Abstract: Despite 40 years of equal opportunities policies and more than two decades of government and organization initiatives aimed at helping women reach the upper echelons of the corporate world, women are seriously underrepresented on corporate boards. Recently, fifteen countries sought to redress this imbalance by introducing gender quotas for board representation. The introduction of board gender quota legislation creates ethical tensions and dilemmas which we categorize in terms of motivations, legitimacy, and outcomes. We investigate these tensions through four overarching theoretical perspectives: institutional, stakeholder, social identity, and social capital. We outline a future research agenda based on how these tensions offer greater focus to research on quotas and more broadly to ethics and diversity in organizations in terms of theory, anticipated ethical tensions, data, and methodology. In sum, our review seeks to synthesize existing multidisciplinary research and stimulate future enquiry on this expanding set of legislation.

Key Words: Affirmative Action, Board, Corporate Governance, Directors, Gender, Quota

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BOARD GENDER QUOTAS: EXPLORING ETHICAL TENSIONS
FROM A MULTI-THEORETICAL PERSPECTIVE

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INTRODUCTION

Boardroom gender diversity is a contemporary ethical issue for companies as senior level diversity contributes significantly to embedding a strong ethical culture (Institute of Business Ethics, 2011; Carrasco, Francour, Labelle, Laffarga & Ruiz-Barbadillo, 2015). Women’s under-representation in positions of economic power encompasses issues around affirmative action (Bacchi, 1996), corporate governance (Collier & Roberts, 2001; Arnold, 2012), and gender (Robin & Babin, 1997; White, 1992). Around the world, women face significant career progression barriers (Karam & Jamali, 2013), particularly to the highest echelon: corporate board directorships. In the U.S., sex segregation patterns in corporate boards are unlikely to change dramatically through organic processes (Kogut, Colomer, & Belinky, 2014). Many developed countries’ female board directorship shares have stagnated at or below 15% (Catalyst, 2015), reflecting strong homophily preferences in board appointments (Westphal & Milton, 2000) and the relatively few female corporate leaders as symbolic token gender representatives (Kanter, 1977). The persistent gender inequality in the upper echelons is surprising as women consistently outnumber men in degree programs, and achieve higher academic performance (OECD, 2015).

The ample supply of female talent implies a demand-led problem (Gabaldon et al., 2015), suggesting ethics scholars examine power inequalities relative to qualifications. This approach inevitably leads to questions regarding the social equality of women and the role of business (Albrecht, 2003) and organizations’ political and social mandates (Scherer, Palazzo & Matten, 2009; Doh, 2012). The growing evidence that gender-balanced boardrooms are better governed (Ferreira, 2015) encourages business ethics scholars to investigate both the causes of and potential solutions to persistently low numbers of women directors.
announced in Norway in November 2002, and mandated at least 40% director representation from each gender. Subsequently, fourteen countries established quotas, and seventeen countries instituted voluntary codes for female representation on boards (Terjesen, Aguilera, & Lorenz, 2015; see Appendix A). The Norwegian quota is described as a “snowball” (Machold et al., 2013) gathering momentum that some feel as a “threatening avalanche… mobilizing ideological and political resistance” (Huse & Seierstad, 2013:38) and has led to a “fast changing” global landscape of quotas (Seierstad, Warner-Søderholm, Torchia, & Huse, 2015). Business ethics scholars can utilize a number of perspectives to question, support, or refute quotas such as examining whether quotas are undemocratic (Dubbink, 2005) and discriminatory (Gopalan & Watson, 2015). Quotas are described as a rational “last response” to an intractable problem (Fagan & González Menéndez, 2012); however, as O’Connell, Stephens, Betz, Shepard, and Hendry (2005: 94) explain, “to describe an organizational practice as rational, one must first ask for whom the practice is rational.”

Driven by ethical concerns and considerations, the goal of our paper is to review the extant literature, enlightening and advancing theoretical debates for or against quotas, and outline an agenda for the future. In so doing, we take stock of the recent burgeoning of academic literature which is mostly descriptive and sometimes offers conflicting evidence. From a business perspective, the quota is a radical change agenda which is often misconstrued and ill-informed, invoking emotional rather than rational responses. Taken together, there are many ethical issues surrounding quotas which deserve attention. We systematically collected, read, and analyzed all published and in-press articles about quotas. This process involved using search terms such as quota*, affirmative action, female director* on Business Source Premier, JSTOR, ProQuest, GoogleScholar, and other databases. The
interested in quotas and women on boards to obtain their forthcoming research. In total, we reviewed more than 120 articles, book chapters, working papers, white papers, and other publications.

We begin by describing how ethical concerns about quotas are best explored in relation to three considerations: motivations, legitimacy, and outcomes. We answer calls for more theoretical perspectives on women on boards (Terjesen, Sealy, & Singh, 2009) by analyzing these tensions through four different theoretical perspectives: institutional, stakeholder, social capital, and social identity. Institutional theory explores the relationships between organizations and their environments at industry and societal levels, examining how normative behavior patterns are maintained and sometimes change (North, 1990; Scott, 1995). Stakeholder theory is concerned with how stakeholders exert influence or are influenced by organizations’ activities (Donaldson & Preston, 1995). Social identity theory considers intra- and inter-group relations and the dynamics of diversity in terms of social comparisons between ‘ingroups’ and ‘outgroups’ that order the social environment (Ashforth & Mael, 1989; Kanter, 1977; Tajfel & Turner, 1979). It explains how the dominant group allows a few ‘other’ individuals to be ‘cherry picked’ and let through to the upper echelons (Haslam, 2004). Social capital theory explores how individuals access resources through networks to others (Coleman, 1988). We then offer a future research agenda incorporating theory, anticipated ethical tensions, data, and methodology. Taken together, our research offers new theoretical insights into board gender quotas, implications for practice and policy, and a focus for future research.

HISTORICAL BACKGROUND

As context is critical (Johns, 2006), we review the history of the first quota in Norway and the subsequent legislation around the world. Although academics generally agree that the status quo of gender inequality in the corporate upper echelon is unacceptable, there is...
considerable disagreement regarding whether quotas are the best approach (Choudhury, 2015; Gopalan & Watson, 2015; Holts & Kirsch, 2015; Szydlo, 2015; Engelstad & Teigen, 2002; Foust-Cummings, 2013). This historical overview illustrates ethical pressures and contradictions which we subsequently discuss in terms of tensions and theories.

In February 2002, the white conservative male Norwegian Minister of Trade and Industry [hereinafter Minister] Ansgar Gabrielsen called journalists to his home for a ‘surprise announcement.’ Minister Gabrielsen shocked most of the country, including his cabinet colleagues, by declaring that Norway would introduce a 40% gender quota for boards of publicly traded firms and state-owned enterprises. The announcement was the first of its kind in the world – a government forcing businesses to ensure gender balance in boardrooms. Prior to the quota, Norway’s share of female directors languished at 10%, despite a myriad of government initiatives such as women’s networks, mentoring, training, databases, and law hearings (Huse, 2013a, Strøm, 2015). Norwegian companies not in compliance faced dissolution and de-listing from the Oslo Stock Exchange. Despite initial and vehement opposition by many groups, all Norwegian listed companies achieved 40% female representation by mid-2008 (Bergstø, 2013).

Minister Gabrielsen’s announcement also surprised the rest of the world. Although Scandinavian countries are renowned for egalitarian approaches, a quota for the business world was revolutionary. Five years later in 2007, Spain’s left-leaning government coalition announced a 40% quota by 2015 for publicly-traded firms with more than 250 employees, despite resistance from many organizations and individuals. The Spanish quota does not penalize non-compliance, instead offering incentives for state contracts for complying companies. The Spanish quota faced strong resistance, with less than half of targeted
largest banks (Arnórsdóttir, 2012; Arnardóttir & Sigurjónsson, 2014; Sigurjónsson, Arnardóttir, Vaiman, & Rikhardsson, 2015; Vaiman, Sigurjónsson, & Davidsson, 2011), led to calls for more female representation on corporate boards. In March 2010, Iceland adopted a 40% quota for firms with more than 50 employees, and all firms complied by the September 2013 deadline. In early 2011, France legislated a quota of 20% by 2014 and 40% by 2018 including sanctions for non-compliance: no fees for individual corporate directors. France appears to be close to meeting the target. Malaysia, Italy, and Belgium followed suit in June 2011, by introducing 20%, 33%, and 33% quotas respectively. Italy’s quota requires 20% women by 2012 and threatens fines and directors losing offices (Brogi, 2013). Belgium’s sanctions are harsher, and include voiding the appointments of directors who do not conform to the board quota and suspending director benefits. India (2012) and the UAE (2013) set a quota for one woman on each board; however, there is little reporting or enforcement. The large and somewhat autonomous regions of Québec (Canada) and Greenland (Denmark) established 50% quotas in 2006 and 2013 respectively. In November 2014, German Chancellor Angela Merkel introduced a 30% quota for Germany’s largest public companies, with a sanction that the director seat must be left vacant.

This historical overview illustrates that although countries have different board gender quota models, one unifying characteristic is the conflicting tensions that surface. Individuals, organizations, governments, and societies have differing, often juxtaposed, rationales and logics which subsequently create ethical tensions for organizations and their leaders. Although some scholars implicitly address how quotas create tensions (e.g., Machold et al., 2013), there is no systematic attempt to describe and categorize these tensions. To review the literature on quotas, we follow Smith, Gonin, and Besharov (2013) in identifying three key...
implementing quotas for society, organizations, and individuals; and draw on four theoretical perspectives: institutional, stakeholder, social identity, and social capital. Table 1 depicts the framework.

Insert Table 1 about here

CONFLICTING TENSIONS CONCERNING BOARD GENDER QUOTAS

Motivations for Adopting Board Gender Quotas: Ethical Tensions

Motivation tensions concern the underlying rationale for quotas, and stem from a range of strategic and emotive concerns. A review of the quota literature suggests three main questions arise around the motivations for quotas: desires for justice and utility, countries’ underlying institutional structures, and the pursuit of integrity or compliance.

Are quotas motivated by a desire for utility or justice? The two most frequently mentioned rationales for implementing quotas are utility and justice. The utility case seeks to achieve the most economically satisfying outcome, either for society or an organization (often referred to as “the business case”). The justice case argues for individual and social equality. These perspectives are anchored in contested political ideologies about capitalism and individualism versus state intervention and the role of business in society. Interestingly, utility and justice arguments are employed to argue both for and against quotas (Tienari, Holgersson, Merilainen, & Hook, 2009). For example, utility perspectives emphasize capitalism and individualism in that firms should be free to select the most qualified individual to lead the firm. The utility lens is buoyed by findings that indicate that quotas help to effectively leverage female talent (Tatli, Vassilopoulou, & Özbilgin, 2013), and moreover that women directors bring fresh perspectives (Francoeur, Labelle, & Sinclair-Desgagné, 2008), greater
2003) and monitoring (Post & Byron, 2015) to their boards. Another illustration of the utility perspective is former EU Justice Commissioner Vivian Reding’s (2012, 2013) contention that quotas will enhance Europe’s economic growth. Quota opponents use the justice rationale to argue that the most qualified individual should have an opportunity to be a board member. Quota proponents leverage justice to suggest that all demographic groups should be represented equally, e.g., women comprise half the population and therefore should hold half the power (Dahlerup, 2002).

In Norway, one might assume that the quota was uncontested given the country’s long history of political quotas and other initiatives for women; however, the debate was extremely polarized between quota opponents (most industrialists) and supporters (most media and politicians) (Storvik & Teigen, 2010; Teigen, 2011, 2012), with both sides using justice and utility arguments. The anti-quota industrialists emphasized the competitive landscape and the need for Norwegian businesses to choose their own leaders, and the belief that nothing hinders women’s careers (Meier, 2013). Leaders at Norway’s confederation of business enterprises argued that the quota would reduce Norwegian firm competitiveness and performance (Hoel, 2008)—a rationale later used by Spanish and German business communities when quotas were suggested (González Menéndez & Martínez González, 2012; Smith, 2014).

At an organizational level, utility motivations rest on the ‘business case’ for women on boards; however, there is conflict as to which ‘case’ merits primary focus, and how the business case should be measured. Business case arguments revolve around talent management, creativity, innovation, decision-making, risk, stakeholder relationships, customers, and/or financial performance; however, for all criteria, there is mixed evidence.
the business, and that quotas are inconsistent with Anglo-American market discourse (Tienari et al., 2009). In the UK, quota supporters use the talent maximization argument to indicate that there is a market failure which justifies intervention (Mayhew, 2013). A quota is more likely to be successful when it is supported by business and wider society, as is the case for utility-based rather than social or individual justice arguments (Seierstad et al., 2015). There are ethical tensions surrounding the cost/benefit analysis of the cost to organizations to implement a quota relative to the social benefit: an “ideological debate between social justice and the protection of ownership and its attached right to govern the disposition of assets unencumbered by political intervention” (Kogut et al., 2014: 891). When organizations are responsible for social change, there is an ethical need to scrutinize the outcomes and processes of their involvement (Banerjee, 2010).

The logics of social justice and utility are each supported by distinct institutional structures. Distinct logics can cause tensions, but can also be advantageous as diverse perspectives give leaders greater latitude to develop creative solutions (Seo & Creed, 2002). The competing motivation logics of justice versus equality are visible in Norway between Trade Minister Gabrielsen and Arni Hole (Director General, Ministry of Children, Equality and Social Inclusion) who both championed the quota. In the UK, to avoid a potential quota, the Business Innovation and Skills department and the Government Equalities Office initially worked together, despite competing motivations.

**What institutional structures motivate quotas?** A growing literature utilizing institutional theory offers insights into the tensions of motivations for quotas through the mechanisms of normative contagion and mimetic and coercive pressures. Institutional pressures operate across groups of organizations (e.g., firms listed on a particular stock exchange), sectors, and countries (e.g., across Europe and the global board quota debate). Interventions are far more common in public than in private spheres: nearly half the
world’s countries have a quota in a political or state-owned sphere (Dahlerup & Freidenvall, 2005; Dahlerup, 2013, 2015). Quotas spread from the political to the economic sphere in Norway (Teigen, 2012a), Latin America (Meier, 2013), and elsewhere. Of the Belgian quota, Meier (2013:463) explains: “Once a norm has been established with respect to gender equality, it is difficult to set a completely different one, even in another sector.” Historical institutional perspectives describe gradual and congruent interactions and trajectories (Mahoney & Thelen, 2010; Teigen, 2012a). Three country-level institutions precede quotas: “the female labor market and gendered welfare policies, left-leaning government coalitions, and a legacy of path dependent gender equality initiatives in public policy and corporate governance codes” (Terjesen et al., 2015: 233). Countries with quotas have institutions aligned with mixed market economies (i.e., France, Italy, Spain) or coordinated market economies (i.e., Belgium, Finland, Norway), and legal systems of Scandinavian (i.e., Finland, Iceland, Norway) or French (i.e., Belgium, France, Italy, Spain) origin (Machold & Hansen, 2013).

Another institutional structure driving quotas are efforts to develop and maintain national identity which often draw on public opinion. Norway’s historical ideology of gender equality (Freidenvall, Dahlerup, & Skjeie, 2006) motivated quota debates (Sørensen, 2013) as Minister Gabrielsen described the wasted money society spends on educating its daughters but then not allowing them to fulfill their potential. Another illustration of the powerful institution of national identity is Brazil’s longstanding multi-racial population who take great pride in the country’s “racial democracy” and the national discourse of “a multi-colored national race” rather than one race (Htun, 2004: 61). Concerned with the grossly apparent inequalities when he came to power in 1995, then President Fernando Frederique Cardoso
The institutional manifestations of gendered work, including the low representation of women’s talent in the upper echelons, can also be examined through Kanter’s (1977) theory of homophily. Based on social identity theory, ingroup and outgroup dynamics explain how individuals feel more comfortable around, and are better able to understand and recognize similar others’ talents, competences, and potential (O’Reilly, Caldwell, & Barnett, 1989). Homosocial reproduction processes suggest that leaders recruit individuals who are similar to themselves, and interventions are necessary to rectify the homophily-driven replication of the status quo.

**Are efforts to add women to the board motivated by considerations of integrity or compliance?**

A controversial new regulation such as the quota can raise concerns about whether the goal is integrity in the sense of meeting the spirit of the new law or considerations of compliance, responding more to the letter of the law. Institutional theory offers insights into why this question is important given the ways in which organizations respond to institutional pressures – at times emphasizing symbolic responsiveness (i.e., the notion of decoupling highlighted by theorists going back to DiMaggio and Powell, 1991) and at times more substantive responsiveness (see Selznick, 1994). Agency and interests are central to institutional processes (DiMaggio, 1988) which are subject to individuals’ self-interest, and bounded by norms of fairness and reciprocity (Bosse & Phillips, 2015). In Norway, extensive normative pressures such as mentoring, training, databases, and law hearings did not substantially improve shares of women on boards (Huse, 2013a). However in France, the largest CAC40 firms implemented the greatest post-quota improvements (Singh, Point & Moulin, 2015).
Organizations utilize five different strategies to address competing institutional demands: acquiesce, comply, defy, avoid, and manipulate (Pache & Santos, 2010).

Approximately half of the Spanish companies *defy* the law by simply ignoring it. In Norway and Iceland, most firms *acquiesce* and *comply*; a handful of Norwegian firms *avoided* the threat of an EU law by changing their listed status (Ahern & Dittmar, 2012; Bøhren & Staubo, 2014). The UK government strategy *avoids* the threat of an EU law by addressing the issue pre-law at a national level. Some French companies *manipulate* the law by placing celebrity female directors (Branson, 2012a).

Tensions of integrity versus compliance are driven by intentions of action. Norwegian proponents justify the quota in terms of utility of female talent, with the hope of improving female participation rates across the entire workforce. Subsequent EU countries’ (e.g., Italy) quotas are often ascribed to mimetic compliance pressures to gain legitimacy. At an organizational level, some British firms provide board diversity statements of intent to avoid negative media attention as such attention is a mechanism for social change (Vasi & King, 2012). However, “even ceremonial adoption can unintentionally trigger a chain of reactions that have real organizational effects” (Bromley & Powell, 2012). UK FTSE Chairs report initially agreeing to increase female board representation to meet normative expectations, and soon realize the real changes and benefits of female directors (Vinnicombe et al., 2015).

Another tension concerns whether regulations on counting and reporting the number of women lead to substantive or only symbolic change. Governance regulation on reporting can help to achieve stakeholder accountability (Hess, 2007), as demonstrated in Australia and the UK’s new gender-metric reporting regulations at board, senior management, and firm-wide levels. Voluntary reporting on detailed actions taken towards succession planning and
symbolic to substantive response allows real change to occur and embed, rather than remain at a superficial level (Sealy, Turner, Pryce & Vinnicombe, 2015). Self-regulation can be largely symbolic in order to dispel criticism (Arya & Salk, 2006); however, voluntary or mandated policies that do not include sanctions are less likely to work (Gray, 2015). The threat of quotas can motivate voluntary actions: in the UK thirty-four senior stakeholders express the need for continued external pressures on organizations to proactively increase female leadership (Vinnicombe et al., 2015). Since Kanter’s seminal work on tokens, liberal feminist researchers and demographers focus on improving numbers in order to change gendered cultures (Ely, 1994, 1995). Based on homophily and social identity theory, a “critical mass” of at least 33% of each gender shifts group dynamics, preventing mere compliance and ensuring substantive rather than symbolic change (Joecks, Pull & Vetter, 2015; Kanter, 1977; Konrad, Kramer & Erkut, 2008). Gender is now widely accepted as socially constructed, suggesting that countries adopt quotas either “as a response to changing attitudes about women,” or in the hopes of doing so (Pande & Ford, 2012: 3).

A final, related debate concerns whether quotas for outsider (i.e., external, non-executive) or supervisory directorships are more symbolic than substantive. Context is key: many European countries have a two-tier board system such that board quotas only affect outside directors. The UK and Australia’s unitary board systems’ new women directors are primarily outsiders (Davies, 2015). It is unclear whether new female supervisory directors can substantively impact their organizations’ cultures for all women employees. Initial progress from voluntary measures in Australia stalled and the Norwegian quota was not followed by an increase in female executives. The UK witnessed a small rise in female insider directorships, and a wave of publicly declared gender targets for top executives in
Fowler, 1995), the targets put women in these roles, leading society to deem the social identity of an all-male board as increasingly unacceptable and re-imaged.

*Legitimacy and the Adoption of Board Gender Quotas: Ethical Tensions*

Tensions concerning legitimacy arise in the emotional debates and responses of politicians, public opinion, media, shareholders, directors, and other stakeholders. From the literature, we identify three main concerns around the ethical and meritocratic nature of quotas, and the perception of individuals who are affected by quotas.

*Are quotas ethical?* There are tensions among various ideological and ethical arguments for and against implementing quotas. Gender quotas symbolize equality, signify justice, reflect the value of equal representations of both sexes, and “stand for the current under-representation of women and over-representation of men that is no longer considered normal” (Meier, 2013:462). Discrimination is a “pervasive and insidious phenomenon” (Oswick & Noon, 2014: 35) which organizations and countries have addressed for decades through laws, policies, and approaches for equal opportunities, diversity, and, more recently, inclusion.

Despite popular rhetoric, the world is not meritocratic and systemic biases prevent equal opportunity. Governments have considered various affirmative action (AA) policies since the 1960s, and aim to correct imbalances “by adjusting the positive weighting of the majority group membership that is ingrained in the system” (Clayton & Tangri, 1989: 181). However, it is unclear as to whether AA actions are aimed at preventing unfairness or at compensating for previous injustices (Reskin, 1998). This tension is eloquently described in the case of the shackled runner (Noon, 2010): If after the race has started you realize that one runner is in shackles, do you stop the race and simply remove the shackles and tell the runners to
AA is paradoxical (Fullinwider, 1980) as it aims to prevent discrimination by utilizing discrimination. Women who are AA targets often reject the method of reducing inequality, not wanting to be identified as ‘special’ or treated differently (Heilman, McCullough & Gilbert, 1996). However, women’s initial scepticism disappears once they observe that more competent women are offered board appointments and post-quota female directors perceive the quota as “an imperfect strategy in an imperfect world,” but the right thing for Norway (Seiersøtad, 2015: 18).

To be perceived as legitimate, an organization’s actions need to be seen as “desirable or appropriate” (Santana, 2012: 257), in the interests of a broad group of stakeholders (Freeman, Harrison & Wicks, 2007), and consistent with societal values (Pfeffer & Salancik, 1978; Ruef & Scott, 1998). Institutional theory explains how actors seek legitimacy to survive (Suchman, 1995), and thus offers insights into how a previously considered illegitimate concept emerges, survives, and comes to be perceived as a legitimate institutional process (Smith et al., 2013). The quota process generally proceeds with a few key individuals claiming legitimacy for a radical process and using institutional pressures to normalize the claim. For example, Australian and British institutional authorities changed national governance codes—a significant step towards measurement and targets (Klettner et al., Sealy et al., 2015).

Stakeholder theory investigates respective stakeholder groups’ legitimacy of claims, power, and urgency (Mitchell, Agle, & Wood, 1997; Jensen, 2002; Vasi & King, 2012), keeping in mind that social legitimacy is important for the institution of business (Wood, 1991). When considering major corporate scandals of the past two decades (e.g., Enron, Arthur Anderson), there are “regimes of responsibility”—multiple stakeholders who failed...
anti-diversity practices with Chairs by using ambiguous and subjective assessments such as ‘intrinsics’ and ‘fit’ rather than objective measures (Doldor, Sealy, & Vinnicombe, forthcoming). As Goodstein and Wicks (2007: 380) note about regimes of responsibility: “What is striking is that they got away with it for so long.” Certainly this is evident in the decades of low representation of women on boards in many countries. Failures can be solved by cooperation across stakeholders who generate novel, mutually beneficial solutions (Goodstein & Wicks, 2007), without resorting to legislation. Scholars such as Perrault (2015) suggest the importance of efforts to “decry the lack of legitimacy of homogenous (all-male) boards”. However, as Goodpaster (2010: 741) states, “the pursuit of stakeholder satisfaction is not immune to moral critique” and different stakeholder groups are likely to have different voices on the legitimacy of such an intervention.

**Are quotas meritocratic?** Whilst the ideology of meritocracy in careers and organizations is central to Western society (Son Hing, Bobocel, & Zanna, 2002), most director appointments are not purely talent-based (Sealy, 2010). A meritocratic class – often white, middle-class, middle-aged, educated men – perpetuate their privilege and power by defining merit (McNamee & Miller, 2004). True merit is only possible in a society with no biases (Son Hing et al., 2002).

Women’s strong convictions for meritocracy shape their sense-making about careers (Sealy, 2010; Simpson, Ross-Smith, & Lewis, 2010; Seierstad, 2015). When workplace discrimination is obvious, people who strongly believe in meritocracy are less opposed to quotas (Son Hing et al., 2002). Sealy’s (2010) study confirms these findings, with women reducing their opposition to quotas over time. Initial adherence to meritocracy is a gender-neutral principle; however, female directors use merit to support radical strategies and to justify women’s presence on post-quota boards (Seierstad, 2015). Companies that appear legitimate and meritocratic in the eyes of their stakeholders will gain acceptance and resources.
(O’Connell et al., 2005; Meyer & Rowan, 1991). As both meritocracy and legitimacy are socially constructed (Ely, 1995; Harvey & Schaefer, 2001), some stakeholders’ claims were previously considered legitimate, but not today (Santana, 2012). That is, all-male boards previously deemed normal and therefore natural; however, this gender imbalance is increasingly unacceptable in many countries.

Deliberative democracy suggests that a process can only be legitimate if it is preceded by authentic involvement of decision-makers who have equal say (Scherer & Palazzo, 2007). Each country’s pre-quota process is characterized by different decision makers’ involvement. In some cases, such as Spain, it is not clear that the pre-quota process sufficiently involved decision-makers. British and Slovenian pre-quota negotiation processes involve many stakeholders.

**Are post-quota female directors perceived as legitimate?** A third legitimacy tension concerns the perceptions of new female post-quota leaders by the women themselves and by other members of society. In terms of self-perception, post-quota female directors in Norway report feeling ‘legitimate’, possessing significant influence, sharing considerable information, and engaging in low levels of self-censorship (Elstad & Ladegård, 2010). Considering the discourse on board quotas in Swedish and Finnish media, Tienari et al. (2009: 513) quote post-quota female directors: “It doesn’t bother me one bit if they call me a quota woman”; another states “I agree… owners only want people they consider competent on their board.” Post-quota female directors report that they still have to prove themselves, but the calibre of the new women far exceeds the “mediocre men” they replace (Seierstad, 2015). In Sweden, the post-gender political quota increase in female candidates’ competence, relative to male candidates is coined the crisis of the mediocre man (Besley, Folke, Persson, & Rickne, 2013).
quota female directors are, compared to their pre-quota counterparts, considerably younger (Ahern & Dittmar, 2012; Gonzalez Menéndez & Martinez González, 2012), have less CEO experience (Ahern & Dittmar, 2012), and less likely to be owners/partners or self-employed (Heidenreich, 2013). Post-quota female directors are more likely to have backgrounds in finance and economics (Gonzalez Menéndez & Martinez González, 2012) and higher levels of education, especially in law (Heidenreich, 2013) or general Masters qualifications (Gonzalez Menéndez & Martinez González, 2012). In France, pre-quota women directors establish their legitimacy through family ownership, elite educations, strong State ties, and top corporate careers (Singh, Point, Moulin, & Davila 2015). There is also evidence of French “figurehead” or celebrity directors such as a former tennis professional, former first lady Bernadette Chirac, and wives of major shareholders (Branson, 2012a). In terms of ethical considerations, Doh (2012) suggests that actions are legitimate as long as no one is made worse off; hence, the “mediocre man” is one group of stakeholders with grounds to question the legitimacy of quotas.

Related research assesses non-quota countries’ female directors’ feelings around legitimacy. In the UK, new female directors report worrying about being “a token promotion” for their sex rather than for their ability, struggle with what they want to believe versus what they experience, and subsequently have lower perceptions of the legitimacy of the process and their organizations (Sealy, 2010). Consistent with the findings reported above, UK female directors appear to require more qualifications in order to be perceived as legitimate compared to their male peers, female directors are more likely to hold MBA degrees, and have substantially more multiple sector and international experience (Singh, Terjesen, & Vinnicombe, 2008). Search firms report that women director candidates are a ‘harder sell’.
Perceptions of female directors’ legitimacy undoubtedly shifts once women comprise a critical mass [usually operationalized as three women directors on a board] (Konrad et al., 2008; Torchia, Calabro, & Huse, 2011)] versus numbering as tokens (i.e., less than 15 percent; Kanter, 1977). Once there is a more balanced board with a critical mass of women, women’s views are perceived as more legitimate, and a woman’s voice becomes that of just another individual, rather than a representative of an entire demographic group (Kanter, 1977).

**Outcomes and the Adoption of Board Gender Quotas: Ethical Tensions**

Based on our review of over 25 papers examining outcomes, it is apparent that there is no consistent definition of quota success. We highlight debates around the definition of success, directors’ perceptions of their roles and identities, social capital, and gender balance.

**What is the definition of a successful quota outcome?** One critical challenge involves measuring and defining success in academic research. Managers are typically evaluated on their ability to maximize their firms’ long-term value (Jensen, 2002); however, academic research focuses more on short-term, quantifiable metrics than on longer-term, qualitative, and sometimes more ambiguous measures (Levinthal & March, 1993).

A second challenge is the great ambiguity, across countries, about how to count progress towards quotas and targets. In Norway, the quota is clear: each company must meet the 40% target. In the UK, the 25% target for FTSE 100 companies is interpreted as an aggregate percentage across the largest 100 firms, consistent with historical FTSE reporting. The outcome is that whilst FTSE 100 female director representation increased from 12.5% to 26.1% from 2011-2015, some firms have 50% female directors, and others reluctantly place a single woman on the board —10% (BoardEx, 2015; Vinnicombe et al., 2015).
Board gender quota outcomes affect and are affected by a number of stakeholder groups including shareholders, current (pre-quota) and future (post-quota) directors, workers in society, general public, local, national, and international politicians, search firms, industry associations, and the firms themselves. Stakeholders rarely agree on all issues and vary in power (Freeman, 1984) and desired outcomes — thus creating conflicting demands and outcome tensions.

Shareholders are often the most powerful set of stakeholders (Freeman, 1994). A growing literature examines the impact of quotas on financial and accounting performance with mixed results. Panel analysis of 166 Norwegian public firms from 2001-2008 reveals a negative relationship between the post-quota appointment of female directors and firm value; a 10% increase in women directors is associated with a 12.4% decline in Tobin’s Q (Ahern & Dittmar, 2012). Immediately following the Norwegian quota announcement, stock prices drop, especially for firms with no female director (Ahern & Dittmar, 2012). For a short period after the Norwegian quota, only some Norwegian firms enjoy positive stock returns (Nygaard, 2011), revealing “the opinion of a portion of the market regarding the predicted effect of the measures announced” (Goplan & Watson, 2015: 11). Post-quota Norwegian firms’ comparatively lower short-term profits may be due to high labor costs and employment levels and fewer workplace reductions (Matsa & Miller, 2013). Other research finds no effects of post-quota female representation on return on assets or operating revenues and costs in Norway (Dale-Olsen, Schøne, & Verner, 2013). A recent meta-analysis of mostly pre-quota studies shows correlational evidence between increased board gender diversity and improved board performance (Post & Byron, 2015). However, few studies provide the direction of the correlations: more women directors may lead to some measure...
Shareholders and board members are also interested in post-quota board functioning, of which a growing number of studies generally report favorable responses. Following initial resistance to quotas, “boards just get on with business like before” (Teigen, 2010). Interviews with board members, board chairs, and election committee members indicate that post-quota boards are more professional and make better quality decisions (Bolsø, Bjørkhaug, & Sørensen, 2013). Post-quota female directors’ contributions vary based on board tasks (Huse, Nielsen, & Hagen, 2009). Post-quota boards with more women consider new perspectives and engage in more discussions (Heidenreich, 2013). These findings are generally consistent with growing evidence on the process-related benefits of board gender diversity (McKinsey, 2008; Post & Byron, 2015; Terjesen et al., 2009) and women’s active roles enhancing human resource development, role models, and participative decision-making (McKinsey, 2008; Teigen, 2012b).

**How does the quota impact board directors’ perceptions of their roles?** An individual may feel attached to multiple groups, with varying strengths of identification. Board directors identify with multiple roles and social groups (Hillman, Nicholson, & Shropshire, 2008; Withers, Corley, & Hillman, 2012). Female board members who do not comprise a “critical mass” do not identify strongly with the board (Jonsdottir et al., 2015). Taken together, social identity and tokenism theories explain why, in a pre-quota context, moving from zero women to one woman makes no difference to other women in the organization or to the overall culture. Once an intervention such as the quota begins to have an impact, the ‘dominant’ group’s influence wains and tokenism’s effects dissipate. The intended beneficiaries often object to AA or quotas (Kakabadse et al., 2015) — a great irony as one of the most common emotive arguments by women against quotas is “I don’t want to be a token woman,” and yet, by definition, tokenism does not occur when a quota is imposed because the gender split becomes more balanced and women cease to be seen as ‘other.’
when women constitute at least 40% of a board, female directors are more likely to identify with the social role of board member (Jonsdottir, 2010).

Once a quota is introduced, a woman may identify or be identified with a particular role based on when she joined the board, i.e., as a pre-quota director or a post-quota director. These identities can be subservient to others, e.g., as an expert in a particular industry. Comparing the social identity of pre- and post-crisis directors in Iceland, women added to mature, previously male-dominated boards are perceived to be “directors on approval” (Jonsdottir et al., 2015). On newly-formed post-crisis gender balanced boards in Iceland, there is “a cohort effect” with increased group cohesion and fewer gender differences in directors’ identification with their roles (Jonsdottir et al., 2015:1). Negative responses to new directors in Norway are not gendered; all new directors need to “earn” their roles (Dhir, 2015)—suggesting that social identity can help explain outcomes when women join previously all-male boards.

**How do quotas impact social capital?** Social capital theory describes the structural, relational, and cognitive capital that individuals obtain through networks and relationships which are closely tied with a firm’s organization, development, and strategy (Nahapiet & Ghoshal, 1998). From a structural perspective on individuals’ number and nature of relationships, post-quota female directors’ social capital increases almost twice as much as men’s—indicating that female directors serve as knowledge brokers across firms (Seierstad & Opsahl, 2011). This finding may be due to the fact that, for a short period immediately following the quota in Norway and Spain, several female directors held multiple directorships and thus were structurally embedded in multiple firms. In Norway, these women are known as “Golden Skirts” (Huse, 2013b, c). Post-quota, the number of male directors with multiple directorships also increases for a short period (Løyning, 2011; Seierstad & Opsahl, 2011; Heidenreich, 2013; Huse, 2012), a trend driven by the initially perceived limited pool of
female candidates (Teigen, 2012a). Post-quota boards retain the most powerful male directors with multiple directorships, while less experienced men are replaced by women directors (Teigen, 2015a). These findings suggest that post-quota female and male directors may become ‘busier’ as they sit on multiple boards.

Female directors’ extensive social capital may enable them subsequently to serve on many corporate boards in their career. By contrast, less powerful, pre-quota male directors may face less demand for their services as independent director appointments on quota-affected firms, and instead pursue careers as directors on unaffected entities such as private firms, non-profits, and universities, thus developing bridging capital across disparate networks. Structurally, in Norway and Spain, post-quota female directors tend to occupy outsider directorships (Gonzalez Menéndez & Martinez González, 2012; Staubo, 2010; Bøhren & Staubo, 2015; Huse, 2013a), suggesting that women’s social networks are more likely to bridge across firms than to embed in one firm. Pre-quota efforts to increase women’s representation on boards were dominated by a number of failed structural capital initiatives (e.g., mentoring networks) (Huse, 2013a). Post-quota female outsider directors in Spain are more visible in the media than their male counterparts (de Anca & Gabaldon, 2014).

The relational component of social capital concerns trust, norms, and expected obligations shared in relationships. Pre-quota board females are often embedded in family relationships, e.g., as the wife, sister, daughter, or other relative of the founder and/or owner. Spanish and French family-owned firms promote a higher share of female family members on their boards (Fagan & González Menéndez, 2012). Programs designed to help women land directorships such as Norway’s Female Future (NHO, 2013) organize training and events to increase participants’ relational capital (Hápsnes & Buvik, 2013). Icelandic evidence
boards (Arnardóttir & Sigurjónsson, 2015), and this lack of taint by association is considered imperative post-crisis (Jonsdottir, 2010).

The third social capital component, cognitive, concerns how individuals or groups develop shared meaning and understanding, and is often only possible once structural mechanisms are embedded. In this regard, board members’ attitudes towards the quota become less negative over time (Arnardóttir & Sigurjónsson, 2015).

**Do gender quotas redress gender balance?** In Norway, the quota produced the desired increase in female directors (6% in 2002; 12% in 2005; 18% in 2006; 36% in 2008; 40% in 2009; Storvik & Teigen, 2010), and was accompanied by increases in female political leadership (Meier, 2013) but not improvements to the female positions at lower levels in corporations or the gender pay gap (Bertrand, Black, Jensen, & Lleras-Muney, 2014). Norway and Iceland are the only two countries to achieve the quota target [both 40%]; France’s CAC40 (33.2%), Spain’s IBEX 35 (19.1%), and Germany’s DAX (21.2%) are behind (BoardEx, 2015).

Some countries’ (e.g., Sweden, Finland, UK) voluntary systems (i.e., comply or explain legislation) led to increases in women on boards. Cultural change is often assumed to be more likely through ‘voluntary’ measures rather than compulsion through law; however, there is no supporting evidence in the literature. Compared to quotas, voluntary measures make smaller and slower differences (Armstrong & Walby, 2012; Labelle, Francoeur & Lakhal, 2015).

**DIRECTIONS FOR FUTURE RESEARCH**

Our review allows us to offer a comprehensive set of suggestions for future research which we organize in terms of ethical tensions, theoretical perspectives, and research strategies (Table 2).
Embed Table 2 about here

Ethical Tensions

Motivations. We suggest researchers consider three perspectives around individuals’ motivations for quotas, implementation, and motivations for related initiatives such as voluntary targets.

What motivates individuals to engage in quota debates and activism? We urge researchers to examine individual-level motivations to engage in quota debate and activism, leveraging multi-level lenses from stakeholder, institutional entrepreneur, schema, and social movement theories.

One unexplored component of stakeholder and institutional theory concerns the role of institutional entrepreneurs—individual agents who create, initiate, or disrupt institutions (Lawrence, Suddaby & Leca, 2011; Pacheco, York, Dean & Sarasvathy, 2010; Wilmott, 2010). Prominent institutional entrepreneurs leverage resources to “break with the rules and practices associated with the dominant institutional logics and practices” (Battilana, 2006: 657), and can manage conflicting institutional logics to change the status quo (Smith, Besharov, Wessels & Chertok, 2012). There are many institutional entrepreneurs who championed the Norwegian quota including Trade Minister Gabrielsen and Gender Minister Valgerd Svarstad Haugland (Machold, 2013; Terjesen et al., 2015). In the UK, former minister Lord Davies personally cajoles individual CEOs and Chairs to balance their boards, and entrepreneurs such as Virgin founder Richard Branson now offer support for quotas (Branson, 2012b; Velkova, 2015). Furthermore, less obvious actors are involved in the change process and have varying motivations (Seierstad, 2015; Doldor et al., forthcoming).
quotas include and how do they emerge? Recent research on activists indicates that these groups act differently (Eesley & Lenox, 2006), for example relying on tactics such as dragging firms “through the mud” in the media or utilizing lawsuits or proxy votes (Eesley, DeCelles, & Lenox, 2015). Certain institutional investors advocate strongly for certain personal interests; some shareholder activists pursue board gender diversity (Perrault, 2015). For example, Robert McCord of proxy advisory Glass Lewis votes against any firm that does not have an initiative to increase the women’s representation on the board, and the California State Teachers’ Retirement System (CalSTRS) expresses dissatisfaction on social media if a company has an all-male board (Branson, 2012a). Activists tend to target large, visible consumer-oriented firms (King, 2008; King & Lenox, 2000).

Individual-level research could examine individuals’ perspectives about justice, utility, and other philosophical views. With growing numbers of women in managerial positions, women’s social identity as potential leaders may grow stronger, raising the possibility that corresponding moral convictions may lead women to believe that they should hold more positions of power? Should we, therefore, expect more collective action on these issues, particularly in non-quota countries? Researchers may find schema theory - the organization of individuals’ patterns and thoughts (Piaget, 1926) to be useful in understanding what individual life experiences have activated certain worldviews.

Individual-level motivations could be investigated using a broad range of data and methodologies such as ethnographies and computer-aided text analysis. For example, key individual and organizational actors’ editorial comments about the quota could be analysed to better understand the arguments. For example, entrepreneur Richard Branson (2012b: 1) argues, “By today's standards, we would find it unsettling if a jury were comprised of 12

middle-aged white men. So why have so many business leaders been slow to take notice when women are absent from the boards of their companies?” Another potential strand of
research could use social network approaches to examine how individual actors (nodes) have relationships (ties) with others (see Scott, 2012) and build these over time, within and across firms and stakeholders.

Social movement research utilizes a range of methodologies including in-depth interviews, archival studies, participant observation, single-case studies, comparative designs, life-history interviews, discourse analysis, simulations, network analysis, and studies of narratives (Klandermans & Staggenborg, 2002), all of which may be promising when examining both individual and group perspectives on involvement in the debate and activism of quotas. New developments in computer-aided text analysis (Pollach, 2012) can analyze texts. Theory and methodology choices ultimately rest with the selection of the specific research question.

Taken together, we urge quota scholars to identify and utilize new sources of data to move beyond the current focus on secondary data (generally counts of directors), or a small set of interviews or surveys from one time period. Although scholars struggle to access elites (Feldman, Bell, & Berger, 2004), in-depth, qualitative studies offers tremendous insights into board processes. Researchers should seek out interesting groups such as the elite, member-only, and somewhat secretive Belizean Grove and Today’s Already Rising Achievers (TARA) whose members are very influential in corporate and diplomatic sectors. Other data sources include parliamentary debates, press articles, and publications in influential social media such as blogs.

What motivations affect the evolution of quota debate and implementation? Future research could examine what organizational motives shape the actual debate and implementation of quotas. For example, the ongoing EU debate about a potential quota across 28 member states evolved from initial discussions for a mandate for all publicly traded firms and a 40% quota for both inside and outside directors to a more 'watered down' code.
Political process theories consider “political opportunities”—that is, the complex environments in movements such as the quota as well as the role of “mobilizing structures” (established networks and organizations that help groups to mobilize) and “cultural framing” to understand social movements (McAdam, McCarthy, & Zald, 1996). This line of research could benefit from public choice theories which consider the aggregate of many private decision makers (Buchanan & Tullock, 1962). Researchers might also consider emerging perspectives in stakeholder theory which focus on “total value” evaluations (Harrison & Wicks, 2013) thus shifting the conversation “away from performance outcome and back to variables that go into creating competitive advantage itself” (Husted & Allen, 2001: 5). This emerging theory suggests that social welfare is multi-dimensional and thus to create a good society, companies should have multiple objectives (Mitchell, Weaver, Agle, Bailey & Carlson, 2015).

This line of research could take a comparative perspective, and examine how institutions in certain countries have shaped the dialogue. For example, with respect to the potential EU quotas, nineteen EU countries’ evidence gathering session at a European Commission (2012) meeting reveals the significant variety of institutional contexts in terms of women’s representation in the workforce, education levels, maternity rights, childcare provision, and cultural familial norms. Given that countries have differing institutional structures which affect gender roles, should the EU seek a potential ‘one-size-fits-all’ gender quota legislative framework? Sweden, Finland, Germany, and the UK initially opposed an EU quota, despite significantly different representations of women on boards (Sweden: 28%, Finland: 26%, Germany and UK: 10-15%). Future research could examine the evolution of multi-country negotiations and the roles of national institutions and leaders in the process.
Future research might compare the development of the quota argument with earlier feminist
initiatives, such as suffrage or equal pay. Scholars could use discourse ethics (Gilbert &
Rasche, 2007; Stansbury, 2009) to examine how various parties’ presuppositions are used to
seek to establish normative or ethical truths.

What factors motivate related initiatives such as voluntary targets, comply-or-explain
legislation, or quotas for other groups? Future research could examine the motivations
behind non-quota legislation, such as firms’ voluntary targets. The term ‘targets’ is
increasingly perceived as acceptable and even desirable; firms proudly announce targets as
a mark of social responsibility. For example, UK Lloyds Banking Group has a 40% female
target for the top 5,000 global senior managers by 2020. A related phenomenon are country-
‘comply or explain’ policies which can often be found alongside a threat of legal sanctions
or quotas (either from within the nation or supra-nationally) if these “voluntary” measures do
not achieve required targets. For example, the UK’s Davies Report (2011: 2) clearly stated
that the “Government must reserve the right to introduce more prescriptive alternatives if
the recommended business-led approach does not achieve significant change” [i.e., quotas if
FTSE 100 companies do not meet the 25% target]. The tension around the term “voluntary
measures” is apparent when the threat is perceived as real. The UK’s Secretary of State for
Business recently described the quota as “a nuclear deterrent” and expressed hope that
companies would “own this issue rather than have it imposed on them” (Roberts, 2014: 1).

There is also the potential for board gender quotas to spillover to other minority groups (e.g.,
ethnic directors) and other arenas (e.g., private sector firms, universities). As another
example, the UK’s Business Secretary now focuses on the proportions of minority ethnic
directors. In other arenas, the UK’s proposed Athena Swan program will require universities
to increase the proportion of female academics. The breadth of this agenda suggests that
quota-like measures may be implemented in other countries and other contexts for groups
other than women.
under which increasing diversity, at various organizational levels, ‘works’ (Guillaume, Dawson, Woods, Sacramento & West, 2013) or the mechanisms by which individual, work, or organizational outcomes are affected, should future research explore how quotas are diffused into other spheres of influence and other minority groups?

This line of research could leverage a variety of theoretical perspectives. First, contagion theories, e.g. knowledge spillover, may explain how certain ideas of equality diffused across sectors (McFarland & Ployhart, 2015). Institutional theory and social network theory are also relevant. Lessons could be learned from corporate social responsibility theories, Scholars could use comparative studies, social media studies, multi-level approaches, and rich description approach to contextualization (Rousseau & Fried, 2001).

**Legitimacy.** Our review suggests three promising directions around legitimacy concerning how organizations legitimize their responses to quotas, and the roles of government and other stakeholders in legitimizing quotas.

**How do organizations seek to legitimize their responses to quotas?** Organizations initiate varied responses to quotas, but a common denominator is that they seek to legitimize their responses. Although stakeholder theory is sometimes criticized for focusing too much on shareholders and short-term impacts (Parmar, Freeman, Harrison, Wicks, Purnell, & De Colle, 2010), and is a work in progress (Agle, Donaldson, Freeman, Jensen, Mitchell & Wood, 2008), we believe that this theory can help us understand longer term perspectives on how organizational responses to quotas seek to legitimize claims with various stakeholders. Given that firms that manage stakeholders, based on distributional, procedural, and interactional justice are more likely to acquire information and resources that can then sustain
explore stakeholder management behaviors around quotas and how organizations seek to establish legitimacy among certain stakeholder groups, and could involve action research or ethnographic approaches.

Once stakeholders accept that the status quo regarding the under-utilization of female talent is sub-optimal, they face the question: Is an “evolutionary strategy” (i.e., voluntary measure) or “a single overarching vehicle” (i.e., quota) the best way forward for change (Dawkins, 2015: 21)? The recent focus on women on boards highlights asymmetries of power (Dawkins, 2015) and masculine hegemony (Lewis & Simpson, 2012) which lead to stakeholder exit (of women) who see no possible means of redress against what is perceived to be the natural order. If organizations do not want quotas, then they have a moral obligation to find alternative means by which to radically alter the status quo and allow more women stakeholders, to remain engaged. Building on Dawkins’ recent contributions to agonistic pluralism (2015: 21), stakeholders could ask: “What types of institutional changes are required, and what characterizes a new or ideal hegemony?”

**What role should government play in legitimizing quotas, particularly at a supra-national level?** Given current research that shows that gender quotas are neither a necessary nor a sufficient condition to achieve a high number of women on boards, research could examine the role of government. Most social movements are characterized by organizations lobbying governments for change; however, in all fifteen quota countries, governments lobbied for change—formally with hard laws and informally with soft laws. Considering that complex, multi-level problems are more quickly solved through top-down than bottom-up approaches (Kozlowski & Klein, 2000) and the breadth of political actors (Scherer & Palazzo, 2007), it is possible that governments legitimately promote institutional/regulatory
into the “normativistic fallacy of ignoring the existing practical constraints imposed by the rules of the game” (Goodman & Arenas, 2015: 172). If it becomes apparent that ‘action level’ only leads to incremental rather than transformative change, should governments then take a ‘constitutional level’ approach (Schreck, van Aaken & Donaldson, 2013)?

Taking a discourse ethics approach, future research might consider the European Commission’s attempt to legislate an EU-wide quota. Quotas are usually seen as a coercive instrument (‘strategic action’, where influence is about coercion and power) and yet the normative process of the EU quota pursues a ‘communicative action’ approach “establishing moral norms by rational argumentation” (Goodman & Arenas, 2015: 169), taking into account multiple viewpoints of varying countries, to arrive at a norm acceptable to all. Analyzing the text of policy meetings, parliamentary debates and the consultation with social partners, research could explain: How do negotiations evolve within a country and/or across countries? How can the emerging theory of ‘corporate governance deviance’ (Aguilera, Judge, & Terjesen, 2015) be examined in a quota construct?

Given recent findings that Norway’s gender quota did little to improve the share of women in non-board top management roles and calls for future intervention (Teigen, 2015), future research could examine: Do board quotas then legitimize further intervention at top management levels? To avoid quotas in the UK, governments set successful voluntary board diversity, and now senior level diversity targets are now considered legitimate across most of the largest banks and professional service firms. Diffusion theory could investigate how the boundaries of what is legitimate have shifted substantially in a short time frame.

Research might also consider: How do non-quota country governments legitimize their non-intervention positions, particularly in the presence of other policies or statements?
action on voluntary targets is likely to be based on strength of argumentation rather than incentives or the threat of punitive sanction (Goodman & Arenas, 2015). Such argumentation needs to educate, or else bounded ethicality (e.g., in the form of unconscious bias, or in-group favoritism, explained by social identity theory) will prevent any progress. Researchers may argue about whether there is value in setting targets or legislating soft quotas that they believe will not be implemented but Kim, Monge, and Strudler (2015: 341) argue that “normative theorizing should continue to set high ethical standards”.

**What role should other stakeholders play in legitimizing change and quotas?** Social shareholder engagement (SSE) brings marginalized voices to corporate decision making. Shareholders make multiple demands on public firms (Scherer & Palazzo, 2007), such as environmental, social, and governance (ESG) responsibility; gender diversity is often included as a social concern. Non-financial ESG engagement has grown substantially with the discussion shifting from whether ESG investments make sense to how to achieve them (Eurosif, 2014).

Media coverage of women director issues increased in the UK’s mainstream and business press (Davies, 2015), although the Davies report suggests that institutional investors—one of the stakeholder groups targeted by the original report—have not been sufficiently active in the change process. Does this shift in media reporting reflect or affect public perception of women on boards? Research in media coverage within or between multiple countries sheds some light on the change process. For example, Swedish media has increased its support for quotas. Future research could examine: Does the pace of change influence the media’s impatience for more progress and calls for quotas? Do institutional investors “have a moral obligation to work towards the empowerment and participation of all affected stakeholders” (Goodman & Arenas, 2015: 177) if stakeholders believe that business...
exists to serve society rather than just for financially driven shareholders (Vinnicombe et al., 2015)?

Social movement theories (Morris, 1992) examining justification and outcomes for social, cultural, and political realms could consider the collective bargaining, relative sense of deprivation, and inequality highlighted by the media, political opportunity, and framing of discussion. This repertoire of theories involves resource mobilization theories investigating why individuals protest when they do, and political process theories exploring how political arenas influence social movement trajectories (Klandermans & Staggenborg, 2002). Taken together, which main actors should push these changes—individuals, organizations, government, or society? What are the micro-processes that define their change agency? As noted above, bounded ethicality is a problem for many actors. However, what could we learn in studying those who manage to break through bounded ethicality and do the ‘right thing’? (Kim, et al., 2015)?

Are more stakeholders involved in the change process in voluntary approaches rather than quota-led change? The success of the UK’s approach is often attributed to multiple stakeholders tasked by the 2011 Davies report (Vinnicombe et al., 2015)—that is, Chairs, CEOs, headhunters, regulatory bodies, and institutional investors. Australia’s Securities Exchange regulatory body was one of the first to introduce diversity reporting in 2010. Does having more stakeholders involve lead to more embedded cultural change? This could be monitored by measuring proportions of women at all organizational levels, culture surveys and qualitative data.

Finally, various stakeholders engaged in this issue should reflect upon what their ultimate goals are and what sort of business/society is envisioned, e.g. 50/50 gender split.
2011 Davies report set a ‘stretch target’ of 25% by 2015, and, having achieved this, extended the target to 33% by 2020. Headhunters and institutional investors suggest that targets should extend to Executive Committee levels (Davies, 2015).

**Outcomes.** We also highlight three key questions around factors that affect quota success, quota impact on board functioning and processes, and career preferences.

**What factors affect the success of quotas?** There is very little understanding of what factors affect the success of quotas. Relevant theoretical perspectives include institutional and status expectations theories.

From an institutional theory perspective, despite the rich comparative corporate governance literature on institutional perspectives (e.g., Aguilera & Cuervo-Cazurra, 2004; Aguilera & Jackson, 2003), only a handful of comparative studies of quotas explore national environment antecedents to the quota (Terjesen et al., 2015), female directors’ perceptions and experiences of Norway’s hard law and New Zealand’s soft law (Casey, Skibnes, & Pringle, 2011), differences in media coverage of quotas in Sweden and Finland (Tienari et al., 2009), and elites’ perceptions of gender equality in Norway and Sweden (Teigen & Wängnerud, 2009). This research could be meaningfully extended by examining the extent to which distinct national institutional structures (i.e., gender equality, maternity leave, family policy) and the severity of sanctions (i.e., no director fees, de-listing) impact quota success across countries. Research efforts in countries with strong religious institutions such as Islam should consider the institution of religion jointly with culture and business (Syed & Van Buren, 2014). We caution that all comparative cross-country studies should be theoretically motivated in the choice of countries and strive to incorporate sample selection and data
these countries, e.g., How is the Norwegian quota discussed in other countries’ media, government, and society?

Ethnographies involve field-based, multi-factorial, long-term observations which could yield new conclusions about quotas. We encourage researchers to look for opportunities such as observing how executive search firms conduct post-quota director searches or how boards debate issues in post-quota environments.

Although sometimes criticized for generalizability, a fast-growing stream of research utilizes experiments to examine how individuals of a particular gender benefit from favoritism and contribute to public goods (Mollerstrom, 2015). Experiments could help us better understand public reactions to quota announcements and post-quota environments, including unintended consequences and implicit biases. As mixed method approaches provide critical insights (Shah & Corley, 2006), quota researchers could combine social network analyses of board members with interviews, or ethnographies of board meetings together with firm performance data. These questions could be addressed using a range of data such as panel data.

**How do quotas impact board functioning and processes?** We have very limited understanding of the effect of quotas on board functioning and processes. Key theoretical perspectives here include status expectations theory, human capital, faultlines, and social capital.

Status expectations theory suggests that others infer expectations about an individual based on his/her diffuse status characteristics, e.g., gender, ethnicity, and education (Berger, Cohen, & Zeldich, 1972; Berger, Fisek, & Norman, 1977). Gender is particularly important as cultures routinely attach more respect and honor to men than to women (Berger et al.,...
assessed as having lower potential and less favorable evaluations of their performance compared to men (Eagly & Karau, 2002; Lyness & Heilman, 2006). This line of research could examine how expectations of post-quota board members are based on gender and other characteristics.

While there is an abundance of social capital research, there is limited examination of inequality, particularly vertical structuring (Kwon & Adler, 2014). Social capital research on quotas tends to focus on structural aspects, as historically potential candidates needed to be ‘known’ by the board of directors. The ‘old boy’s network’ was the de facto system. Structural work could be advanced by considering how social capital is activated, for example around the strength, reciprocity, and density of ties (e.g., Granovetter, 1973).

Furthermore, the tensions around the motivations for quotas force closer consideration of social capital’s relational and cognitive elements, as simply increasing network (structural capital) does not necessarily lead to greater opportunity; subtle processes are at play (Sealy & Doherty, 2012). Concerning social capital’s cognitive dimension (Nahapiet & Ghoshal, 1998) of shared narratives, languages, and codes, there is evidence that multinational corporations, even those headquartered in non-Anglo American countries, increasingly use English in boardrooms and therefore directors who are less comfortable in English (i.e., often older males) exit the boards (Piekkari, Oxlheim, & Randøy, 2015). Researchers could explore:

How does the quota affect directors’ social networks and the language(s) spoken by the board?

Social capital theory offers insights into how post-quota directors develop social networks before and after their appointments. Research could leverage Bourdieu’s (1993) notion of capital in the context of the social struggle to appropriate capital. Directors operate...
research question is: How do stakeholders develop and utilize power and legitimacy over time?

Recent behavioral and experimental analyses of social capital (e.g., Andorfer & Liebe, 2013) can be extended to board research to examine how post-quota board directors develop social capital. Furthermore, recent commentary on the downsides of social capital (Portes, 2014) could be considered to explore the potential negative implications.

Theories of human capital (Becker, 1975) suggest that education, training, and other investments can lead to positive career outcomes. Existing work analyzes post-quota directors’ human capital profiles but could go further to examine: How does human capital facilitate the development of social capital in post-quota environments? As boardroom heterogeneity enhances thought and perspectives, future research could examine: Are post-quota women sufficiently different from their male colleagues to contribute cognitive diversity?

Different types of faultlines (separation-, disparity-, variety-based) lead to different types of sub-groups (identity-, resource-, knowledge-based) that lead to different types of inter-subgroup processes (threat of identities, fragmentation, asymmetric perception of fairness, and centralization of power) (Lau & Murnighan, 1998). Post-quota boards’ faultlines around gender, age, experience, and other pertinent characteristics merit research on: How do faultlines shape identities and impact board functioning?

Resource dependency theory suggests that boards nominate directors whose competencies fill firm needs (Hillman, Cannella, & Paetzold, 2000). Quotas inevitably lead firms to shed some male directors—unless appointing a large number of new females to the existing board is an option—and thus merit investigations such as: How do quota-affect
The quota is “an effort to achieve and maintain [gender] balance” (Rosenblum, 2009: 85) that sometimes results in situations where men become tokens. For example, in 2009, Iceland, the post-crisis, pre-quota bank boards reinstated by the government were 60, 80, and 100% female (Jonsdottir et al., 2015). The new Icelandic quota then limited each gender to 60%; boards with 80% and 100% women had to replace some females with males or add male directors. As men have less negative experiences as tokens (Chatman & O’Reilly, 2004), future research could examine how post-quota men experience tokenism.

Despite early counts of women’s presence on board committees (Bilimoria & Piderit, 1994; Kesner, 1988), there is no examination of post-quota women’s presence on important committees such as nomination and remuneration. This line of research would extend the pre-quota research on women directors’ strategic contributions to boards (Nielsen & Huse, 2010).

Other unaddressed phenomena include the worldwide debate surrounding potential director tenure limits and the maximum number of board positions a person may hold at one time. Tenure may compromise the outsider directors’ independence; multiple directors may comprise quality to their organizations. Several Western economies’ corporate governance guidance rules incorporate limits on director tenure or other directorships. For example, stakeholder activists in the UK and Australia are pushing for director tenure caps of 9-12 years; and in the UK less than 2% of FTSE 100 directors sit on more than two FTSE boards (Vinnicombe et al., 2015). There is, however, little agreement across countries as to a ‘best’ recommendation. Further legislation would ‘churn’ the demand of directorships, creating opportunities to increase the pool of directors. Future research could examine: How do voluntary or mandatory tenure requirements affect the profiles of post-quota directors’ selection on boards and their subsequent careers within and across boards? Does the debate...
The mature stream of research tracking the number of female directors incorporates historical developments and statements from leading advocates on all sides of the debate (e.g., Bourez’s 2005 census of female directors across Europe and Catalyst reports); however, there are few multi-year studies of quotas. Longitudinal investigations are possible, particularly given quotas’ multi-year [3-5 year] time horizon from initiation to implementation and the availability of panel data through BoardEx and other sources. Time lags offer potentially more robust tests of causality from pre- to post-quota, controlling for other factors. Furthermore, longitudinal data can consider contextual issues such as changes in corporate governance legislation or economic crises. Future researchers should include multiple dates of debates, milestones, and actions to capture changing discourse and progress. We echo calls for more integrative theory and evidence concerning how greater diversity at multiple levels impacts organizational outcomes (e.g., Guillaume et al., 2013) in the quota context. Existing quota research often identifies the importance of context at multiple levels, but does not incorporate multi-level observations or theorizing. Future research could examine, in tandem, individual experiences, board processes, firm strategies, industry environments, and country-level corporate governance bundles.

**Does a quota affect how women at varying stages consider potential careers, including board appointments?** Key theoretical perspectives here include tournament theory, expectancy theory, glass cliff theory, resource dependency.

Quotas drive demand for top level talent which may influence women’s perceptions of career outcomes, meriting joint consideration of expectancy and tournament theories. Vroom’s (1964) expectancy theory describes how an individual will undertake activities he/she perceives will result in positive outcomes. An individual’s sense of ‘fit’ to an
are more likely to psychologically exit (Peters & Ryan, 2010; Peters, Ryan, & Haslam, 2014). Tournament models suggest that expected payoffs increase players’ willingness to continue to participate in multiple ‘tournaments’ in one’s career and move up the hierarchy, and largely neglect gender (Connelly, Tihanyi, Crook, & Gangloff, 2014). Board gender quotas suggest larger potential career success payouts for females in managerial careers, and may motivate women to continue to move up the pipeline. Future research could investigate: How a quota fundamentally change how women at varying career stages consider potential careers, including board appointments? What ethical dilemmas do women experience while pursuing the tournament to the top of firms?

Early research in the professional services industry indicates that women’s gender identity is affected by the numbers of women in senior positions within their organizations (Ely, 1994; 1995). This work could be extended to consider: Does the number of female directors influence women’s gender identities? As most quotas affect only supervisory/outsider directors with limited day-to-day contact with employees, would increasing the number of female inside directors have a greater impact? Recent work describes how moral convictions that are embedded in relevant social identity predict collective action to achieve social change (van Zomeren, Postmes, & Spears, 2012). However, most countries’ quota efforts were not driven by collective action. Will the growing numbers of women in the workforce, including at managerial levels, increase women’s social identities as managers and moral convictions that women should hold more positions of power? If so, can we expect more collective action on this issue, including in non-quota countries? In arguing for agonistic pluralism in stakeholder relations, Dawkins (2015:9) proposes collective action as a mechanism to allow stakeholders to protect their
Western economies, a dominant culture of individualism constrains the acceptability of collective action.

Theorizing on identity and business ethics within organizations is being extended by new work showing that individuals’ moral identification with organizations affects employee attraction, motivation, and retention (May, Chang & Shao, 2015). These important new findings on values-based decision-making could address the idea that women who do not morally identify with these roles will not put themselves forward for the most senior roles.

Another recent study finds that individuals are more attracted to organizations based on beliefs about the moral and ethical behavior of teams and organizations than perceptions of competence (Van Prooijen and Ellemers, 2015). Employees’ moral identification might be driven by their perceptions of the organization’s moral development. Previous decades of scholarship on corporate social responsibility reporting can inform diversity reporting. Governance reporting “allows corporations to effectively escape stricter regulation” (Hess, 2008: 448) which may drive quicker behavioral changes— the ultimate goal. Moral development is possible when organizations report data externally, and use the data internally to challenge assumptions and embed real actions with respect to operations and strategy. If the reporting is only a response to external pressure or a publicity exercise, this decoupling will be apparent to the organization’s internal members, and moral identification will not occur. Research can combine governance reporting and social identity to investigate: How does an organization’s public stance on boardroom gender diversity affect employees’ social identity? Does detailed diversity reporting enhance female employees’ moral identification?

This line of thinking could consider individuals’ bounded self-interest (Bosse & Phillips, 2015).
middle-class, and educated backgrounds (Atewologun & Sealy, 2014). How do women (and men) of color fit into this discussion? What are the most salient aspects of individuals’ ‘privileged’ identities (seniority, gender, ethnicity) that help or hinder their paths to the boardroom?

The ‘glass cliff’ theory (Ryan & Haslam, 2007) suggests that women are often appointed to precarious leadership positions. Board service is less attractive due to longer hours, higher reputational risk, and greater liability concerns (Barnard, 2006). Critical research questions include: Do women face a rank injustice in being intentionally or inadvertently placed in post-quota ‘glass cliff’ positions? The organizational ‘fall guy’ problem has already been dealt with in organizational ethics program guidelines that state that the person must be an executive, and can be leveraged for quota research. We encourage future researchers to investigate multiple theories in parallel to identify the most useful lens—a technique known as theory pruning (Leavitt, Mitchell, & Peterson, 2010).

**CONCLUSION**

Corporate board gender quotas raise ethical concerns that are both driven by and affect multiple sets of actors, organizations, and governments. Quota research has reached a state of maturity such that it is possible to describe the tensions and ethical dilemmas in terms of motivations, legitimacy, and outcomes, highlighting the frequency and variability of these dilemmas and then offer insights from current theoretical perspectives. We have attempted to rationalize the often emotive discussions on corporate board quotas by questioning and reconceptualizing everyday constructs such as meritocracy and legitimacy, and redefining the definition of ‘successful’ outcomes of quotas and other affirmative action measures. Extant studies attempt to explain quotas through a particular theoretical framework which we view as incomplete. We offer a deeper understanding through overlapping four different perspectives. As quotas are a multi-level phenomenon, we strongly advise future research...
to take a more integrative approach – for example, combining multiple theories and data.

Our hope is that this review consolidates existing knowledge for scholars, policymakers, and practitioners, and inspires future research.
### Table 1: Conflicting tensions concerning board quota quotas

#### Motivation Tensions: Tensions that emerge from the underlying rationale for the quota

**Are quotas motivated by a desire for justice or utility?**
- Both utility and justice arguments are used by both quota supporters and opponents: supporters use utility to argue quotas effectively leverage female talent and justice for equal gender representation; opponents use utility to argue firms should be free to select the most qualified individual and justice to argue that this individual should have the opportunity to serve on the board, regardless of gender.
- The organizational ‘business case’ rests on talent management, creativity, innovation, decision-making, risk, stakeholder relationships, customers, and/or financial performance; however evidence is mixed for all these.
- Ethical tensions consider costs to organizations relative to benefits for society and firms.
- The competing logics of government institutional structures are apparent in business versus equalities departments.

**What institutional structures motivate quotas?**
- Quotas spread from political spheres to state-owned and private spheres (e.g., corporate boards).
- Countries with quotas tend to have policies to support female participation in the labor market, left-leaning political coalitions, and prior gender equality initiatives in public policy and in corporate governance; and mixed-market or coordinated market economies and Scandinavian or French legal systems.
- Quota supporters draw on the institutional structure of a national identity of egalitarianism.
- Institutional manifestations of gendered work are driven by homophily: individuals recruit similar others to boards.

**Are efforts to add women to the board motivated by considerations of integrity or compliance?**
- Quotas can be motivated by symbolic or substantive responses; the former may evolve into the latter.
- Pre-quota normative pressures in Norway (e.g., networks, mentoring, training, databases) failed to work. Consequent “threat of quota” pressures increase the shares of women on boards in some countries.
- When facing a quota, organizations can acquiesce, comply, defy, avoid or manipulate the quota.
- The tensions of integrity versus compliance are driven by the intended outcomes.
- Quota threat may effect change without quotas; quotas without sanctions effect little change.

#### Legitimacy Tensions: Tensions that emerge from the emotional debates and responses of politicians, public opinion, media, shareholders, directors, and other stakeholders

**Are quotas ethical?**
- Quotas can symbolize both inequality and equality in a national context; affirmative action (AA) policies may prevent unfairness or to compensate for previous injustices, but utilize discrimination.
- The tension is evident in the shackled runner debate.
- Quota targets (i.e., women) often reject quotas due to not want to be perceived as special.
- To be deemed ethical, quotas must be perceived as legitimate via alignment with societal norms and values; this process often occurs in reverse order for quotas: some individuals claim legitimacy and use radical processes to normalize their claim.
- Multiple stakeholders (regimes of responsibility) fail to prevent ethical violations; it is not always clear who stakeholders are responsible for homogeneous boards and thus who should legitimately be involved in ‘fixing’ the problem.

**Are quotas meritocratic?**
- Meritocracy is socially constructed by the current ruling class.
- People who believe in meritocracy are less opposed to AA, including quotas.
- Today’s standards for legitimacy may not be considered acceptable in the future.

**Are post-quota female directors perceived as legitimate?**
- Post-quota female directors perceive themselves as legitimate; others often view post-quota female directors legitimate with respect to their significant education qualifications; female directors in non-quota countries worry about being perceived as a “token promotion” and candidates for directorships are urged to have many qualifications.
- Post-quota female directors’ legitimacy may lead to the crisis of the ‘mediocre man’ who is negatively affected.
- Women’s views are not heard or deemed legitimate until a ‘critical mass’ (usually three women on a board).

#### Outcome Tensions: Tensions that emerge from defining consequences of quotas

**Are quotas moved by a desire for justice or utility?**
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Quotas affect and are affected by a number of stakeholder groups who rarely agree on desired outcomes.

For shareholders, financial outcomes are inconclusive, and causality directions are unknown.

Post-quota boards have higher levels of functioning: leveraging new perspectives and engaging more discussion.

How does the quota impact board directors’ perceptions of their roles?

- Pre-quota female directors experience tokenism and do not identify strongly with boards.
- Post-quota female directors are more likely to identify with the social role of board member.
- Female directors’ identities as ‘pre-quota’ or ‘post-quota’ are subservient to others, i.e., as an industry expert.

How do quotas impact social capital?

- Post-quota multiple directorships increase for both women (e.g., “Golden Skirts”) and men. Post-quota women directors’ social capital increases at twice the rate of men’s; post-quota female directors are more visible in the media.
- Post-quota females are mostly outsider directors, suggesting bridging social networks across firms versus one firm.
- Relational social capital is evident in that post-quota boards often include female family members.
- Efforts to increase the number of female board members often seek to build social capital among participants.
- In an economic crisis situation (i.e., Iceland), it is important for new post-quota directors not to have any relationship with pre-quota board members who are widely considered to have steered the firms into the crisis.
- All board members’ attitudes towards quotas (i.e., cognitive capital) become less negative over time.

Do gender quotas redress gender balance?

- The quota produces the desired increase in female directors in some countries but not in all countries.
- Tensions and contradictions in many countries are apparent between wanting gender balance but not wanting to implement quotas and instead preferring voluntary measures.
- Quotas may not eliminate discrimination; however, over time, women directors are viewed as business as usual.
<table>
<thead>
<tr>
<th><strong>Ethical Tensions</strong></th>
<th><strong>Relevant Theoretical Perspectives</strong></th>
<th><strong>Research Strategies</strong></th>
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<td>What motivates</td>
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<td>theory, social movement theory,       computer-aided text analysis,</td>
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<td>implementation?</td>
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<td>voluntary targets,</td>
<td>theory, social network theory         tion approach to contextual-</td>
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Siri Terjesen is a Professor at the Norwegian School of Economics (NHH), Visiting Scholar at Catalyst, and will soon join American University’s Kogod School of Business as a Chair in Entrepreneurship. She is the Director of the annual GEDI Female Entrepreneurship Index and Membership Chair for the Entrepreneurship Division of the Academy of Management. She is an Associate Editor of *Academy of Management Learning and Education* and an editorial board member of *Entrepreneurship Theory & Practice* and *Corporate Governance: International Review*. Her research in strategy, corporate governance, and gender has been published in leading journals including *Journal of Management*, *Strategic Management Journal*, and *Journal of Business Ethics*, and covered by the international media. She received her Bachelor’s from University of Richmond, Masters from NHH, and PhD from Cranfield.

Ruth Sealy is a Senior Lecturer (Associate Professor) in Organizational Psychology at City University London and visiting fellow at Cranfield School of Management. Formerly Deputy Director of International Centre for Women Leaders at Cranfield, Ruth led the research for the UK’s annual Female FTSE Report since 2007. Sponsored by government and major organizations, the report has considerable research impact and reputation, with the findings cited in media and practitioner journals across the world. She has co-authored similar reports in Hong Kong and India. Ruth’s research areas include women in leadership, board composition and governance, role models, and career aspirations. She has published in journals such as *Corporate Governance International Review*, *International Journal of Management Reviews*, *Journal of Managerial Psychology*, and *Gender Work & Organization*, and has co-authored Best Papers at Academy of Management and British Academy of Management conferences. She received her PhD from Cranfield.
## APPENDIX A
### Countries with Board Gender Quotas

<table>
<thead>
<tr>
<th>Country</th>
<th>Quota</th>
<th>PTFs</th>
<th>SOEs</th>
<th>Passage Date</th>
<th>Compliance date</th>
<th>Sanctions</th>
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<tr>
<td>Norway</td>
<td>40%</td>
<td>Yes</td>
<td>Yes</td>
<td>December 19, 2003</td>
<td>2006: SOEs; 2008: PTFs (40%)</td>
<td>Refuse to register board; dissolve company; fines until compliance (40%)</td>
</tr>
<tr>
<td>Spain</td>
<td>40%</td>
<td>Yes</td>
<td>No</td>
<td>March 22, 2007</td>
<td>March 1, 2015: PTFs (40%) with 250+ employees</td>
<td>Lack of gender diversity will impact consideration for public subsidies and state contracts</td>
</tr>
<tr>
<td>Finland</td>
<td>40%</td>
<td>No</td>
<td>Yes</td>
<td>April 15, 2005</td>
<td>June 1, 2005</td>
<td>None</td>
</tr>
<tr>
<td>Québec (Canada)</td>
<td>50%</td>
<td>No</td>
<td>Yes</td>
<td>December 1, 2006</td>
<td>December 14, 2011</td>
<td>None</td>
</tr>
<tr>
<td>Israel</td>
<td>50% / 1FBD</td>
<td>Yes</td>
<td>Yes</td>
<td>March 11, 2007: SOEs; April 19, 1999: PTFs</td>
<td>2010: SOEs; None for PTFs</td>
<td>None</td>
</tr>
<tr>
<td>Iceland</td>
<td>40%</td>
<td>Yes</td>
<td>Yes</td>
<td>March 4, 2010</td>
<td>September 1, 2013: 40% for firms with 50+ employees</td>
<td>None</td>
</tr>
<tr>
<td>Kenya</td>
<td>33%</td>
<td>No</td>
<td>Yes</td>
<td>August 28, 2010</td>
<td>August 28, 2010</td>
<td>None</td>
</tr>
<tr>
<td>France</td>
<td>40%</td>
<td>Yes</td>
<td>No</td>
<td>January 13, 2011</td>
<td>January 1, 2017: 500+ employees or €50m revenues</td>
<td>Fees will not be paid to directors</td>
</tr>
<tr>
<td>Malaysia</td>
<td>30%</td>
<td>Yes</td>
<td>No</td>
<td>June 27, 2011</td>
<td>2016: 250+ employees</td>
<td>None</td>
</tr>
<tr>
<td>Italy</td>
<td>33%</td>
<td>Yes</td>
<td>No</td>
<td>June 28, 2011</td>
<td>Interim 20% by 2012</td>
<td>Fines; directors lose office</td>
</tr>
<tr>
<td>Belgium</td>
<td>33%</td>
<td>Yes</td>
<td>Yes</td>
<td>June 30, 2011</td>
<td>2011-2: SOEs; 2017-8: PTFs</td>
<td>Void the appointment of any directors who do not conform to board quota targets; suspend director benefits</td>
</tr>
<tr>
<td>UAE</td>
<td>1FBD</td>
<td>Yes</td>
<td>Yes</td>
<td>December, 2012</td>
<td>Not specified</td>
<td>None</td>
</tr>
<tr>
<td>India</td>
<td>1FBD*</td>
<td>Yes</td>
<td>Yes</td>
<td>August, 2013</td>
<td>August 1, 2015</td>
<td>Fines</td>
</tr>
<tr>
<td>Greenland (Denmark)</td>
<td>50%</td>
<td>Yes</td>
<td>Yes</td>
<td>2013</td>
<td>January 2014</td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td>30%**</td>
<td>Yes</td>
<td>Yes</td>
<td>December, 2014</td>
<td>2016</td>
<td>Director seat must be left vacant</td>
</tr>
</tbody>
</table>

Note: Updated from Terjesen, Aguilera, and Lorenz (2015); * At least one woman director is required to be on the board for publicly traded and every other public company (paid-up share capital > 100 crore rupees or turnover of > 300 crore rupees) (August 2013); ** Applies to supervisory boards only; PTFs = publicly traded firms; SOEs = state-owned enterprises. Countries with ‘comply or explain’ legislation for certain sets of firms include Sweden, Ireland, Luxembourg, Malawi, Netherlands, Nigeria, Malaysia, South Africa, Denmark, Austria, the United Kingdom, Germany, Poland, Australia, Turkey, Switzerland, and the United States.