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Key Finding

Targets for gender diversity on boards have positive spillovers on board composition.

Business Application

Putting in place clear gender diversity targets will likely lead to more objective selection of board members and in turn to a more diverse set of skills on the board.

Europe has seen a push towards greater gender diversity on boards. This push is motivated by a need to consider the whole talent pool and also to create better corporate governance. Some countries have put in place stricter regulations for higher gender diversity; others have chosen to leave it up to market forces. Research findings on board diversity and performance are mixed. Some research shows that more diverse boards generate better financial performance; other studies show either the opposite or that more diverse boards take fewer risks. With this in mind, my co-author Professor Margarethe Wiersema and I studied boards in Europe and the US to get a better understanding of board composition and the resulting board dynamics.

We interviewed more than 60 male and female non-executive directors in the US and Western Europe and found that in countries with more clear targets for gender equality, such as those where quotas had been put in place, the selection process for board members became more objective. Once boards were forced to select more women they started to search more widely for non-executive directors. This allowed them to search outside the usual “old boy network” to find competent women. Many boards used executive search firms to help them consider a wider talent pool. They also started to look more closely at the competencies of allboard members . If they needed to add a women they were likely to ask what competencies they wanted that woman to have and at the same time assess the current competencies and skill gaps of the board. As a result boards became more diverse, not just in terms of gender, but also in terms of backgrounds, experience and competencies. This is positive for board governance, as more diverse boards lead to more careful and competent assessment of the decisions with which boards are faced.

Our interviews revealed that in countries without strict regulations for generating more gender diversity on boards, there was more resistance to change. We hope the positive spillover revealed in our study will create more momentum for change and lead not only to an increase in gender diversity on boards, but also to better board dynamics.

Read more: Wiersema, M. and Mors, M. L., (2016) “What Board Directors Really Think of Gender Quotas”. Harvard Business Review online. Available at <https://hbr.org/2016/11/what-board-directors-really-think-of-gender-quotas>



Marie Louise Mors is Professor of Strategic and International Management at Copenhagen Business School. She is an expert on strategy, informal networks and diversity in boards. To know more, visit her [website](#).

Research interests: strategy implementation, innovation, resource sharing and access, organisation design, professional networks, board dynamics.