



There is a critical gap in understanding the factors that have kept women out of boardrooms, and significant scope to investigate the determinants of gender diversity in corporate governance.

There is also a considerable opportunity to explore strategic and integrative approaches to increasing women's participation and gender diversity in the field.

Underutilised human capital

Corporate governance represents the highest levels of leadership in business and industry, and has among the lowest participation rates of women within the spectrum of business and economic activity.

The latest 2015 estimates show that women occupy only around 14.7% of board directorships worldwide. Data further shows that the low levels of women's participation in corporate governance is common across countries, and – while recent years have seen some improvement – participation has remained persistently low over time.

This lack of gender diversity points to the systemic underdevelopment of valuable human capital, and reflects a severe underutilisation of strategic leadership potential.

Underexplored causes

There has been much research into women's participation in corporate governance in the past forty years. However, the focus has mainly been on investigating the characteristics and impact of women's participation, and in spite of the significant amount of research in this area, the evidence remains mixed.

As a consequence, a broad consensus on the business, social, and ethical cases for increased women's participation in governance is yet to be achieved.

The exploration of the causes and determinants of the persistently low levels of women's participation in corporate governance has received much less attention in the scholarly literature. Following Norway's introduction of board gender quotas in 2003, research has largely focused on examining the impact of legislated quotas. Studies elsewhere have found that the impact of board gender quotas is mixed, and generally limited to short-term, unsustainable gains.

There is much that remains to be understood not only in terms of the determinants of gender diversity, but also the development of strategies that can more effectively support long-lasting improvements in gender diversity in boardrooms around the world.

Cultural influences

Recent research has shown that certain cultural values have a significant impact on gender diversity in corporate governance. It suggests that there tends to be greater gender diversity in corporate boards in cultures where gender roles are less defined, and where the attitude towards genders is more egalitarian. Cultures that put a premium on ability and performance, and that are orientated towards more inclusive and participative leadership styles likewise tend to exhibit greater board gender diversity. By contrast, cultures that have a strong orientation towards hierarchy and group status tend to have less diverse boards.

Among these cultural factors, the egalitarian attitudes towards gender roles are most strongly and consistently related to gender diversity in corporate governance. In Southeast Asia, the countries that value gender egalitarianism the most are the Philippines and Singapore. Some other countries in the region, including Indonesia, have a less egalitarian orientation. These culture-based attitudes are reflected in composition of the boards of top corporations.

A cross-sectional, cross-country quantitative analysis of board composition indicates that the Philippines – which has the most egalitarian attitudes – has the highest level of women’s participation in the region, with women comprising around 13% of directorships in its largest corporations. Individual corporate boards in the Philippines also have the highest levels of board diversity, with women accounting for as much as 44% of seats on a single board. Singapore has slightly less egalitarian attitudes towards gender, and this is reflected in slightly lower levels of women’s representation (10%) on key corporate boards. Women can also comprise up to 44% of seats on a single board, but this level of diversity is found on fewer boards compared to the Philippines. Indonesia, with among the least egalitarian attitudes in the region, has a women’s governance participation rate of 10% and lower levels of board diversity compared to the Philippines and Singapore.

The path to meaningful change

The significant findings on the impact of cultural attitudes towards gender are important when taken in light of findings regarding the insufficiency of legislated board quotas in fostering improved gender diversity in corporate governance.

Efforts to improve gender diversity must incorporate initiatives aimed at parallel transformations in government policy, business practice, cultural norms, and professional standards. This requires commitment among key actors and stakeholders in government, industry, society, and the professions to align objectives and initiatives to improve women’s participation.

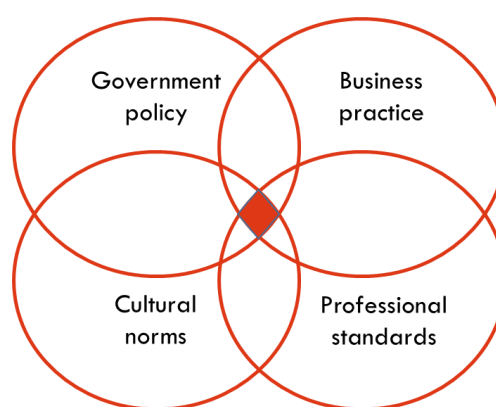


Figure 1. An integrative approach to change

This integrative approach will create mutual reinforcement among critical spheres of influence, thus resulting in meaningful and longer lasting change in gender diversity on corporate boards. As a consequence, countries can not only address the systemic underdevelopment of women but also harness their productive and leadership capacity.

Dr Sandra Seno-Alday is a researcher at the Sydney Southeast Asia Centre and a Lecturer of International Business at the University of Sydney Business School. This research was supported by the Australian Government through the Investing in Women Initiative, a program of the Department of Foreign Affairs and Trade.

Sydney Southeast Asia Centre | Dr Sandra Seno-Alday
T +61 2 9351 4916 | E sandra.seno-alday@sydney.edu.au
W sydney.edu.au/southeast-asia-centre



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