.3	6.6
2004	4.3	0.5	2.7	2.4	3.2	2.3	2.7	9.3	2.9
2005	4.6	0.5	3.0	2.7	3.5	1.9	3.5	10.1	3.4
2006	4.8	0.8	2.8	2.9	3.5	2.1	3.8	10.3	3.6
2007	5.1	1.0	3.4	3.0	4.0	2.3	4.2	10.5	0.0
2008	5.7	1.0	3.0	3.6	4.9	2.5	5.0	11.4	5.0
2009	6.1	1.0	3.4	4.2	5.4	2.8	4.8	11.7	3.4
2010	6.8	1.1	5.0	4.8	6.3	3.2	5.3	12.6	5.0

Sources: our computation on the Bank of Italy's OR.SO. database. – *(1)* We take into account memberships in Italian Banks, also for fractions of year, in each kind of bank boards (administrative, executive, supervisory boards and boards set in case of default procedures). The sum of different kinds of board memberships exceeds the total because a person can be member of several boards in a given bank in a given year. – *(2)* It includes the Chairman of the Board of Directors also when s/he has other positions at the same time, including the one of CEO. – *(3)* It includes the Deputy Chairman of the Board of Directors also when s/he has other positions at the same time, including the one of CEO. – *(4)* Excluding the case in which the CEO is also either the Chairman or the Deputy Chairman of the Board of Directors. – *(5)* It includes the General Manager, the Deputy General Manager and equivalent positions.

Table a2

DESCRIPTIVE STATISTICS ON ITALIAN BANKS' BOARDS
(percentage values)

Year	Statistics on all Banks			Statistics on board memberships *(2)*			
	Banks *(1)*	*of which: mutual banks*	*of which: large and medium-sized banks*	Mean	Median	Max	Max for women's member-ships
1995	989	*593*	*62*	16.1	15	58	4
1996	991	*609*	*60*	17.0	16	49	5
1997	995	*587*	*59*	17.1	17	46	5
1998	986	*585*	*60*	17.2	16	55	6
1999	969	*573*	*57*	17.4	17	49	6
2000	936	*543*	*57*	16.9	17	50	5
2001	902	*511*	*53*	17.1	17	48	5
2002	873	*481*	*56*	17.1	17	77	5
2003	848	*456*	*59*	16.9	17	53	5
2004	819	*444*	*57*	16.9	17	46	5
2005	822	*441*	*58*	16.8	17	53	6
2006	827	*438*	*57*	16.8	17	62	5
2007	828	*440*	*61*	17.0	17	58	5
2008	828	*432*	*55*	16.6	16	52	6
2009	814	*429*	*55*	16.9	17	57	6
2010	791	*421*	*54*	16.9	17	70	7

Sources: our computation on the Bank of Italy's OR.SO. database. – *(1)* The number of banks in our sample is generally slightly higher than the one of the Bank of Italy's Annual Reports, referred to the end of the year. Our computations consider instead banks operating during the year, also if they operate only for fraction of it. – *(2)* We take into account memberships in Italian banks, also for fractions of year, in each kind of bank boards (administrative, executive, supervisory boards and boards set in case of default procedures).

Table a3

BANKS BY WOMEN MEMBERSHIPS ON BANK BOARDS (*1*)
(units and percentage values)

Year	Banks	Banks with a woman on Boards	*of which: mutual banks*	Banks with 2 women on Boards	*of which: mutual banks*	Banks with at least 3 women on Boards	*of which: mutual banks*
1995	989	207	*62.3*	39	*56.4*	6	*50.0*
1996	991	220	*66.8*	60	*73.3*	17	*64.7*
1997	995	230	*64.3*	83	*75.9*	18	*61.1*
1998	986	244	*64.3*	88	*72.7*	24	*75.0*
1999	969	257	*68.9*	93	*67.7*	41	*90.2*
2000	936	261	*63.6*	93	*74.2*	35	*82.9*
2001	902	272	*63.2*	100	*71.0*	39	*79.5*
2002	873	276	*61.2*	108	*70.4*	40	*82.5*
2003	848	259	*61.0*	97	*74.2*	46	*73.9*
2004	819	249	*61.0*	99	*73.7*	47	*76.6*
2005	822	261	*59.8*	94	*76.6*	53	*75.5*
2006	827	277	*58.5*	89	*75.3*	63	*76.2*
2007	828	268	*57.5*	116	*74.1*	64	*75.0*
2008	828	250	*54.8*	118	*68.6*	87	*75.9*
2009	814	252	*52.8*	142	*69.7*	88	*73.9*
2010	791	248	*53.6*	125	*63.1*	116	*75.9*

Sources: our computation on the Bank of Italy's OR.SO. database. – *(1)* We take into account memberships in Italian Banks, also for fractions of year, in each kind of bank boards (administrative, executive, supervisory boards and boards set in case of default procedures).

Table a4

INDIVIDUAL CHARACTERISTICS OF BOARD MEMBERS *(1)*
(years, percentage values)

Year	Age (years)		B.A. degree (%)			Tenure (years)	
	Female	Male	Share of women over memberships with a BA degree	female	male	female	male
1995	42.6	53.9	1.8	43.3	45.1	2.5	2.9
1996	42.1	53.8	2.5	46.3	43.4	2.7	3.4
1997	42.0	53.9	2.8	46.3	44.7	3.0	3.9
1998	42.3	53.9	2.9	46.1	46.3	3.3	4.3
1999	42.5	53.8	3.5	48.7	48.0	3.3	4.6
2000	43.1	54.0	3.6	50.1	49.5	3.5	4.9
2001	43.8	54.2	3.9	50.3	50.7	3.7	5.2
2002	44.4	54.4	4.0	49.8	51.9	4.1	5.5
2003	44.9	54.6	4.0	49.9	52.6	4.5	5.9
2004	45.3	54.9	4.2	50.6	52.5	4.9	6.2
2005	45.6	55.2	4.4	51.0	52.6	5.2	6.6
2006	46.3	55.6	4.6	51.9	53.3	5.5	7.0
2007	46.5	55.8	4.9	52.2	53.8	5.7	7.2
2008	47.0	56.1	5.5	52.0	54.0	5.6	7.5
2009	47.4	56.4	5.9	52.4	54.3	5.7	7.8
2010	47.9	56.7	6.6	52.5	54.3	5.8	8.0

Sources: our computation on the Bank of Italy's OR.SO. database. – *(1)* We take into account memberships in Italian banks, also for fractions of year, in each kind of bank boards (administrative, executive, supervisory boards and boards set in case of default procedures).

Table a5

DESCRIPTION OF THE EXPLICATIVE VARIABLES
AND MAIN DESCRIPTIVE STATISTICS

Variable Name	Variable Definition	n. obs.	mean	median	std. dev.
Variables at board member level					
Age	Age of board members	253,033	54.34	54	11.16
Tenure	Length of *charge* per board member in the same bank	253,033	5.38	4	4.37
Dummy family bank	Dummy variable assuming value equal to one if the board member is affiliated with the family that controls the bank	253,033	0.002	0	0.04
Dummy B.A. degree	Dummy variable assuming value equal to one if the board member holds at least a B.A. degree	253,033	0.50	1	0.50
Dummy membership in the same birth municipality	Dummy variable assuming value equal to one if the birth municipality coincides with the one in which s/he lives (that is the person has presumably a board membership in the same municipality in which s/he was born)	253,033	0.54	1	0.49
Nr. memberships in the same bank	Number of different memberships that a given person had in the same bank during our sample period (*e.g.* General Manager, Chairman, CEO or others)	253,033	1.54	1	0.81
Variables at bank level					
Sizeboard	Number of board members	15,167	16.68	16	7.31
Sizeboard-squared	Square of the number of board members	15,167	331.78	256	293.87
Share of women	Share of women (in percentage points) in all kind of bank boards (administrative and supervisory boards) at the vertex of each bank	15,167	4.14	0	7.25

Variable Name	Variable Definition	n. obs.	mean	median	std. dev.
Dummy limited company bank	Dummy variable assuming value equal to one if the bank is a limited company bank *(società per azioni)*	15,167	0.31	0	0.46
Dummy mutual bank	Dummy variable assuming value equal to one if the bank is a cooperative *(banca popolare)*	15,167	0.06	0	0.24
Dummy cooperative bank	Dummy variable assuming value equal to one if the bank is a mutual bank *(banca di credito cooperativo)*	15,167	0.56	1	0.50
Dummy foreign bank	Dummy variable assuming value equal to one if the bank is a branch of a foreign bank *(filiale di banca estera)*	15,167	0.07	0	0.26
Dummy North West bank	Dummy variable assuming value equal to one if the administrative headquarter of the bank is in a North-Western Italian region	15,167	0.26	0	0.44
Dummy North East bank	Dummy variable assuming value equal to one if the administrative headquarter of the bank is in a North-Eastern Italian region	15,167	0.32	0	0.47
Dummy Centre bank	Dummy variable assuming value equal to one if the administrative headquarter of the bank is in a Central Italian region	15,167	0.20	0	0.40
Dummy South bank	Dummy variable assuming value equal to one if the administrative headquarter of the bank is in a Southern Italian region	15,167	0.22	0	0.41
Dummy listed bank	Dummy variable assuming value equal to one if the bank is listed	15,167	0.03	0	0.18
Sizebank	Total assets (log of euros)	13,465	19.49	19.22	1.89
Ceffbank	*Ratio* between operating costs and the income margin of the bank, that is the cost/income *ratio* (percentage)	13,288	71.47	67.29	33.95

Variable Name	Variable Definition	n. obs.	mean	median	std. dev.
Riskbank	*Ratio* between non performing loans and total loans (percentage)	12,214	6.19	3.35	7.67
Roabank	*Ratio* between profit before taxes and total assets (percentage)	13,231	0.80	0.90	1.57
Indcap	*Ratio* between bank capital and reserves, and total assets (percentage)	13,130	11.19	9.66	8.11
Dummy for foreign presence	Dummy variable assuming value equal to one if the bank has branches or subsidiaries abroad	15,167	0.03	0	0.16
Dummy for banks belonging to a top 5 bank group	Dummy variable assuming value equal to one if the bank belongs to one of the top 5 Italian banking groups (Unicredit, Intesa Sanpaolo, Banca Monte dei Paschi di Siena, Unione di Banche Italiane, Banco Popolare)	15,167	0.04	0	0.21
Dummy dual governance	Dummy variable assuming value equal to one if the bank has a dual governance regime, for years after 2007	15,167	0.00	0	0.04
Dummy year	For each year in the dataset				

Sources: our computation on our dataset employed in the estimations and matching individual level-characteristics (OR.SO. database) and bank-level features (Supervisory Reports).

TABLE A6

PROBABILITY OF BEING A TOP EXECUTIVE IN ITALIAN BANKS *(1)*

Dependent variable: a dummy variable equals to 1 when the membership is one of the following: Chairman of the Board of Directors, member of the Executive Committee, CEO or General Manager	Model I	Model II	Model III
Age	0.001***	0.001***	0.001***
	[0.000]	[0.000]	[0.000]
Tenure	0.020***	0.020***	0.016***
	[0.001]	[0.001]	[0.001]
Dummy female	-0.150***	-0.152***	-0.145***
	[0.011]	[0.011]	[0.012]
Dummy family bank	0.336***	0.345***	0.296***
	[0.066]	[0.066]	[0.081]
Dummy small bank	-0.100***	-0.102***	-0.117***
	[0.009]	[0.009]	[0.009]
Dummy cooperative bank (*banca popolare*)	-0.006	-0.008	-0.036***
	[0.010]	[0.010]	[0.010]
Dummy mutual bank (*banca di credito cooperativo*)	-0.044***	-0.060***	-0.077***
	[0.007]	[0.007]	[0.008]
Dummy foreign bank	0.692***	0.691***	0.690***
	[0.003]	[0.003]	[0.004]
Dummy North East bank	-0.019**	-0.022***	-0.015*
	[0.007]	[0.007]	[0.008]
Dummy Centre bank	-0.018**	-0.017**	-0.020**
	[0.008]	[0.008]	[0.008]
Dummy South bank	-0.072***	-0.064***	-0.056***
	[0.008]	[0.008]	[0.009]
Dummy membership in the same birth municipality		-0.036***	-0.040***
		[0.006]	[0.006]
Dummy B.A. degree		-0.045***	-0.056***
		[0.006]	[0.007]
Riskbank (bad loans/total loans)			0.000*
			[0.000]
Nr. memberships in the same bank			0.151***
			[0.003]
Dummy year	YES	YES	YES
Observations	245,690	245,690	212,023

(1) Probit pooled estimation including a constant term (not reported) on the probability of being a top board member in Italian banks. Marginal effects are reported and robust standard errors are in brackets and are adjusted for cluster correction for groups of banks (cluster correction for groups of individuals produces similar results).

* significant at 10%; ** significant at 5%; *** significant at 1%.

TABLE A7

POISSON REGRESSION ON A PANEL OF ITALIAN BANKS ON THE PERIOD 1995-2010 CONSIDERING BANK RANDOM EFFECTS IN THE ESTIMATIONS *(1)*

Dependent variable	Model I *Nr. of women on all Boards*	Model II *Nr. of women on all Boards (since 2000)*	Model III *Nr. of women on Boards of Directors or General managers*
Sizeboard	0.073***	0.060***	0.073***
	[0.010]	[0.011]	[0.014]
Sizeboard-squared	-0.001***	0.000	0.000
	[0.000]	[0.000]	[0.000]
(mean) age	-0.075***	-0.063***	-0.078***
	[0.006]	[0.007]	[0.009]
(mean) tenure	-0.004	-0.032**	-0.007
	[0.012]	[0.014]	[0.018]
Share of membership in family banks	4.301***	3.824**	7.081***
	[1.300]	[1.538]	[1.611]
Share of membership with B.A. degree	-0.224*	-0.306*	-0.173
	[0.134]	[0.157]	[0.207]
Share of membership in the same birth municipality	-0.268*	-0.329**	-0.556***
	[0.137]	[0.164]	[0.211]
Dummy cooperative bank (*banca popolare*)	0.258*	0.192	0.332
	[0.145]	[0.185]	[0.216]
Dummy mutual bank (*banca di credito cooperativo*)	0.110	0.325**	0.000
	[0.116]	[0.128]	[0.182]
Dummy foreign bank	-1.198***	-1.264***	-0.660
	[0.301]	[0.334]	[0.417]
Dummy North East bank	-0.070	-0.018	-0.261
	[0.106]	[0.113]	[0.159]
Dummy Centre bank	0.088	0.035	-0.087
	[0.117]	[0.124]	[0.175]
Dummy South bank	0.131	0.111	0.056
	[0.120]	[0.134]	[0.187]
Dummy listed bank	0.133	0.305**	0.051
	[0.132]	[0.152]	[0.173]
Lag1 Sizebank (log. total assets)	-0.068**	-0.038	-0.001
	[0.030]	[0.035]	[0.045]
Lag1 Ceffbank (operating costs/income margin)	-0.003**	-0.003**	-0.003
	[0.001]	[0.001]	[0.002]
Lag2 Riskbank (bad loans/total loans)	0.008***	0.011***	0.004
	[0.003]	[0.004]	[0.004]
Lag1 Roabank (gross profit/total assets)	-0.010	0.010	-0.036
	[0.019]	[0.022]	[0.028]
Lag1 Indcap (capital & reserves/total assets)	-0.009*	-0.006	-0.007
	[0.005]	[0.005]	[0.007]
Dummy for foreign presence		-0.460**	-0.525***
		[0.195]	[0.202]

Dependent variable	Model I *Nr. of women on all Boards*	Model II *Nr. of women on all Boards (since 2000)*	Model III *Nr. of women on Boards of Directors or General managers*
Dummy for banks belonging to a top 5 bank group		0.318***	0.092
		[0.104]	[0.114]
Dummy dual governance		0.260	-0.350
		[0.351]	[0.448]
Dummy year	YES	YES	YES
Constant	5.041***	3.991***	3.395***
	[0.723]	[0.827]	[1.082]
Observations	10,756	7,549	10,756
Number of banks	1,066	928	1,066

(1) Panel Poisson regressions with bank random effects. Estimated coefficients are reported and standard errors are in brackets. * significant at 10%; ** significant at 5%; *** significant at 1%.

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The Role of Women in the Italian Network of Boards of Directors, 2003-2010*

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We use a new dataset composed of Italian listed firms to analyze the network of women in boards, and to evaluate their effect on company value and performance. In particular, we use Social Network Analysis to analyze the growth of the female directorship network. We find that interlocking directorate has a negative impact on equity value and firm performance, which is consistent with economic theory and previous literature findings. Furthermore, female interlocking directorship has no effect on firm value and performance, possibly because extraction of private benefit of control is gender-neutral.
[JEL Classification: C14; C23; G34; L14; M21].

Keywords: corporate governance; interlocking directorships; company performance; social network analysis; board diversity.

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1. - Introduction

It is well-known that in Italy women play a minor role in the labour market. According to the Italian Institute of Statistics, the participation rate is 46.1% with respect to 67.7% of men, and although female students tend to outperform their male counterpart, they earn lower wages (-4.9%, according to the European Union, -7.2% according to Cnel, the National Council for Economy and Labour) and do not reach the same positions. When we look at corporate governance we find a dismal picture: only 7.2% of total board seats is held by a woman in 2011, although this share is slowly increasing from 4.1% in 2001.[1] The Italian Corporate Governance Code makes no recommendations on the issue of gender diversity (indeed any diversity) in the boards, differently from many other codes in Europe. According to Assonime (2011: 39) «Gender diversity is steadily, albeit slightly, increasing (up from 166 in 2009, 158 in 2008, 136 in 2007 and 125 in 2006). 127 companies, *i.e.* 47% of the total, have at least one woman sitting in their Board of Directors (up from 124 in 2009, 120 in 2008, 105 in 2007 and 93 in 2006); 95 companies have one woman on the Board, 26 have two women, 3 companies have three women, other 2 have four women and one has five women on the Board. Women account for at least 25% of the board in 15 companies: in 11 companies the female presence varies between 35% and 50%; one company had a majority of women in their Boards of Directors»

To address this issue, in June 2011 the Italian Parliament passed a bipartisan bill requiring that from 2015 one third of Board of Directors (and of the Board of Statutory Auditors) sits to be held by female directors. This target will be obtained in a number of steps: in the first year of application one-fifth of board members should be female, in the second and third year this share would rise to one-third.[2] Given the current number of listed companies, it is expected that there will be 700 more women in boards of directors, and 200 more in the boards of auditors.

Social network theory sees the establishment of a group of directors motivated by their access to resources that are valuable to the company. Directors are nodes in a network of organizational linkages, sustain with their knowledge and abilities

1. *Il Sole 24 Ore,* June 28th, 2011, reporting data from Aliberti Governance Advisors.
2. For a company that does not comply first there is a warning from the Italian stock market authority (Consob) with the request to change the board composition within four months; if it fails to comply again there is a second warning and a fine up to € 1 million. In case of further non compliance after three months, the Board of Directors (or the Board of Statutory Auditors) will be dissolved. The law will be effective for 9 years.

the other members of the network; as a whole they share power and act as a socially cohesive group. Women, ethnic minorities and other diverse groups are usually outside the reproduction of these groups, and therefore, there is a strong tendency to under-represent them. The use of social network analysis can shed light on the structure of the Italian network of directors, the role of women in it, and its dynamics over time. Moreover, as Assonime (2011) points out, women (not differently from men) may hold more than one board position: the total number of positions is 224 (169 directors and 55 statutory auditors), but they are actually held by a lower number (198) of natural persons. 182 women hold only one position, while 16 hold more than one office, up to a maximum of 6 (woman holds 4 positions and four women 3 positions). On average, women hold 1.13 offices (just below the average, 1.23); the average number of positions held by women holding more than one office is 2.63 (above the average, 2.39).

The paper is organized as follows. Section 2 reviews the literature on board diversity and its effects on corporate governance and company performance, while Section 3 illustrates the methodology and the data employed in the study. Section 4 reports the results of the descriptive analysis of the network of (female) directors and looks at the relationship between women presence on board and financial outcomes. Section 5 concludes.

2. - Literature Review

The importance of diversity in corporate boards has been shown in light of the agency theory and in the resource dependence framework.[3] Both theories maintain that individuals' characteristics can influence the ability to monitor and advise the inside directors and provide outside connections. The literature has mainly analysed the effects of women in corporate governance (independence, monitoring, committees, etc.), and then the relationship between women in boards and company performance.

According to the agency theory, a heterogeneous board is more able to monitor the behaviour of the executives behaviour in the interest of the shareholders because diverse people have different backgrounds and bring different viewpoints to board oversight (Anderson *et* al., 2009; Adams and Funk, 2010; Adams and

[3] Terjesen S. *et* al. (2009) review a number of theories, more related with social psychology (such as social identity, social network and social cohesion, gendered trust, ingratiation, and leadership) that provide basis for research on board diversity.

Ferreira, 2009; Rhode and Packel, 2010). Women directors also frequently ask questions: CEOs report that women become more vocal and active as directors when there are three or more females (Konrad *et* al., 2008).

Peterson and Philpot (2007) find that men and women have different board roles, in particular women less likely to serve on key committees. Women are less likely to be on executive committees and more likely to be on public affairs committees, whereas no difference is found in the likelihood of being on the nomination, compensation, finance, or audit committees.

Brown *et* al. (2002) maintain that boards with three or more women are significantly different from all male boards: three-quarters of boards with women explicitly identify criteria for measuring strategy, compared to less than half of all-male boards, and 94% of boards with three or more women explicitly monitor the implementation of corporate strategy, compared to only two-thirds of all-male boards. Similar statistics concerns conflict of interest guidelines and ensuring a code of conduct for the organization. Furthermore, boards with two or more female directors place more importance on the use of search consultants than other boards and are also more likely to have higher levels of board accountability, with formal limits to authority and formal director orientation programs. They are also likely to ensure more effective communication among the board and its stakeholders. In addition, such boards are significantly more active in promoting nonfinancial performance measures such as customer satisfaction, employee satisfaction, and gender representation, as well as considering measures of innovation and corporate social responsibility. Singh and Vinnicombe (2004) find that FTSE 100 firms with women directors adopted and reported the new governance practices recommended by the Higgs Review earlier than firms with all male boards.[4]

Adams and Ferreira (2009) claim finds that gender diversity has a positive effect on some board practices associated with good governance: the greater the percentage of women in the board the higher the attendance of male directors, the number of board meetings and the pay-for-performance.

The empirical research has also focused on the relationship between gender diversity and performance. Erhardt *et* al. (2003); Carter *et* al. (2003) find a positive relationship between gender (and ethnic) diversity and Tobin's *q* or accounting measures of performance. Anderson *et* al. (2009) claim that board diversity (including gender) positively affects the performance of more complex firms but

[4] Women's boardroom presence leads to more civilized behaviour and sensitivity to other perspectives (Bilimoria D., 2000; Huse M. and Solberg A.G., 2006).

has detrimental effects in less complex organizations. Adams and Ferreira (2009) find in general a negative relationship between gender diversity and both Tobin's *q* and ROA, although this is reversed when controlling for firm's governance.

The results of the studies on the effects of gender diversity have to be taken with caution, since they may suffer from endogeneity problems. Results on the impact of female directorship on corporate governance measures could be driven by differences in some unobservable firms characteristics, such as corporate culture, affecting both performance and gender diversity. Therefore, a reverse causality problem arises, making it difficult to give a causal interpretation.

Bianco *et* al. (2011) is the closest paper to ours. They consider all directors of Italian publicly-traded firms at the end of 2009 and investigate the main characteristics of Italian female directors, and potential determinants of diverse boards. They find that only 6.8% of total board sits was held by a woman and the majority of listed companies had all-male boards. They also find that 47.3% of diverse board companies women directors have a family connection with the controlling shareholder. "Family" directors are on average less educated than not-affiliated women directors (95% *vs.* 60%). Both the size of the board and market capitalization of the company are positively correlated with the presence of at least one woman in boards. Moreover, they look at the correlation between female directorship and some governance and performance measures, finding no correlation between women directors, jointly considered or classified according to family affiliation, and companies' performance (as measures by Tobin's *q* and stock volatility). Finally, the average number of board meetings is higher in firms with not-affiliated women than in companies where only family directors are in the boardroom.

We depart from their approach in a number of ways. First, we analyze the share of women directors, not the mere presence of women in the Board of Directors. Second, we consider a panel of listed Italian companies over the 2003-2010 period and we address the issue of the role of women in the network of Italian directors. Finally, we also address the issue of board diversity and company performance.

Gamba and Goldstein (2009) take an historical approach documenting the role of women in Italian boards of directors since 1934. While the overall number of directors in Italian listed companies increased from 1,337 in 1934 (with only one woman[5]) to 4,347 in 2007, the number of women grew from 0.6% (13 individuals) in 1962 – when data become more easily available – to 6.7% (291 in-

5. Maria Magnetti sat on the board of Paramatti, a Turin paint manufacturer, between 1932-1955.

dividuals) in 2007. They show that women are less represented in boards in Italy than in other comparable OECD countries, and that listed companies are less open to women than other centres (e.g., public administration and liberal professions). In addition, very few women hold multiple directorships, a device that is often used by major companies in order to ensure control (Drago *et* al., 2007).

3. - Methodology and Data

In this work we use an original dataset consisting of data related to the interlocking directorship networks, where in particular we consider the gender of the different board directors. The source for these data is Consob (years 2003-2010), and we include all listed companies and all board directors. In this way we can compute various measures of the boards (for example some indexes of gender participation to the total in the different boards). It is also possible to compare over time the changing roles by gender in the networks of directors. This dataset partition is matched with the economic information related to the companies, in which we consider various relevant elements as the economic performance, the debt, and so on. All the variables in the first partition related to the networks are used in the network analysis, where the data related to the performance are specifically used in the second part of the work.

In particular the methodology (see Tables 1-3) is divided in three distinct parts: a Social Network Analysis on the different networks of the directors in the boards (Wasserman and Faust, 1994), a second part in which we explore the data related to the women participation of the board, and a third part related to the confirmatory analysis by testing the hypothesis we take from the literature. In the third part we consider the econometric analysis of the relationships and we discuss its robustness.

It is important to stress that considering an exploratory data analysis approach before confirming the hypothesis could be useful for various reasons: firstly to check the relevant assumptions of the models, secondly to observe the real data structure, and thirdly to identifying eventual outliers that could be determinate some problems in the modeling phase.[6]

At the same time it is important to stress that the hypotheses of the work (H0-H2) are defined *a priori* with respect to the subsequent analysis so the exploratory

[6] See Hartwig F. and Dearing B.E. (1979) for the different approaches in exploratory and confirmatory data analysis.

data analysis approach does not influence in this work the hypothesis, but confirms usually the findings.

In the first part of the work we perform a social network analysis of the board interlocking networks by considering the director's networks during the period 2003-2010. In particular we compute the female directors network for the years 2003 and 2010 to compare the changing structure of the network during the time. We analyze the network structure by considering a visual recognition of the different components of the woman network and the structural characteristics of the network, the centrality issues and so on (Wasserman and Faust, 1994). These analyses are useful to understand the complex nature of the woman participation to the boards, jointly considering their role as specified in the variables. In fact an higher level of centrality in the network, for example, can be associated with higher duties in a specific board.

Hypotheses to test (H1-H2) are defined prior to the exploratory data analysis and are tested at the end by considering the outliers that could be detected in the statistical analysis (we consider in this sense some classification methods to analyzing the evolution of the participation rates by companies typologies). The main goal is to test (H1) if we can have a same structure of participation (by considering man/woman directors) over time. In particular, the null hypothesis is the equality of the medians over time, in which no shock significantly impacted over time.

We consider as well the different participation rates on the board man/woman and its evolution over time by creating some clusters of companies that tend to have the same behavior.[7] This micro-level of the analysis permits us to understand what are the different trajectories over time by considering the women participation rates (for example in what types of companies this participation tends to grow). In Statistics a way to build a hierarchy of clusters could be considered as the Hierarchical Clustering. In particular we are using a pairwise measure of similarity or dissimilarity between the different statistical units considered and we build a hierarchy by considering the most similar or the least dissimilar at a time. In our case we consider as statistical units the different years and the attributes are the different companies over time (or the woman participation rates).

In the case of the *K*-means, we use a specific algorithm that permit to dividing the different y statistical units in p partitions by considering its attributes. Here the companies are the statistical units and the years are the attributes. At the end of the procedure we obtain a mean for each attribute and a specific assignment

7. We apply a cluster analysis using a *k*-means algorithm (Gherghi M. and Lauro C., 2008).

of the statistical units to a cluster. The objective of the algorithm is minimizing the variance intra-cluster. By considering the hierarchical clustering we want to understand if in the period 2003-2010 we can observe some years more similar to others and in that sense observing the evolution of the different changes in the participation of the woman in the boards in the system of companies. By considering the *K*-means algorithm we want to classify the different companies in order to different trajectories over time in participation of the woman in board (in practice discriminating if the number of the woman in the boards is increasing or not over time).

As well we can consider the different structures of the participation at a macro level by considering a kernel density estimation over time and a hierarchical clustering. The shape of the density can show differences where we are able to observe some shocks or structural changes in board composition over time. This type of exploratory data analysis (in particular the kernel density estimation) is usually performed without imposing any type of preliminary hypothesis on the data to observe the data structure at macro level and obtaining relevant information on this one, the number of outliers and so on. In this sense we obtain from the hierarchical cluster analysis of the boards at a macro level specific information on the different structure of the boards we can compare at an aggregate level with the network dynamics over time.

Kernel Density Estimation is a non-parametric method useful in the estimation of the probability density function of a random variable. Kernel density estimation can be used in statistics for smoothing problems. It is calculated as:

$$\hat{f}_h(x) = \frac{1}{nh}\sum_{i=1}^{n} K\left(\frac{x - x_i}{h}\right)$$

where n is the number of observations h is a defined bandwidth, and a K is a kernel (in this case the Epanechnikov Kernel is used). Here we are interested in comparing the participation rates over the years as a whole. In particular, as pointed out in literature using kernel density estimates could be useful respect to the use of the histogram (that could be the direct competing methods in this case related to the exploratory data analysis), in fact two similar observations in the case of the histogram could be put on a same bin, where the kernel estimator tends to return a smoothed shape.

Finally, we perform the median test on the equality of the medians (Hypothesis H0) of the woman participation for the years considered and in that sense we compare the results with the relevant literature.

At the same time we want to investigate whether Interlocking directorate (ID) as an impact on firm value and performance. Our research tries to understand the influence of ID with no gender distinction and what we call female ID, that has an interlock between two women.

As proxy of firm value we use the equity value of each firm as dependent variable; while as proxy of firm performance we use the annual stock return.

Usually the hardest part of modeling ID is how to interpret draw ID influence in the model. We decided to consider two different options:

a) absolute value. Here we consider ID (and also Female ID) as the total number of ID referring to a single company board;

b) dummy variable. In this case we used a dummy which equals 1 if ID (or Female ID) exists in a company board.

The models derived from the above considerations are the following:

$$(1)\quad E_{s,t} = \beta_0 + \beta_1 \cdot ID_{s,t} + \beta_2 \cdot IDf_{s,t} + \beta_3 \cdot LnTA_{s,t} + \beta_4 \cdot Lev_{s,t} + \beta_5 \cdot SS_{s,t} + \beta_6 \cdot BS_{s,t} + \varepsilon_{s,t}$$

$$(2)\quad R_{s,t} = \beta_0 + \beta_1 \cdot ID_{s,t} + \beta_2 \cdot IDf_{s,t} + \beta_3 \cdot LnTA_{s,t} + \beta_4 \cdot Lev_{s,t} + \beta_5 \cdot SS_{s,t} + \beta_6 \cdot BS_{s,t} + \varepsilon_{s,t_{s,t}}$$

Where: $E_{s,t}$ = log of equity value at time *t* for firm *s*; $R_{s,t}$ = stock return at time *t* for firm *s*; $ID_{s,t}$ = number of interlocks at time *t* for firm *s* (in dummy models this variable will be substituted with a dummy variable equaling 1 when at least 1 interlock occurs and 0 otherwise); $IDf_{s,t}$ = number of female interlocks at time *t* for firm *s* (in dummy models this variable will be substituted with a dummy variable equaling 1 when at least 1 interlock occurs and 0 otherwise); $mktE_{s,t}$ = equity value average in the market at time *t*; $lnTA_{s,t}$ = logarithm of total assets at time *t* for firm *s*; $Lev_{s,t}$ = financial leverage at time *t* for firm *s*, defined as total debt to asset *ratio*; $SS_{s,t}$ = sales per share at time *t* for firm *s*; $BS_{s,t}$ = board size at time *t* for firm *s*; and β_0 = constant. Table 1 shows the descriptive statistics of the variables involved in the regressions.

TABLE 1

DESCRIPTIVE STATISTICS

Variable	Mean	Standard dev.	Min	Max
Ln equity	12.67	1.87	8.1	18.35
ID	6.32	8.42	0	31
Female ID	0.27	1.17	0	10
Ln total assets	13.64	2.17	9.26	20.75
Financial leverage	0.45	0.87	0.08	3.44
Board size	10.25	4.08	1	31
Sales-per-share	9.62	19.03	0.0001	332.09

After using the above models with a fixed and random panel data methodology, we consider also the endogeneity issue. It is not clear whether the dependent variable depends on ID or *vice versa*: for example a poorly performing company may look for interlocked directors in order to get financial and commercial helps from other companies. The same approach can be raised for the other control variables: total assets, financial leverage, sales per shares and board size. To address this issue we run also Instrumental Variables estimations using one lag for all dependent variables.

The methods used are summarized in Table 2.

Starting from the literature, we can maintain three hypotheses on the presence of women in Italian Boards of Directors:

H1: women tend to have the same participation rate over the years;

H2: the equity value and stock returns of a company decreases with the presence of board interlocking (a possible effect of the expropriation of value). Women interlockers do not make difference;

H3: the presence of women has positive effects on the equity value and stock returns. This effect increases as the share of women directors increases.

4. - Results

The results related to the first part of the work are related to the different network structures. We can observe growth in the role of women, by considering an increased number of the woman directors in the interlocking directorship network over time. In particular, we can observe that in 2003 the structure is weak, it became more complex in 2010 (Graphs 1 - 4). This result is interesting because the descriptive analysis shows that the participation tends to grow over time.

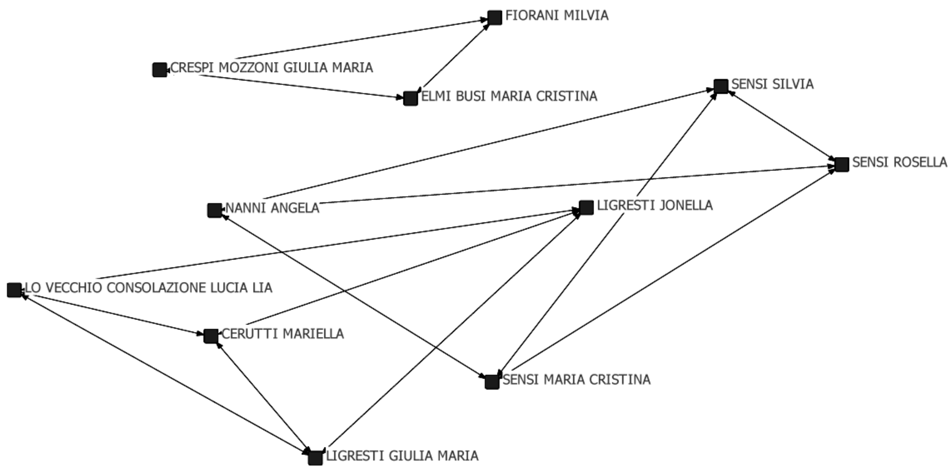
TABLE 2

ECONOMETRIC METHODOLOGY

Social Network Analysis and Methods of the Explorative Analysis		
Relevant Objectives	Methodology	Details
Analyzing the Men\Women network of interlocking directorships	Social Network Analysis (Graph 1 - Graph 4)	Visualization, betweenness (deleting isolates and pendents)
Men\Women participation "macro level"	Kernel Density Estimation (Graph 5)	Epanechnikov Kernel, optimal bandwidth computed
Men\Women participation "macro level" (exploring differences between years)	Hierarchical Clustering (Graph 6)	Correlation distance, median method
Men\Women participation "micro level" by company over time	Partitioning: K-Means Algorithms (Graph 7)	K=12 (minimizing deviations within clusters)
Testing Hypotheses (H1)		
Changing structure over time	Testing equality of the medians over time (Graph 8)	Null hypothesis: equality of the medians
Econometric Analysis (H2 and H3)		
Testing Female ID influence on performance	Panel data (random and fixed), IV	ID considered both with both absolute value and as a dummy
Testing ID influence on performance	Panel data (random and fixed), IV	

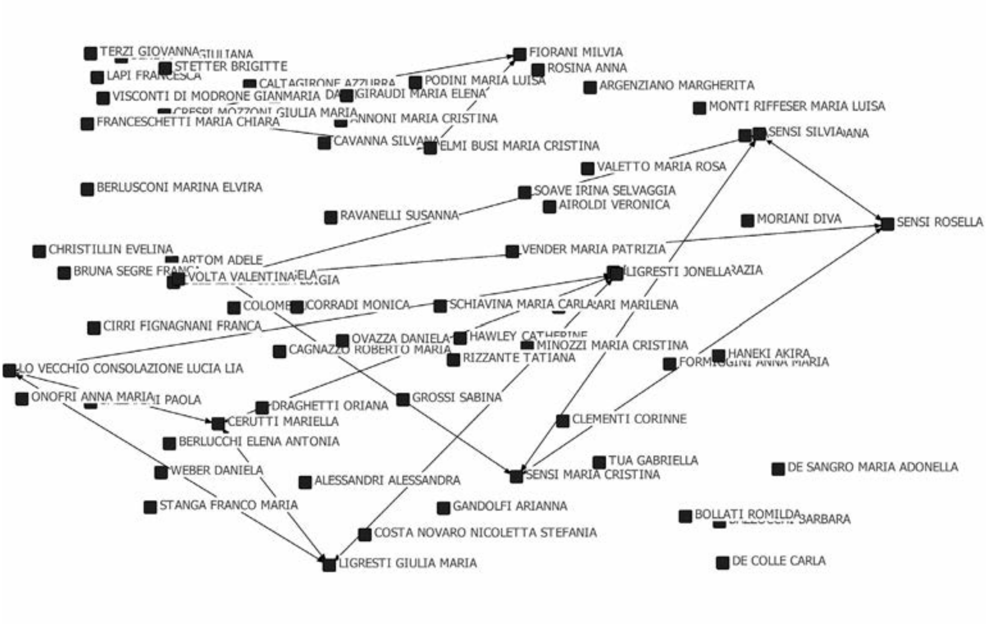
GRAPH 1

NETWORK FEMALE DIRECTORS 2003: DELETING PENDENTS AND ISOLATES



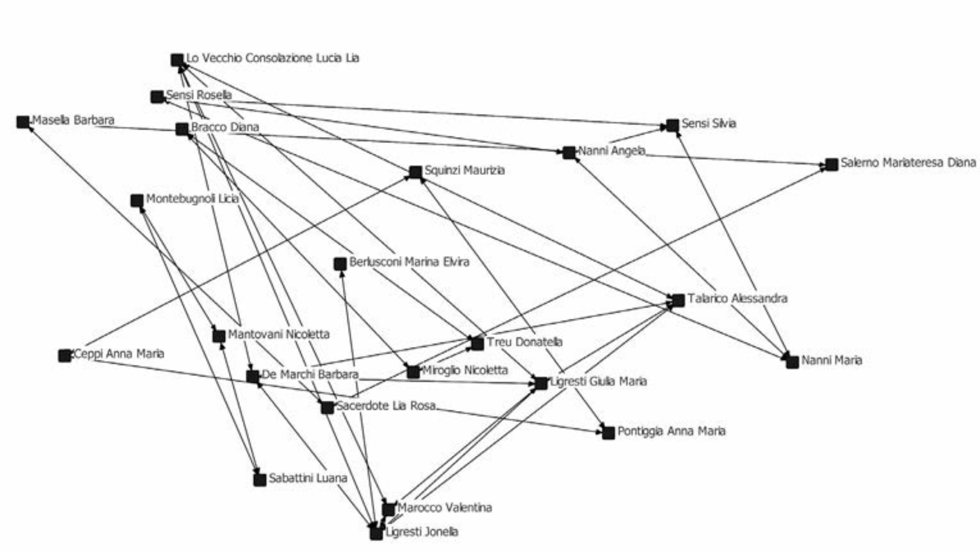
GRAPH 2

NETWORK FEMALE DIRECTORS 2003: ALL



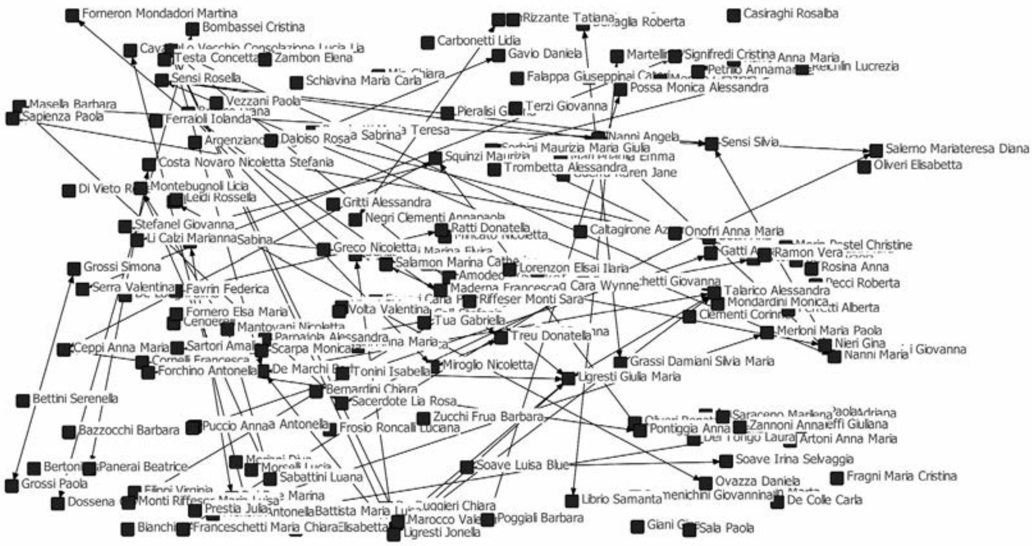
GRAPH 3

NETWORK FEMALE DIRECTORS 2010: DELETING PENDENTS AND ISOLATES



Graph 4

NETWORK FEMALE DIRECTORS 2010: ALL



This result can be as well observed by considering the growing female participation in the boards. Considering the macro level of the participation, we can observe that the median value for all years is 0, whereas the mean increases from 0.05 to 0.07. This result is consistent with previous literature, but we observe over time a growth in participation, that could be captured by the changes in the kernel density shapes. By considering the participation of the different listed companies by years, we detect some similarities for the first years and relevant changes for the last of two years (Graph 5). The result is confirmed by considered hierarchical clustering of the years over time (Table 3 and Graph 6).

Considering the micro level we observe the evolution of the participation in the different companies. In that sense we consider various *k* (the number of clusters) where we decide to stop the partitioning procedure when the deviations within the different clusters are minimized. We can observe that the woman participation is stable for some clusters in which there are inside companies that are well-established in the interlocking directorship network, where the woman participation is higher in companies characterized by being strongly innovative by considering, for example, the technological level. The point is related with the capability of the different companies to increase the woman participation because some companies tend to be very stable in their board composition over time

(Table 4). Another interesting finding related to Drago *et* al. (2007) is that the dynamics of the participation rates in the boards is different and lower for the companies in the center of the network (clusters 3 and 5, in particular) *versus* other companies in the periphery (clusters 2, 6 and 7). Appendix 1 reports the allocation of each firm in each cluster.

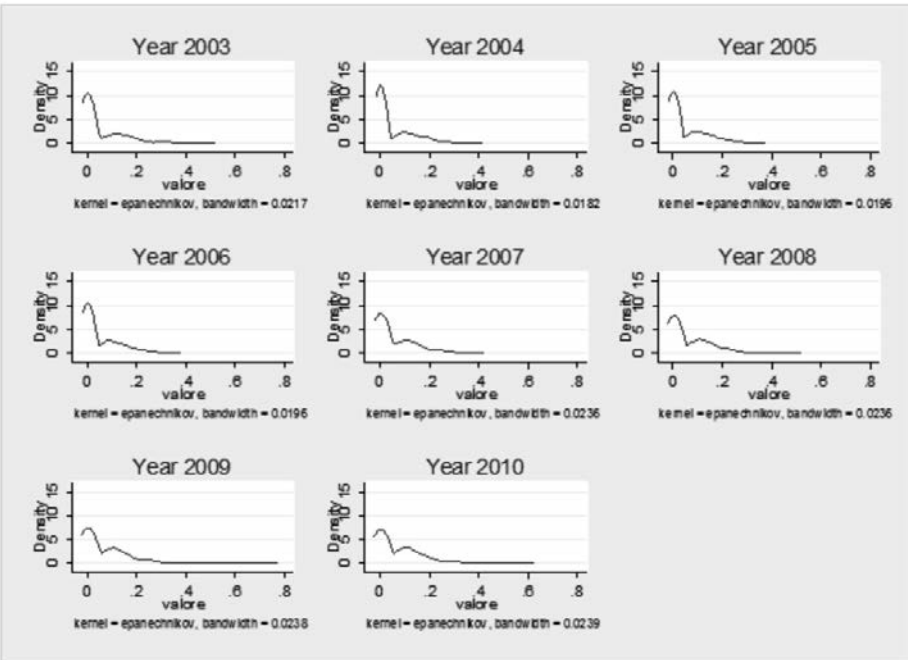
TABLE 3

K-MEANS CLUSTERING OF THE COMPANIES 2003-2010 (CLUSTERS=12)

Cluster	Within cluster sum of squares	Cluster size
1	0.129015	13
2	0.0277	2
3	0.151323	13
4	0.046025	4
5	0.0668	13
6	0	1
7	0.121325	12
8	0.103	5
9	0.129438	16
10	0.033145	11
11	0.0371	2
12	0.136125	48

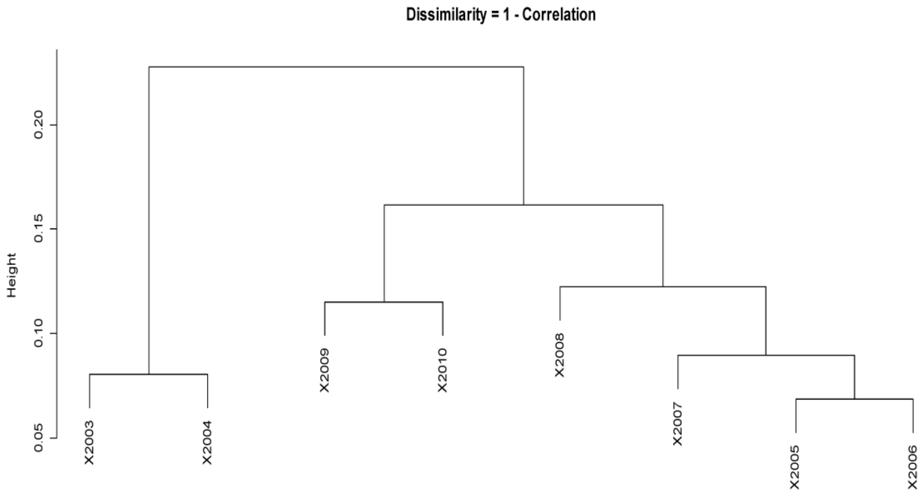
GRAPH 5

KERNEL DENSITY ESTIMATION WOMAN PARTICIPATION RATES BY YEAR 2003-2010



Graph 6

HIERARCHICAL CLUSTERING ON THE YEARS 2003-2010 (METHOD=MEDIAN)



Finally, the test of equality of medians over time shows that the medians are significant different between the different years. That means that there are some changes over time (Table 5).

Table 4

CLUSTER MEANS BY YEAR

Cluster	X2003	X2004	X2005	X2006	X2007	X2008	X2009	X2010
1	0.0908	0.0923	0.0769	0.0638	0.0692	0.0769	0.0823	0.0838
2	0.3100	0.2450	0.1700	0.1700	0.1400	0.1400	0.2150	0.3600
3	0.0523	0.0546	0.0862	0.0938	0.0823	0.0254	0.0000	0.0000
4	0.0000	0.0200	0.0950	0.0875	0.1475	0.1625	0.1500	0.1750
5	0.0038	0.0123	0.0123	0.0231	0.0392	0.0815	0.0815	0.0846
6	0.3300	0.3300	0.3600	0.3600	0.3600	0.3600	0.3600	0.3600
7	0.1667	0.1683	0.1933	0.2100	0.2117	0.2317	0.2308	0.2300
8	0.2180	0.2420	0.2420	0.2280	0.2120	0.1740	0.0900	0.1020
9	0.1338	0.1313	0.1325	0.1356	0.1381	0.1363	0.1313	0.1100
10	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0509	0.0936
11	0.4150	0.3650	0.0550	0.0550	0.1250	0.1550	0.1400	0.1400
12	0.0083	0.0052	0.0042	0.0035	0.0010	0.0027	0.0000	0.0000

TABLE 5

MEDIAN TEST, WOMAN PARTICIPATION RATE 2003-2010

	2003	2004	2005	2006	2007	2008	2009	2010	Total
No	187	175	172	175	172	162	151	138	1,332
Yes	88	90	99	106	119	119	130	136	896
Total	275	265	271	281	291	291	281	274	2,228

Pearson $chi^2(7)=30.5844$ Pr=0.000

Results about the econometric section propose, first of all, the fixed and random panel data estimation for the two models and with the two definitions of ID (absolute value and dummy variable). Therefore, Table 6 reports results for the for both model (equity and stock returns) and both methodology (fixed and random), but only for ID absolute value. Table 8 shows as first result a poor effectiveness of the stock return models *(c)* and *(d)*. Beyond that, we observe that models *(a)* and *(b)* suggest a negative influence of both ID and female ID on Equity value; at the same time control variables have significant coefficients; but we notice that *lnTA* has a positive influence on Equity value, while previous literature evidences support a negative one. The Haussman test maintains that the fixed-effects model should be preferred to the random-effect model.

Table 7 reports results for the same models but using ID as a dummy variable. This analysis shows no influence at all of ID on dependent variables. Also in this case model 2) (the one with stock return as dependent variable) reports only market average as significant variable. Also in this case the Haussman test points in favor of the fixed-effect model.

Table 6

FIXED AND RANDOM EFFECTS ESTIMATION FOR MODELS 1) AND 2) WITH ID IN ABSOLUTE VALUE

	(a)	*(b)*	*(c)*	*(d)*
Dep. Variable	Equity	Equity	Stock returns	Stock returns
Methodology	Fixed effects	Random effects	Fixed effects	Random effects
Female ID	-0.08164***	-0.09782***	-0.1316	-0.00366
	(0.031)	(0.025)	(0.134)	(0.050)
Ln total asset	0.46406***	0.676315***	-0.01813	-0.0113
	(0.039)	(0.019)	(0.172)	(0.032)
Fin. leverage	-0.00061**	-0.00071**	-2E-05	-0.00024
	(0.000)	(0.000)	(0.002)	(0.001)
Sales per share	-0.00385***	-0.00537***	0.001607	0.00212
	(0.001)	(0.001)	(0.004)	(0.003)
Board size	0.028403**	0.026597**	-0.00291	0.019203
	(0.009)	(0.008)	(0.038)	(0.018)
ID	-0.009709***	-0.014514***	-0.01109	-0.01351
	(0.003)	(0.003)	(0.020)	(0.009)
Cons	6.093102***	3.19E+00***	-1.03853	-1.37668***
	(0.522)	(0.242)	(2.407)	(0.364)
Hausman $\chi2$	2.87		1.8	
Prob > $\chi2$	(000)***		(0.937)	

Standard errors in brackets. Significance levels: *: below 10%; **: below 5%; ***: below 1%.

Now we consider the hypothesis that we have an endogeneity issue because we are not able to say with certainty that our independent variables are not influenced by dependent variable themselves. To address this issue we use the Instrumental Variables method by inserting lags for all variables as instruments (dependent included). Table 8 and 9 report our findings for the two definitions of the ID variable, respectively, and these are the most clear and convincing ones. If we exclude model *(j)*, where ID is not significant, what we found is aligned with our expectations: ID influences equity value and stock return negatively while female ID has no effect.

TABLE 7

FIXED AND RANDOM EFFECTS ESTIMATION FOR MODELS 1) AND 2) WITH ID AS DUMMY VARIABLE

Dep. Variable Methodology	*(e)* Equity Fixed effects	*(f)* Equity Random effects	*(g)* Stock returns Fixed effects	*(h)* Stock returns Random effects
Female ID	-0.11944	-0.14485**	-0.27473	-0.18696
	(0.075)	(0.070)	(0.327)	(0.183)
Ln total asset	0.452934***	0.667865***	-0.01763	-0.01413
	(0.039)	(0.019)	(0.173)	(0.032)
Fin. leverage	-0.00062**	-0.00074**	-6.8E-05	-0.00017
	(0.000)	(0.000)	(0.002)	(0.001)
Sales per share	-0.00375***	-0.0054***	0.001526	0.001873
	(0.001)	(0.001)	(0.004)	(0.003)
Board size	0.036761**	0.037833**	-0.01754	0.012311
	(0.008)	(0.007)	(0.034)	(0.016)
ID	-0.101886**	-0.15828***	0.136578	-0.12663
	(0.050)	(0.047)	(0.233)	(0.138)
Cons	6.12769***	3.15E+00***	-1.08295	-1.2359***
	(0.524)	(0.243)	(2.412)	(0.350)
Hausman $\chi 2$	80.81		2.8	
Prob > $\chi 2$	(000)***		(0.833)	

Standard errors in brackets. Significance levels: *: below 10%; **: below 5%; ***: below 1%.

TABLE 8

IV ESTIMATION FOR MODELS 1) AND 2) WITH ID IN ABSOLUTE VALUE

Dep. Variable Methodology	*(i)* Equity Fixed effects	*(j)* Equity Random effects	*(k)* Stock returns Fixed effects	*(l)* Stock returns Random effects
Female ID	-0.17792	-0.19057***	-0.3773	-0.03038
	(0.156)	(0.045)	(0.264)	(0.052)
Ln total asset	-0.21874	0.742216***	-0.4471	-0.05444*
	(0.183)	(0.038)	(0.275)	(0.033)
Fin. leverage	0.008009	-0.00832**	0.00371**	0.002706**
	(0.006)	(0.004)	(0.002)	(0.001)
Sales per share	-0.00288	-0.00532*	-0.00029	0.004341
	(0.006)	(0.003)	(0.011)	(0.003)
Board size	0.038257	0.008285	-0.04817	0.02087
	(0.045)	(0.016)	(0.075)	(0.019)
ID	-0.054795***	-0.039671***	0.050192	-0.00152
	(0.021)	(0.009)	(0.041)	(0.010)
Cons	14.74635***	2.66E+00***	4.893833	-1.04308***
	(2.197)	(0.329)	(3.780)	(0.356)
Hausman $\chi 2$	37.37		8.12	
Prob > $\chi 2$	(000)***		(0.230)	

Standard errors in brackets. Significance levels: *: below 10%; **: below 5%; ***: below 1%.

Table 9

IV ESTIMATION FOR MODELS 1) AND 2) WITH ID AS DUMMY VARIABLE

	(m)	*(n)*	*(o)*	*(p)*
Dep. Variable	Equity	Equity	Stock returns	Stock returns
Methodology	Fixed effects	Random effects	Fixed effects	Random effects
Female ID	-0.264	-0.31722*	-0.38168	-0.1715
	(0.376)	(0.163)	(0.989)	(0.232)
Ln total asset	-0.31663	0.746473***	-0.44961	-0.05766*
	(0.196)	(0.033)	(0.286)	(0.033)
Fin. leverage	0.008836	-0.00815**	0.003038*	0.002687**
	(0.006)	(0.003)	(0.002)	(0.001)
Sales per share	-0.00061	-0.00553**	-0.00043	0.004108
	(0.007)	(0.003)	(0.011)	(0.003)
Board size	0.083587**	0.026709*	-0.0459	0.018988
	(0.049)	(0.015)	(0.078)	(0.019)
ID	-0.214534	-0.392252	1.02615	0.055654
	(0.328)	(0.142)	(0.774)	(0.194)
Cons	15.70553***	2.32E+00***	4.368096	-1.0245***
	(2.355)	(0.284)	(3.950)	(0.334)
Hausman $\chi 2$	36.26		6.36	
Prob > $\chi 2$	(000)***		(0.384)	

Standard errors in brackets. Significance levels: *: below 10%; **: below 5%; ***: below 1%.

5.- Conclusions

Our research is based on a time extended dataset of Italian listed companies; Italy appears to be a natural laboratory due to the high presence of ID. The dataset gathers 2.057 listed firms along 8 years (2003-2010). In terms of the Hypotheses we have maintained, we found that H1 is rejected, whereas both H2 and H3 can be accepted.

The Social Network Analysis of the female directorates shows that there is a growth over time of the female networks but we confirm the important role of the families in defining the position in these networks of the single directorates. We can observe that women tend not have a strong relevant position in the entire global network of interlocking directors with exception of some members of families.

We tested the hypothesis of ID influence on equity value and firm performance. We found that female ID is negatively related with firm value. ID is consistent with our expectation and with previous literature findings. However, the small number of female interlocks in the sample suggests that we cannot strongly conclude that female ID is not relevant for value and performance: to better investigate this issue a more female ID populated dataset is needed, and the reform just passed would provide an adequate environment to perform such test in the years to come.

APPENDIX 1
Cluster assignment by company

COMPANY	CLUSTER
ACEA SPA	3
ACEGAS - APS SPA	12
ACOTEL GROUP SPA	9
ACQUE POTABILI SPA - SOCIETA' PER CONDOTTA DI ACQUE POTABILI	12
ACTELIOS SPA	10
AEROPORTO DI FIRENZE - ADF SPA	3
AMPLIFON SPA	9
ARNOLDO MONDADORI EDITORE SPA	7
AS ROMA SPA	6
ASSICURAZIONI GENERALI SPA	5
ASTALDI SPA	1
AUTOGRILL SPA	12
AUTOSTRADA TORINO MILANO SPA	1
AUTOSTRADE MERIDIONALI SPA	1
BANCA CARIGE SPA - CASSA DI RISPARMIO DI GENOVA E IMPERIA	5
BANCA FINNAT EURAMERICA SPA	12
BANCA IFIS SPA	4
BANCA INTERMOBILIARE DI INVESTIMENTI E GESTIONI SPA	9
BANCA MONTE DEI PASCHI DI SIENA SPA	3
BANCA POPOLARE DELL'ETRURIA E DEL LAZIO SCARL	10
BANCA POPOLARE DI MILANO SCRL	12
BANCA PROFILO SPA	3
BANCO DI DESIO E DELLA BRIANZA SPA	12
BANCO DI SARDEGNA SPA	12
BASIC NET SPA	7
BASTOGI SPA	2
BEGHELLI SPA	12
BENETTON GROUP SPA	1
BENI STABILI SPA	12
BIESSE SPA	4
BOERO BARTOLOMEO SPA	7
BORGOSESIA SPA	8
BREMBO SPA - FRENI BREMBO	7
BULGARI SPA	12
BUZZI UNICEM SPA	5
CAD IT SPA	12
CAIRO COMMUNICATION SPA	12
CALTAGIRONE EDITORE SPA	9
CALTAGIRONE SPA	5
CAMFIN CAM FINANZIARIA SPA	1
CARRARO SPA	10
CDC POINT SPA	4
CEMBRE SPA	7
CENTRALE DEL LATTE DI TORINO & C. SPA	7
CHL - CENTRO HL DISTRIBUZIONE SPA	12
CIR SPA - COMPAGNIE INDUSTRIALI RIUNITE	12

COMPANY	CLUSTER
CLASS EDITORI SPA	9
COFIDE SPA - COMPAGNIA FINANZIARIA DE BENEDETTI	10
CREDITO ARTIGIANO SPA	12
CREDITO BERGAMASCO SPA	1
CREDITO EMILIANO SPA	12
DADA SPA	4
DANIELI SPA - OFFICINE MECCANICHE DANIELI & C.	9
DATALOGIC SPA	1
DAVIDE CAMPARI - MILANO SPA	10
DE LONGHI SPA	5
DIGITAL BROS SPA	12
DMAIL GROUP SPA	3
EDISON SPA	12
EL.EN. SPA	9
EMAK SPA	1
ENEL SPA	12
ENGINEERING - INGEGNERIA INFORMATICA - SPA	5
ENI SPA	12
ERG SPA	10
ESPRINET SPA	10
FIAT SPA	12
FIDIA SPA	12
FIERA MILANO SPA	12
FINMECCANICA SPA	12
FONDIARIA - SAI SPA	7
GEFRAN SPA	7
GEMINA SPA - GENERALE MOBILIARE INTERESSENZE AZIONARIE	12
GEWISS SPA	9
GIOVANNI CRESPI SPA	3
GRANITIFIANDRE SPA	3
GRUPPO CERAMICHE RICCHETTI SPA	8
GRUPPO COIN SPA	11
GRUPPO EDITORIALE L'ESPRESSO SPA	1
I GRANDI VIAGGI SPA	9
I.M.A. INDUSTRIA MACCHINE AUTOMATICHE SPA	1
IMMSI SPA	12
IMPREGILO SPA	12
INTEK SPA	9
INTERPUMP GROUP SPA	12
IRCE SPA - INDUSTRIA ROMAGNOLA CONDUTTORI ELETTRICI	12
ISAGRO SPA	12
ITALCEMENTI SPA FABBRICHE RIUNITE CEMENTO	5
ITALMOBILIARE SPA	5
ITWAY SPA	12
JUVENTUS FOOTBALL CLUB SPA	12
LA DORIA SPA	8
LUXOTTICA GROUP SPA	1
MARCOLIN SPA	12
MEDIOBANCA SPA	5
MEDIOLANUM SPA	3

COMPANY	CLUSTER
MILANO ASSICURAZIONI SPA	7
MITTEL SPA	12
MONDO TV SPA	9
MONRIF SPA	9
MONTEFIBRE SPA	12
OLIDATA SPA	9
PININFARINA SPA	8
PIRELLI & C. REAL ESTATE SPA	3
PIRELLI & C. SPA	1
POLIGRAFICA S. FAUSTINO SPA	12
POLIGRAFICI EDITORIALE SPA	7
PREMAFIN FINANZIARIA SPA HOLDING DI PARTECIPAZIONI	9
PREMUDA SPA	9
PRIMA INDUSTRIE SPA	12
RATTI SPA	2
RCS MEDIAGROUP SPA	5
RECORDATI SPA - INDUSTRIA CHIMICA E FARMACEUTICA	3
RENO DE MEDICI SPA	12
REPLY SPA	9
RICHARD GINORI 1735 SPA	3
RISANAMENTO SPA	10
SABAF SPA	12
SAES GETTERS SPA	3
SAIPEM SPA	5
SEAT PAGINE GIALLE SPA	12
SIAS - SOCIETA' INIZIATIVE AUTOSTRADALI E SERVIZI SPA	1
SNAI SPA	5
SNAM RETE GAS SPA	10
SNIA SPA	10
SOCIETA' SPORTIVA LAZIO SPA	12
SOCOTHERM SPA	7
SOGEFI SPA	10
SOL SPA	8
STEFANEL SPA	7
TAS TECNOLOGIA AVANZATA DEI SISTEMI SPA	11
TELECOM ITALIA MEDIA SPA	3
TELECOM ITALIA SPA	12
TISCALI SPA	12
TOD'S SPA	12
TREVI - FINANZIARIA INDUSTRIALE SPA	12
TXT E-SOLUTIONS SPA	12
VIANINI INDUSTRIA SPA	12
VIANINI LAVORI SPA	12
ZUCCHI SPA - VINCENZO ZUCCHI	5

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The Long and Tough Way of Female Talents Towards the Top: State of Art, Influence on Practice and Major Challenges of Gender Business Studies

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Integration of female talents in top positions is increasingly emerging as a key factor for business continuity. At the same time, there is a long way to go for integration to be significant as women's presence in such positions is still scarce and slowly growing in all types of firms.
This paper analyses female-specific contributions to governance, leadership and top management, it discusses the persisting barriers for these contributions to be fully recognized at cultural, organizational and individual level and it highlights how gender studies can move recognition forward by developing some open issues of special relevance.
[JEL Classification: M10].

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1. - Foreword

Integration of female talents at top responsibility levels – *i.e.* in governance, leadership and top management – is increasingly emerging as a key factor for business continuity as more and more evidence is available on the high qualification of female resources, on the positive impact these resources may have on economic and organizational performances and, at the same time, on the extent to which they are under-utilized. In fact, there is a long way to go for integration to be significant as, despite the evidence, women's presence in top positions is still scarce and growing very slowly in all types of firms, due to a number of persisting barriers.

This paper starts from two basic assumptions: that one major barrier is the still partial recognition of female talents and their possible impact; and that gender literature has definitely played a key role in producing and disseminating knowledge on female women's contribution, and it can make further steps to move recognition forward. On one hand, a lot of research has been done and is still going on to depict the "effects" of women's growth in terms of role achievements and performances: spaces for further work exist, but a strong empirical and conceptual basis is there and it has been fundamental to supports the general – and generally accepted – point that women have skills, potential and "track-records" enough to cover governance, leadership and management positions but that they occupy a minority of these positions, which prevents economic systems all over the world from leveraging their whole range of human capital assets. On the other hand, larger spaces for further research emerge when it comes to develop the general point about the need of more women on top and to dig into the possible "causes" behind female performances, and especially into gender-specific components of women's talents as well as into the organizational and ownership contexts where such talents can be expressed at best.

Based on these two assumptions, the paper firstly attempts to sketch out what can be considered as "consolidated" and generally accepted knowledge about female-specific contributions to top positions, thanks to the state of art reached by gender and management literature, and to underline the influence this knowledge has provided to women's progresses. Secondly, the paper discusses what is still to be fully accepted about these contributions and the related obstacles and stereotypes at cultural, organizational and individual level. Thirdly, it highlights how gender studies can further support women's advancement in top positions by developing some open issues of special relevance – especially concerning development of gender maturity as well as organizational and ownership contexts that make the most of mature female leadership.

The paper proceeds as follows. Section 2 offers an overview of generally acknowledged research results about women on top. Section 3 deals with the "grey area" that seems to persist around some of these results and with related doubts about women's legitimisation to play top roles of governance, leadership and management, and it offers some reflections on how literature developments are bringing some clarity as well as on possible further developments. Section 4 proposes some concluding remarks.

2. - Women on Top: The State of Art of Gender Studies and Their Contribution to Policies and Practices

Women's progresses under a persisting glass-ceiling: measuring female presence and impact on performances.

Gender studies have been playing a key role in women's progresses, first of all, by "measuring" female presence in business ownership, governance, leadership and management and by monitoring its evolution. A significant part of these measures come from surveys of large, publicly held companies for which data are more easily available.

It is underlined that some progresses have been made in female recruitment and promotion to responsibility roles but that, on the other hand, progresses are slow and women on top still account for a minority. For example, women accounted for 8% of top management amongst the Fortune 1000 in the year 2000; female CEOs were about 2% out of Fortune 500 in the year 2007 (MassMutual *et* al., 2007) and they were assumed to rise to about 6.4% of all CEOs between 2010 and 2015 (Helfat *et* al., 2006); but in fact they were 3% in 2010 (Beck, 2011). As to boards of directors (BODs), Fortune 500 featured less than 20% of female directors, and public companies in general have on board 15,7% of women in the US, about 24% in Sweden and Finland, nearly the quota of 40% imposed by law in Norway and only 6,8% in Italy (Catalyst, 2010; Bianco *et* al., 2011). What is more, female minority gets even smaller the higher the responsibility – *i.e.* in CEO positions – and the larger the company size. For instance, women's presence in top management teams (TMTs) is still concentrated in second line and in lower levels, and especially in staff positions (Krishnan and Park, 2005; Helfat *et* al., 2006; Montemerlo and Profeta, 2009). In BODs a very limited female presence is observed over the '90s not only at the chief executive officer level, but also at the inside directors level, from which many CEOs are usually selected; notably, this presence has not increased and sometimes it has even decreased in that decade. Also, female board members are less likely of being CEOs of the company where they serve, to be CEOs of other companies, to be chairs of board committees and to be members of the compensation committee with respect to male colleagues (see for instance: Simpson *et* al., 2010 based on a survey of S&P's top 1500 from 2003 to 2007; Sealy *et* al., 2009 on BODs of FTSE companies). With more or less pessimistic tones, researchers have expressed strong concern that no significant improvements can be expected for the next decades unless strong actions are taken (Daily *et* al., 1999; Montemerlo and Profeta, 2009).

Family business surveys, although to a lesser extent, have also quantified women's presence in top roles, framing minority percentages of female presence. According to the American Family Business Survey (MassMutual *et* al., 2007), while 10% of family firms of all sizes reported a female CEO in 2002, this number increased to 24.5% in 2007, and it is expected to increase to 31.3% over the next decade. In Italian medium and large family firms, female CEOs account for 11.4%, whilst female leaders can be found in 9% of family SMEs (AidAF-Alberto Falck Chair, 2008; Gnan and Montemerlo, 2008). As to TMTs, including both leaders/CEOs and first line managers, female members account for 20% in Italian incorporated family SMEs, and two thirds of them are women belonging to the owning family. Similar figures can be found in Italian medium and large family firms: 20.8% of TMT members are women, although in this case family women are less numerous as they account for about 40% of total female executives. As far as BODs in Italy are concerned, female presence accounts for about 17% in medium and large family firms and for about 23% in incorporated SMEs (Montemerlo and Profeta, 2009; Gnan and Montemerlo, 2008), with over 90% of female directors belonging to the owning family.

A group of empirical studies has made an important step beyond measuring female presence at the top by investigating relationships between this presence and company performances in various countries in North America and Europe as well as in various types of firms (but actually with main focus on largest publicly-held firms in the Anglo-Saxon context). A number of positive correlations have been found so far, for example:

– between incidence of female managers and firm economic performances (Shrader, Blackburn and Iles, 1997);
– between presence of a female co-CEO in a leadership team and company profitability (Corbetta *et* al., 2010);

- between female presence in BODs and in TMTs and firm economic performances such as profitability and both short-term and long-term value (Catalyst, 2004; Krishnan and Park, 2005; Joy *et* al., 2007; McKinsey & Co., 2007; Campbell *et* al., 2010);
- between female presence in BODs and good governance practices (Terjesen *et* al., 2009).

Negative correlations, and no correlations as well, have also been found. Interestingly, some explanations of negative ones assume that female-specific contributions might be actually "neutralized", even when women do reach top positions, rather than doubt the very existence of female effects (Rose, 2007). Other explanations have been linked to the risk aversion that is typically attributed to female style and that might create over-monitoring at BOD level and, by this means, lower financial performances (Minguez-Vera and Martin, 2011; Adams and Ferreira, 2009).

Both academic scholars and researchers from other institutions like national banks and consulting firms are engaged in these empirical studies and in the public debate that has consequently arisen, emphasizing both value and underutilization of female inputs. Particularly, evidence about female positive contributions to company performances has made scholars and practitioners take strong positions in favor of policies and actions to accelerate the erosion of the "glass-ceiling" that invisibly stops women from getting to the top. An important part of such positions has focused on the introduction of gender quotas that started in Norway and that, with different *nuances*, has become a reality in various European countries including Spain, France and Italy.

In parallel, and actually starting even before, important research efforts have been made to go deep into the various glass-ceiling's components. In essence, these components are classified into three main categories, that is: social system-centered factors, with main focus on cultural prejudices against female careers and based on a classical distribution of roles and hierarchies in family and at work; situation-centered, group and organizational factors, which often translate cultural prejudices into business models – in terms of company cultures, structures and operating systems – that are still male-based and do not give enough space to women *per se*; person-centered, individual factors concerning both resistance to increase female presence at the top by company leaders of both genders as well as propensity to "self-constraint" by women in career themselves (Powell, 1999).

Other very important research efforts have accompanied studies on female performances in top roles and have been aimed at explaining the reasons behind them; these reasons are reviewed in the paragraph that follows.

Exploring the reasons behind women's performances: diversity, critical mass and female leadership style.

One major cause of relations between women's presence at the top and superior performances is related to the "gender diversity" effect.

Diversity in organization is intended as the heterogeneity of relevant visible and/or invisible attributes of organization members, which can be either visible – like age, gender and race – and invisible or less visible – such as marital status, education, functional background, and job tenure (see Hambrick and Mason, 1984). Diversity is related to positive performance within the resource – based conceptual framework (Daily *et* al., 1999; Kilduff *et* al., 2000). In this framework, leveraging diverse resources (competences, capabilities and relationships) fosters companies' success, as it gives them the possibility to draw talents from a larger pool and thereby to select a higher variety of resources – *e.g.* in terms of international and educational background as well as experience in other firms (Singh *et* al., 2008) – and consequently to select better resources, to take decisions based on richer inputs and to give representation to a larger variety of stakeholders with consequent reputational benefits (Daily and Schwenk, 1996; Van der Walt and Ingley, 2003; Helfat *et* al., 2006; Rose, 2007). For all these reasons, diversity is assumed to make firms better equipped to face their bigger and bigger challenges. Actually, empirical tests on relations between diversity and performances feature both positive and negative outcomes (Richard and Shelor, 2002). Negative outcomes, particularly, are explained by the social identity framework, which considers diversity as a possible cause of divergencies and conflicts (Richard and Shelor, 2002; Erhardt, Werbel and Shrader, 2003; Helfat *et* al., 2006).

Interestingly, the gender component of diversity is posited to counter-balance the social identity problems and foster company success due to the special talents that women reaching top responsibilities – and thereby fostering gender diversity – bring into organizations. Also, women are seen to be likely to outperform to be promoted, and thereby to feature superior performances based on higher qualifications and standards (Erhardt *et* al., 2003). This explains why gender diversity is raising more and more interest; as a matter of fact, the empirical studies mentioned above actually measure gender diversity together with women's presence, especially in largest firms like the Fortune 500 and Fortune 1000 (Daily *et* al., 1999; Krishnan and Park, 2005; Helfat *et* al., 2006; Joy *et* al., 2007), which opens plenty of space for further research.

Another group of studies builds on gender diversity and, particularly, maintains that the female gender component should be large enough to create a critical mass, especially in BODs. Conceptually, the critical mass is assumed to make women's minority a consistent one and thereby to make it more influential, enabling women to be really incisive in their directorship role and overcome the risks of "neutralization" that are sometimes used as explanation of negative female impacts on performances as stated above (Kanter, 1977; Konrad, 2008). Notably, a positive relationship has been found between presence of three or more women in BODs and company innovation (Nielsen and Huse, 2011) as well as between three or more female executives and organizational performances (McKinsey, 2007).

But how do women increase diversity? That is, what are the special talents thanks to which women can actually enrich the pool of resources involved in top roles? Here comes the stream of studies devoted to women's leadership, which is generally recognized to feature a democratic and relationship-oriented style, centered on delegation and involvement of collaborators (Eagly *et* al., 1990). Another leadership style that is increasingly associated to women is the transformational one, that stimulates people to achieve ambitious performances by creating a common and shared vision and by leveraging trust, commitment and sense of responsibility, especially in highly dynamic environments and challenging circumstances (Bodega, 2003). On top of that, female leadership traits are associated to leadership effectiveness, especially in present times (Eagly *et* al., 2003; Moore *et* al., 2011).

Instead, male leaders are acknowledged to feature a transactional leadership style, centered on performance achievement via negotiation of tasks, goals and rewards (Vinkenburg *et* al., 2011). Some different evidence also exists as studies also found strong elements of cooperation and people involvement in male leaders' style (Kabakoff and Peters, 2010).

Scholars have also underlined that leadership style also depends on the organizational context (Klenke, 1996) and, particularly, that women may have a hard time in expressing their own style in male-dominated organizations, especially when belonging to a "non-critical mass" and that they may react in various ways, adapting themselves or leveraging diversity as a change drive (Wahl, 1998; see also section 3).

But again, what makes women more suitable for the above mentioned leadership styles? Some conceptual studies have identified a number of special personal traits that distinguish women in business from male colleagues in terms of identity and behaviour. An important reference is the comprehensive and inter-disciplinary work of Brush (1992), which has framed distinctive traits of the feminine style as compared to the masculine one. According to this work, female leadership traits seem to be the following:

– perception of the business as an integrated network of cooperative relations in which identity of self, family, business and society are integrated, due to females' special relational orientation. It has been suggested that "women think and act differently due to variations in early and on-going socialization processes" (Manolova *et* al., 2007, page 420; see also Dumas, 1990). Particularly, in family firms women are found to be naturally gifted to enable social capital development (Steier, 2001 and 2007);
– special attention to the way performances are achieved, which includes:
  • lower risk-taking;
  • focus on interpersonal relationships and teamwork, trustworthiness, empathy and informality;
  • care for people growth;
  • care for organizational climate;
– information seeking and sharing before taking decisions;
– special ability to perceive and handle conflicts;
– stronger commitment to take care of family as well as to integrate work and family roles (Mc Nall *et* al., 2010). What is more, integration seems to create a perception of enrichment as well as a mutual enhancement of the quality of work and family roles; ultimately, it brings about higher job and life satisfaction (see also O'Neill *et* al., 2008).

Conversely, masculine style is assumed to be rational, competition-oriented and committed to achieving individual performances in short time; a major risk intrinsic to this style is to subordinate the "how" to the "what", that is the quality of processes and relations to the quality of final outcomes. Women – in – command may also run the risk of emphasizing masculine attititudes and behaviors, also due to the difficulties they have had to overcome during their career; and, in this case they might not favour, and even oppose, other women (Klenke, 2003). Other weaknesses of female style are excessive focus on processes with consequent inefficiency, too much emphasis on relational issues *versus* content ones and self-constraint. The latter may lead women to refrain from applying to top roles , to accept minor roles, to accept lower economic rewards and less visibility than men, which in turn may undermine their legitimisation and even amplify obstacles at organizational and social system levels.

Female leadership style and the variety of women's roles in entrepreneurial and family firms.

A group of gender studies has built upon extant research on female leadership style by analyzing the characteristics of entrepreneurial and family firms owned and led by women, which account for 20 to 30% of SMEs' activity worldwide (Allen *et* al., 2007). These studies highlight specific goals, resources, structures and processes that differentiate these firms from men-led ones.

Specifically, women-led firms show higher consideration for social and organizational goals such as people's growth, quality of work life, customers' satisfaction besides economic goals. In the context of family firms, this can lead to positive outcomes such as a nurturing and caring environment in the firm with a concern for the well-being of family and non-family members as well as to effective handling of disagreements and conflicts, in both managing and non-managing roles (Brush, 1992; Karlsson Stider, 2001; Salganicoff, 1990).

Further, women-led firms are generally smaller in size, with less hierarchical organizational structures, more participative and informal decision-making processes, more sharing of succession plans and a greater attention in transmitting values to the next generation (Brush, 1992; Gnan and Montemerlo, 2008). Interestingly, some works show that participative leadership styles can lead to greater family and business success (Sorenson, 2000).

A number of similarities between women-led and men-led firms have also been found in terms of industries, strategic profiles, general business problems encountered over the life cycle of the firm, economic performances, and awareness of the importance of succession planning (Brush, 1992; Harveston, Davis and Lyden, 1997; Allen and Legowitz, 2003; Gnan and Montemerlo, 2008).

Another group of family business studies explores female family members' variety and evolution of roles, both managing and non-managing, in business and family. Despite evidence is still limited and based on small, selected samples or on anecdotal experience, interesting conceptual frameworks and role classifications have been crafted (Dumas, 1989; Poza and Messer, 2001). Poza and Messner, for instance, have identified a number of roles that women may cover both inside and outside the family firm and that are consistent with the peculiarities of female leadership style depicted above. Within the business, particularly, women may act as co-preneurs and directors of business functions, as well as keepers of values and CEO's senior advisors (often with no official role). Co-preneurs have been dealt with by several other studies, which highlight how women may be assigned (and sometimes deliberately choose) less dominant and paid positions then their husbands entrepreneurs, but also how they often act as peacekeepers, even after divorce (Ponthieu and Caudill, 1993; Rowe and Hong, 2000; Cole and Johnson, 2007). Spousal commitment has been analysed as a key determinant of supportive relationships and, by this means, of superior financial performance (Van Auken and Verbel, 2006). Outside the business, women may play such roles as Chief Emotional Officers or Chief Trust Officers. In fact, it is acknowledged that women belonging to the owning family often play unofficial or invisible roles, which very often are more relevant than the official ones (Karlsson Stider, 2001; Howorth *et* al., 2010).

Grooming processes of women moving towards adult roles have been especially dealt with by Dumas (1989) who found out how they can turn out to be either non-productive or healthy. If they are non-productive, they will likely feature on one extreme women dependent from others, and thereby unable to carry on top level responsibilities autonomously and bound to remain "daddy's little girl" forever. On the other extreme, women will grow up with a strong commitment to affirm their independence, but this commitment will be so strong to suffocate the integration and coordination skills that are necessary to play the leadership role. Healthy processes, on the contrary, foster personal and professional development of women and enable them to manage interdependence between family and business, and particularly to take care of both and take charge of the business as well, again, consistently with female leadership style's peculiar traits; in these cases, generational transitions from father to daughter may be less risky than those – more competitive – from father to son (Dumas, 1990). More recently, learning phases of successful female leaders have been conceptualized as stumbling into the spotlight, building your own stage, directing the spotlight elsewhere, and coping with shadows. In case women had failed to achieve leadership, their process was labeled as "becoming invisible" (Barrett and Moores, 2009).

It has to be noticed that all the mentioned studies focus on female family members and that non-family women are virtually ignored.

Does ownership matter to integrate female talents at the top? The ambivalent role of family ownership.

Belonging to ownership does seem to matter, firstly, in terms of self-confidence. Tibus (2010) has found that female business owners are more likely to feature a transformational leadership style – that as mentioned above is typically associated to women – with respect to executives who are not owners.

In Italian public companies, women's presence in BODs appears to be also positively related to the presence of institutional investors amongst shareholders. Also, concentrated ownership features boards with a higher presence of female directors affiliated to the owning family, whilst dispersed ownership tends to be more open to non-affiliated female directors (Bianco *et* al., 2011).

As to "pure" family ownership, which characterizes the vast majority of firms worldwide, extant literature highlights a double-edged impact on women's growth up to leadership positions.

On one side, responsible family ownership is acknowledged to guarantee that the best talents are provided to firms and, by this means, that firms are put in the best conditions to last beyond single individuals and/or generations. Further, owning family's values are acknowledged to include a special attention to people and to the challenges of work and family balance (Aronoff and Ward, 1992). In these cases, family ownership is supposed to exercise its role by inspiring an organizational context in which talented women are selected with no gender prejudices as well as regardless of family membership and are offered unique possibilities to pursue a professional career and manage one's households at the same time, *e.g.* by means of more secure and flexible jobs than those that can be obtained in non-family firms (Salganicoff, 1990). To provide some evidence, in Italian family SMEs female entrepreneurs are much more numerous and both female and male entrepreneurs are more frequently married with children in family firms than in non-family ones (Gnan and Montemerlo, 2008). In Spain, it was found that family firms, together with firms with a financial institution as major shareholder, have more women on their boards of directors (Minguez Vera and Martin, 2011).

On the other hand, owners' "family-first" orientation (Montemerlo and Ward, 2005) may determine opposite effects. If traditional, chauvinistic family values prevail on responsible ownership values, business hierarchies can often be perceived by family owners as incongruent with family typical hierarchies, and thereby inappropriate for young women should they want to climb them (Barnes, 1988). Also, in a family-first culture family relationships can be shaped in such a way as to create obstacles to female family members' professional growth. In fact, obstacles may be rooted in conflicts with fathers, in mothers and siblings' rivalry and in family-work conflict due to tough family's expectations (Dumas, 1989 and 1998; Salganicoff, 1990; Gillis-Donovan and Moynihan-Brandt, 1990; Cole, 1998; Vera and Dean, 2007). Female non-family members might be more protected from owning family's dynamics but they are also likely to find obstacles in the nepotistic consequences that often derive from a a family-first culture.

Do women at the top help other women? The ambivalent role of females in command.

Another apparently double-edged determinant of women's career is represented by women themselves. Specifically, we focus on women who already achieved leadership appointments, and particularly the CEO position.

On one side, it is posited that, given the difficulties and pressures that they need to face, family CEOs might be reluctant to put their careers at risk by selecting other women for TMT positions (Klenke, 2003). This might be enhanced in case of women featuring masculine, competitive styles (Bird and Brush, 2002). Female members of BODs might also be reluctant to support growth of other women (Terjesen *et* al., 2009). As to family firms, some of the above mentioned studies on gender issues highlight that women-in-command may create more obstacles to daughter-successors than their male colleagues do, or that they may simply not help other women, either family or non-family (Dumas, 1989; Cole, 1998; Vera and Dean, 2005).

On the other side, female CEOs are supposed to understand all the difficulties that other women may encounter and to create an organizational context that helps talents to emerge independently on gender, and that especially helps women in balancing family and career. Empirically, it has been found that the presence of a woman CEO positively influences female presence (family and non-family) in the TMT of Italian family SMEs (Gnan and Montemerlo, 2008) and that presence of female shareholders increases presence of both female directors and female CEOs in Italian medium and large family firms (Corbetta *et* al., 2011).

3. - Women on Top and the (Still) Long Way to Go: Challenges and Open Issues for Gender Studies

A slow "go" and a recent "stop".

The state of the art sketched out so far constitutes a knowledge basis that, as it was mentioned above, has been fundamental to raise attention on the peculiar and positive contributions of talented women to organizations' growth and viability, particularly in these special times. Also in case the available knowledge has highlighted ambivalent phenomena such as the role of owning families as well as women-in-command's attitudes towards women in lower ranks, helpful hints have been provided for women's better and better understanding of organizational and institutional contexts, in terms of both obstacles, opportunities and even ambivalence.

Still, major challenges exist, starting from the slow pace of women's progresses in top positions. Some studies point out that the increase in female presence, particularly at BOD and CEO level, has been slow or even that there has been virtually no increase in the last decade (Simpson *et* al., 2010; Corbetta *et* al., 2010; Sealy *et* al., 2009). Female leaders appear more and more recognised in their performances, but with no quantitative measures of this increasing recognition, such as bonuses and other financial rewards (Kulich *et* al., 2007). Also comparison of compensation levels is not so easy, as female directors and managers with executive responsibilities (and particularly as operating Chairpersons, committee members, co-CEOs and line managers) represent an even larger minority with respect to board members with no special powers and to staff managers.

A somewhat paradoxical situation is highlighted, maintaining that on one side female leadership's characteristics are emerging in all their peculiarities and possible benefits, and the public debate is more and more intense; but on the other side, prevailing culture and practices - at both organizational and social system's level - still neglect these peculiarities as they keep asking for separation between work and family, considering family as a liability more than an asset and following a male-based model as well as gender stereotypes and prejudices which seem to be quite persistent; businessmen, for instance, still appear to be very concerned, and much more concerned than women, about maternity and its costs for the company (Knorr *et* al., 2011; O'Neil *et* al., 2008).

Towards full recognition of women at the top: some major challenges.

It is generally claimed that a big cultural problem exists behind stereotypes and prejudices. This is true, but evidently this diagnosis is not sufficient and it is necessary to go deeper. Particularly, it can be useful to frame questions and doubts about female talents. These are very often implicit and almost "hidden" in people's thoughts, but once again gender studies are very helpful to highlight major ones.

First of all, some skepticism is perceived about female-specific components of women's talents. It is claimed that not all women are equal and especially that many women do not really feature a feminine leadership style, but sometimes even prove just as aggressive, competitive and conflictual as men (Klenke, 2003). The very nature of gender – as a biological but also as a social construct – is discussed, assuming that it may be not gender *per se*, but the gender-specific style that matters (Bird and Brush, 2002; Klenke, 2003), even if all studies conducted so far have made reference to the biological construct, again, for data availability reasons. Some studies even doubt that gender-specific traits exist outside the Western world (van Emmerik *et* al., 2008).

A second point that is closely related to uncertainty about female-specific talents concerns the persisting association of the male stereotype to leadership roles, even by young people, which evidently makes legitimization of women at the top harder. For example, a test on male and female youngsters who might become entrepreneurs in the future highlighted that, particularly, the entrepreneurial role was associated to masculine features by men and women, and only women made some associations to female characteristics. What is more, those who perceived themselves featuring closer to the masculine stereotype revealed higher entrepreneurial intentions than those who identified themselves as closer to the feminine one. This raises the concern that gender models' socialization that occurs at young age might still preferably orient masculine people towards entrepreneurial roles, also regardless of biological sex (Gupta *et* al., 2009). On top of that, a survey on management students in Switzerland highlighted that women are expected to become more masculine and increase their presence in leadership positions, also in male-dominated industries, by 2050 (Bosak and Sczesny, 2011). This might create many troubles to women and companies, as traditionally women are not legitimated to play leadership roles and above all to play them according to the "orthodox" male model: for example, a survey of 60,000 US people asking participants to assess their bosses highlighted a slight majority having no preferences for their boss's gender. But the majority of those who did express a preference "voted against" female bosses, complaining about their competence but above all about their personality traits, depicting competitive, aggressive characters that result to be very far from the female style's archetype (Elsesser and Lever, 2011). This is an evidence of the "backlash" effect, that is of the economic and social penalty that follows counter-stereotypical attitudes and behaviors (Budworth and Mann, 2010).

Thirdly, even assuming that a positive, female-specific contribution is there, it is difficult to isolate its actual impact on performance. Based on methodological problems, it is doubted that whatever link between female presence and company performance makes any sense (Simpson *et* al., 2010).

Last but not least, it is doubted that the critical mass theory is really applicable, as there are not enough women to cover governance places, even if available.

In fact, all these arguments can be confuted. As to the claim about the insufficient availability of female candidates to governance, lists of "ready-for-BODs" female candidates are being prepared demonstrating the very opposite. Exploratory studies reveal that many women do wish to take on governance roles and, in case they already have governance responsibilities, they wish to increase them both at informal and at formal level, and that they are developing their skills and networks accordingly (see Colaco *et* al., 2010, based on a survey of 1,500 US female managers and executives attending a women's leadership conference). And, it has been observed that gender quotas have not caused any decrease in BOD's range of competences (Rose, 2007). As to the other claims, it might be observed that none of them has ever been raised to question men's contribution to governance and leadership roles in general (Colaco *et* al., 2011).

But to be constructive, it is much preferable to take claims seriously, taking the challenge to develop them and offer solid explanations. In fact, the mentioned questions and doubts may be reinforced by cultural prejudices, but nonetheless they raise a number of critical issues on which scholars have started working but that deserve further development in order to refine extant knowledge and support a decisive "go" in talented women's progresses. If the last decade has featured a virtual "stop", scholars can, again, offer a key contribution to make steps forward, not only for the sake of women or for ideological reasons, but for the sake of people, firms and society's viability.

Coping with challenges: some critical issues for gender studies.

Three issues seem to be particularly critical.

To begin with, it is necessary to go deeper into female-specific components of women's talents. Research shows that, for leaders to be persuaded to support greater diversity, instrumental motivations are priority; that is, it has to be demonstrated that female nature does bring about advantages to the companies in which women occupy, or may occupy, top level positions; notably, this would strengthen normative and affective motivations as well (Ng and Wyrick, 2011). And, it is argued that leaders' commitment to increase diversity is fundamental and that, without such commitment, institutional factors like legislations and codes of conduct might not be as effective as they can (Ng, 2008).

To this regard, a topical issue was actually mentioned for the first time years ago but is still unexplored, that is the issue of gender maturity, defined as the "individual adult's awareness of gender as an influence on behaviour and social constructs and his or her conscious integration of both gender qualities in self concept, social roles and behaviour" (Bird and Brush, 2002, page 56). Gender maturity includes two main components: self-awareness of one's own gender peculiarities – strengths and weaknesses – and capacity to compensate weaknesses by integration of the other gender's strengths. Regardless of a person's biological sex, gender maturity is seen as a key condition for achieving success in top positions as it enables women (and men) to fully express the female-specific talents depicted above and make the most of them. In other words, the female leadership style, with all its positive attributes, may be actually positive and successful provided it is a "mature" one as well.

Interesting contributions are appearing on this issue and build on the assumption that genders can learn from each other (Appelbaum *et* al., 2003) and, particularly, that women need not to fall into the trap that male peculiarities are to be adopted being the dominant ones, and that on the contrary they must increase self-awareness of their own peculiarities, both positive and negative, as well as understand how such peculiarities are evaluated by others (Vanderbroeck, 2010). Focusing on female-specific weaknesses and specifically on how women can work on them in their grooming processes, useful hints are offered to women that want to develop their gender maturity.

A persistent weakness confirms to be personal underestimation (which is part of "self-constraint"): for example, experiments on leaders of either gender highlighted that female ones rate themselves similarly to men in terms of emotional and social competence, but they are less accurate than men in predicting how they would be rated by their reports and peers, and particularly they expected much worse ratings than the ones they actually got (Taylor and Hood, 2011).

It is also underlined that women lack some core capabilities. Particularly, it seems that women are believed not to have visioning skills, which represent a key factor to get to leadership roles and be legitimated in these roles; in a survey of 360° assessments of 2,816 executives from 149 countries, women got higher evaluation on most leadership dimensions but on the envisioning capability, which is acknowledged to be indispensable and to significantly impact both perceptions and actual promotion to leadership roles (Ibarra and Obodaru, 2009). There comes a recommendation for women not to neglect envisioning's development, and also to learn how to adequately display this capability, as women lack self-promotion as well. Self-promotion, considered as the opposite of modesty, is seen as another key factor for female leadership recognition and, importantly, it is a masculine feature of leadership style that is not exposed to the risk of backlash, provided it is not accompanied by features who are indeed exposed to such risk like aggressive and competitive attitudes (Rudmann and Glick, 2001; Budworth and Mann, 2010). In other words, self-promotion is a characteristic of male style that it is important for women to integrate. It has to be noticed that, despite the risk of backlash, women are expected to mix female, transformational-like features with male, transactional ones (Vinkenburg *et* al., 2011) in a very delicate and challenging balance for which gender maturity development is indispensable.

Hopefully, developing gender maturity would also help women's satisfaction, as studies in the psychological field highlight that women who give up expressing themselves tend to feel much more inauthentic than men in the same situations (Simpson and Stroh, 2004).

But at present, virtually no studies have tried to operationalize the gender maturity construct and to empirically test it, which might be very interesting and useful to distinguish between different women's (and men's) leadership styles in terms of masculine and feminine components' degree. Also, the way mature men and women's joint contribution to key roles is reflected in company resources, behaviours and performance is far from being fully explored (Brush, 1992; Sharma, 2004) and the benefits of gender integration at the top are far from being well-known.

Another core issue concerns how gender-specific styles actually work (Moore *et* al., 2011) and particularly the contexts in which mature female leaders can better express themselves.

In general, it is acknowledged that team-based, consensually-led organizations are particularly suitable to women at the top (Appelbaum *et* al., 2003). Various studies are going deeper into context analysis concerning both governance and management structures and processes and looking at both social system and organizational level.

As to the social system level, the business community is urged to recognize the distinct leadership peculiarities of women and men and to make the most of such peculiarities (Vanderbroeck, 2010; Baumgartner, 2010). The community of women leaders is reserved some special attention and urged to commit to implement a mature female leadership style, using an entrepreneurial approach that helps work and family balance to people satisfaction and motivation, and ultimately to the economic benefit, of companies and society (Peris-Ortiz *et* al., 2011). Interesting hints are offered about the importance of adopting and spreading a "bilingual" language – male & female – that stops unconscious biases (Vanderbroeck, 2010).

As to the governance context at firm level, it is highlighted that female impact on board performance may be mediated by the nature of the tasks performed and by board activity. Women appear to contribute to board activity in terms of better attendance (Adams and Ferreira, 2009) and in terms of better monitoring as well as of influencing compensation through participation to nominating and governance committees (Adams and Ferreira, 2009). The work of Nielsen and Huse focuses on this issue and shows that boards' gender diversity improves boards' strategic control and, by this means, BOD's strategic decisions, due to female typical attention to match interests and perspectives of all parties involved. It is also suggested that, as women might have a positive impact in terms of strategic control but a negative impact on other tasks, this might explain the difficulty to relate women ratio in BODs to firm performance; and it is found that board development activities mediate the relationship between board gender diversity and both strategic and operational control (Nielsen and Huse, 2010*a*). This might be also consistent with women's low risk propensity. Other female features assumed to be important are experiences and values; it is maintained that experiences need to be homogeneous not to create inconsistent minority situations as mentioned above, which might vanify women's inputs, and on the contrary that different values – reflecting the female leadership style depicted above – enrich BOD's decision-making (Nielsen and Huse, 2010*b*).

As to the organizational context at firm level, some studies explore mediating variables between gender diversity in TMTs and TMTs' decision making such as exercise of power, management of politics and conflict and creation and leverage of trust (Klenke, 2003), as well as mediating variables between female leadership style and its outcomes, like trust and equity (actual and perceived), collaboration and reciprocity (Moore *et* al., 2011).

Other studies, especially practice-oriented, focus on a number of policies and actions that may foster female talents' integration at top positions, such as:

– leveraging values and codes of conduct. It has been found that, in general, skepticism about women in business is lower the higher discrimination is considered as an ethical issue and the higher discrimination is ethically judged (Valentine and Page, 2006);
– developing recruitment systems. As to BODs, it is underlined that lack of women directors is often linked to too restricted criteria for appointing new board members, like for example having a CEO experience (Kramer *et* al., 2006);
– developing career policies as well, in order to use a plethora of tools and not only traditional ones – like 360° evaluations based on perceptions – that do not take gender differences into account, including a "bilingual" language that stops unconscious biases (Vanderbroeck, 2010) to be able to offer career opportunities that make the most of female talents in various roles and professional life stages;

- leveraging mentoring and networking policies for women's growth (O'Neil *et* al., 2010);
- carefully assessing companies' equity status of management systems (O'Neil *et* al., 2010).

But particularly, and to keep connection between the individual and the organizational level, very little is still known about how recruitment takes place for both governance and top management roles, and notably about whether and how the gender – specific style, both feminine and masculine, of both recruiters and candidates determines either selection or exclusion of talented women, *ceteris paribus*.

The third issue concerns the role of ownership, and notably of family ownership. The relevance of family firms worldwide makes it very important to solve the ambivalence that extant literature has observed so far. A recent survey based on a representative sample of medium and large Italian family-controlled firms (Montemerlo *et* al., 2012) has found that: family ownership positively predicts presence of women within TMTs in general; family CEOs and female CEOs positively predict the presence of family women within the TMTs; family CEOs negatively predict the presence of non-family women in TMTs. In essence, and in the light of the resource-based and the agency perspectives, the family nature of the firm seems to influence gender diversity, but to the main benefit of family women, and the same happens with presence of female CEOs (who almost all resulted to belong to the owning family), which partially clarifies the ambivalence of owning families and women as possible determinants of female presence in executive positions. In fact, the obstacles that family women may encounter in their career, including those coming from their own relatives, might be overcome by the opportunities that the family nature of the firm offers them, which may be an important stimulus for family women not to constrain themselves into roles of minor responsibility, but on the contrary to feel free and committed to prepare themselves for top executive positions. Conversely, the presence of a family CEO seems to favour in principle, but to hamper in practice, the presence of non-family women in TMTs, maybe for asymmetric altruism as well as family-first orientation.

Again, plenty of space for further research exists, for example: to go deeper into family ownership's ambivalence for governance and CEO roles; to explore gender-specific styles of women (and men) at top levels and the interaction of leadership styles and the family business context; to understand how males and females, and with what degree of gender maturity, are both selected and excluded for top positions in family firms as well; to further investigate how female leaders may contribute to company organizational and economic performance both as single leaders and within co-leadership models which are especially diffused in this type of companies.

4. - Concluding Remarks

These are special times as far as gender issues are concerned. A first level of awareness about the potential of talented women has been reached and has determined, and is still determining, considerable progresses at top levels. At the same time, a deeper level of recognition and legitimization of female talents is needed to overcome the glass ceiling, which is still there and very hard to scratch. Gender studies have been decisive to get to the first level and must not give up and take the challenge of addressing the second level by developing core issues; some of them have been mentioned above reflecting the authors' vision, and many more exist for sure.

A number of conditions seem to be important for this further progress to be achieved; they partly already exist and can all be related to the diversity concept.

First of all, an interdisciplinary approach – and particularly integration of psychology and management – is crucial for a deep analysis of both individuals and contexts as well as of the interaction between them. Multiple theoretical lenses are also needed to avoid the risk of ideological positions that may just strengthen stereotypical positions on the side of both males and females.

Secondly, diversity of research teams is crucial from other perspectives as well. Female and male researchers – and hopefully mature ones – need to cooperate to gain full understanding of phenomena. Academics and practitioners – and possibly concrete academics and rigorous practitioners – need to cooperate as well to match conceptual frameworks and field experience at best.

Thirdly, an open and endless dialogue between researchers, companies and institutions is needed: to explain research results and their consequences, to make proposals and to spread a culture and language inspired by the key principles of integration and complementarity *versus* competition and exclusion.

Such a joint and continuous effort might significantly help get rid of doubts and prejudices and, by this means, help talented women, as the title of this Special Issue intriguingly suggests, to move from "doing" a lot to grow and legitimate themselves in leadership positions to actually "being" legitimate to cover these positions and express all the aptitudes and skills that make up mature female talents and that can successfully complement male ones.

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