

Women on board: Female board membership as a form of elite democratization

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Abstract:

Corporate elites have been all male bastions until the 21st century. The recent inclusion of women in the corporate elite needs explanation because it is an abrupt change in recruitment practices. We consider female presence in corporate boards as a sign of the democratization of elite social networks. Building on a case study of the Netherlands that covers the last four decades, we show that the corporate elite has become more open to non-members of traditional elites. In the process, women have also entered the boardroom. Initially these were predominantly female politicians, but more recently many large corporations have recruited foreign females. We argue that the incremental feminization of the corporate elite was in the beginning - that is in the 1970's - initiated by the state, but was subsequently pushed forward by the internationalization of corporate governance. We have traced the professional background of all female board members of the largest firms in the Netherlands over the period 1969 – 2011. We show that the female board members do not form a homogeneous group. The first wave of female directors had a political background, the second wave had an academic background, whereas the third wave was recruited from within the corporations. In this third wave, foreign female directors became predominant. Elites open up their ranks and privileged positions to women, but they do so reluctantly and under outside pressure.

Keywords: Corporate elite; female directors; corporate governance; old boys network; board diversity; Netherlands

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Why are there suddenly so many women in the corporate elite?

Women have recently started to join the boardrooms of large corporations. The share of Fortune 1000 firms that had at least one female board member increased from 11% in 1973 to 97% in 2006.¹

Females now take up 16% of the board positions available in the US, followed by South Africa (15.8%), Israel and the U.K. (15%) and the Netherlands (14%). Only Scandinavian countries score better.

Sweden has 27% female directors and Finland 24.4%. In Norway, the first country to adopt a strict quota system in 2008, 40% of the board members are now female.² Although female board members remain in the minority, their numbers are steadily growing.

Why and how was it that women were now being included in the traditional all-male social circles of the corporate elite? Corporate elites have been all male bastions for centuries. Only recently are the incumbent corporate elites recruiting women. This is happening voluntarily, with the exception of Norway. It is the inclusion of women in the corporate elite that needs explanation because this is what has changed in the last 20 years. Our approach is distinct from most scholarly studies on female corporate directors, which are concerned with the question of why there are so few women and the obstacles for larger female representation in corporate boards. We also consider the issue of female board membership as a problem of elite co-optation and we will unravel the mechanisms through which incumbent corporate elites open up their ranks and privileged positions to women. As we will see, they often do so reluctantly and under outside pressure. Yet, our primary concern is: why and how are women recruited at all?

Following Alexis de Tocqueville, we consider a female presence in corporate boards as a democratization of elite social networks.³ We define societal democracy as the outcome of equal opportunity and open recruitment. If the group of board members of the largest corporations is a demographic representation of the population at large we call this, following Hanna Pitkin, *descriptive representation*.⁴ Hence, the more board members are recruited from all groups in society, the more democratic that society is in terms of descriptive representation. Lack of descriptive representation is a

¹ Alliance For Board Diversity, *Women and Minorities*

² Catalyst, *Women on Board*

³ Tocqueville, *Democracy in America*

⁴ Pitkin, *The Concept of Representation*

sign of *elite closure*.⁵ Such a lack of descriptive representation in the boardroom has for instance been noted with reference to ascriptive characteristics of board members such as membership of the nobility or of patrician families. Yet, the most blatant lack of descriptive representation so far was the complete absence of female members until the last quarter of the 20th century. We will consider the increase of descriptive representation as a form of elite democratization. The question we ask here is how an incumbent corporate elite allows for the democratization of its ranks.

The issue of female board participation remains a contested issue. Recently, EU commissioner Viviane Reding pleaded for the enforcement of a Europe-wide quota that would require women constitute 40 per cent of the supervisory boards of publicly traded companies by 2020. The opposition to this proposal was both broad and fierce. German Minister Kristina Schröder voiced the opposition: 'I think it is absurd to impose a uniform quota on very different companies. (...) On the surface, a quota may stimulate fairness, but it tends to exacerbate unfairness for individuals rather than eliminate it'. On a more personal note she adds 'I once benefited from a quota, namely when my party sponsored me as a candidate for the Bundestag in 2002. People still smugly hold this against me today, as if my abilities hadn't counted at all at the time. Many [women] have had the same experience.'⁶

In Schröder's response two reasons surface why female board participation is championed. Building on the natural rights discourse there is an equal rights argument. Women *should* be equally present in positions of power because women are equal to men and this is their right. Much more common in the contemporary literature however is a functionalist argument. Here, female participation is important because men and women are different. Females bring specific female characteristics to the boardroom that will positively influence firm performance. Schröder in part owed here position in the Bundestag to the imposition of a quota but felt uncomfortable about this because the coercive nature of quotas diminishes the legitimacy of her presence in the Bundestag. Her argument focuses on individual achievement and merit. We propose a third perspective. We understand female participation on corporate boards as a form of elite co-optation. This focus on the 'demand-side' of board diversity allows for new insights into the processes that lead to more diversified corporate boards and more democratic institutions of corporate governance. We postulate that the route to the

⁵ Heemskerk and Fennema, "Network Dynamics"

⁶ Pfister and Schult, "Gender Quota Debate"

democratization of elites in society is generally paved by the state and will argue that this is also true for the corporate elite. Females found their way into corporate boards in different ways. Initially they obtained seats on government controlled firms. This is an example of the exogenous democratization of the corporate elite imposed by the political elite and is typical for the 1970s. State controlled firms served as a bridgehead for female politicians to enter the corporate elite. Once their presence became more accepted, they spread to other businesses as well. By the mid-1990s reluctant support for female inclusion emerges among the corporate elite which led to increased democratization from within. As we will see, the incumbent elite have opened the doors to their boardrooms only reluctantly.

One caveat is in order. Comparing countries in terms of female board membership is somewhat hampered by the different governance structures. Most countries have a one-tier board with both executives and outside members. In other countries the executive and supervisory board are two separate entities. Note for instance that the 14% of female board members in the Netherlands reported by Catalyst refers to supervisory boards of the largest firms (compare Figure 2), while the 16% in the USA refers to both executive and non-executive board members. We are interested in both roles; female board members who serve as executives and/or as outside (supervisory) directors. We will refer explicitly to these different type of directors. At the same time we restrict our attention to the top decision making bodies: the corporate boards. This means that the top management team under the level of the board is not taken into account.

We proceed as follows. The next section critically examines the literature on female board membership along the lines of the functionalist and equal rights arguments. Building on this discussion we suggest a perspective on female board participation as elite democratization. We examine our expectations for the case of the Netherlands. We discuss the particular institutional setting of the Netherlands, our methods and data collection and subsequently analyze our original dataset of female board members over the past fifty years. We focus on the initial entry of female board members, their professional background and shifting recruitment patterns over time, the position of females in corporate networks and the role of internationalization. We will show that the state initially induced female board membership and the subsequent internationalization did play an important role for promoting female presence in boardrooms as well. To the extent the traditional corporate elite opens their boardroom doors to females, they do so rather reluctantly.

The functionalist argument

Those who are in favor of diversity in boards typically see the recruitment of female board members as a 'strategic necessity'.⁷ If women are different, they can make a specific contribution to corporations. The question has spurred a large body of empirical research that tries to find out whether and how males and females are different. Recently a multilevel analysis of a large dataset of male and females in the US shows that there is indeed a large and robust difference between male and female personality. Females score higher on sensitivity, warmth and apprehension; men score higher on emotional stability, dominance, rule consciousness and vigilance. The authors found an unexpected large effect, 'corresponding to an overlap of only 10 % between male and female distributions'.⁸ Other research has shown that women are more risk averse than men.⁹ Especially after the banking crisis, it was suggested that more women on boards could have prevented much of the damage done by the excessive risk taking of the big banks. In addition, women are found to be trustworthy and have a more collaborative style.¹⁰ Another line of argument for different contributions for men and women refers to different life experiences, which causes women 'to consider a wider range of options and solutions'.¹¹

The functionalist argument not only states that males and females are different. It also posits that these distinctions make a difference.¹² This implies that female membership on corporate boards has an impact on the performance of the organization. If this is indeed the case, there is a 'business case' for the inclusion of women. Female participation on corporate boards is the 'smart' thing to do, not just the 'right' thing to do. So far, however, scholars have been unable to show a robust relationship between board diversity and firm performance. In their exhaustive analysis of S&P 500 firms over the period 1998 – 2002, Carter et al. found no significant effect whatsoever of female board membership on the financial performance of firms (Tobin's Q and return on assets).¹³ A similar study by Campbell et al considers the effect of female board membership on the financial performance of Spanish firms (Tobin's Q).¹⁴ Contrary to Carter et al., they did find a significant and positive effect. In

⁷ Langevoort, "Puzzles", p.841

⁸ Del Giudice, Booth and Irwing, "The Distance between Mars and Venus", p.4

⁹ Jianakoplos and Bernasek, "Are Women More Risk Averse?"

¹⁰ Heminway, "Sex, Trust, and Corporate Boards"; Croson and Buchan, "Gender and Culture"

¹¹ Fairfax, "Clogs in the Pipeline", p.590

¹² see for an overview Rhode and Packel, "Diversity on Corporate Boards"

¹³ Carter et al, "The Gender and Ethnic Diversity"

¹⁴ Campbell et al, "Gender Diversity in the Boardroom"

addition they are able to show that the effect does not run the other way: profitability does not effect female board participation. Yet Adams and Ferreira found that female board membership in US-based firms has a negative effect on Tobin's Q and return on assets.¹⁵ Here we have three studies that all use large datasets and advanced methods to study the effect of diversity, and come up with very different results. It is emblematic of the entire literature and leaves us to conclude that the empirical evidence for the business case for female board participation is mixed at best.

The consistency of these inconsistent research findings is in line with a broader lack of evidence for a direct relationship between board composition and firm performance.¹⁶ Studies that attempt to establish a relationship between performance and board composition typically use a simple input-output model where 'great inferential leaps are made from input variables such as board composition to output variables such as board performance with no direct evidence on the processes and mechanisms which presumably link the inputs to the outputs'.¹⁷ In response to this sort of criticism some scholars have tried to pinpoint mediating variables. Miller et al for instance investigate how gender and ethnic diversity indirectly influence profitability through its effect on innovation and reputation.¹⁸ Their results show that both female board membership and racial diversity have a positive effect on innovation, which in turn positively affects firm performance. But, while racial diversity also affects reputation positively, they do not find evidence that female board membership does the same. A recent study found that in the US, women have as yet no positive effect on the reputation of the firm.¹⁹

Despite a huge research effort there is still no clear 'business case' for the inclusion of women on corporate boards. That is, the relation between female board membership on corporate boards and abstract notions of organizational performance (Tobin's Q, ROA) are statistically weak, inconsistent and case specific. The reason for the lack of strong evidence is not necessarily that diversity does not matter, it may very well matter a whole lot. But without a good sense of what is going on within corporate boards such a relationship is difficult to establish.

Another functionalist argument for the inclusion of women on corporate boards is that it increases the quality of the decision-making process and board effectiveness. In theory, board

¹⁵ Adams and Ferreira, "Women in the Boardroom"

¹⁶ Schmidt and Brauer, "Strategic Governance"; Dalton et al., "Meta-analytic Reviews"

¹⁷ Pettigrew, "On Studying Managerial Elites", p.71

¹⁸ Miller et al, "Demographic Diversity in the Boardroom"

¹⁹ Ibid.

diversity can be beneficial as well as detrimental for board effectiveness. On the one hand, diversity broadens the set of information and skills that boards have at their disposal. Groups that are diverse in composition will consider more alternatives and will be more careful to evaluate alternatives. This adds to the quality of decision-making in uncertain environments and decreases groupthink.²⁰ However, diversity can also arouse negative emotions and lead to higher levels of relational conflict. Since board effectiveness is conditioned by 'the boards ability to continue working together, as evidenced by the cohesiveness of the board', this may create problems.²¹ Diversity improves the quality of group decision-making, but may also create relational conflicts.²² In sum, there is no compelling empirical evidence so far that suggests that the incumbent corporate elites have an economic incentive to recruit women on their boards. Overall the functionalist argument fails short of providing an empirical underpinning of its most central claim: that taking females on board has direct implications for firm performance.

The equal rights argument

The equal rights argument builds on moral and social justifications for diversity on corporate boards. It is 'the right thing to do' because it aims to rectify existing inequalities that stem from forms of discrimination.²³ Demands for equal rights and equal participation for men and women became widespread and highly visible during the French revolution when equality became a buzzword in politics. Most feminist demands were based on natural rights. This is clear in the preamble of the Declaration of the Right of the Woman and Citizen formulated by Olympe de la Gouges in 1791. Lack of respect for these rights are 'the sole cause of public disaster and of the corruption of government'.²⁴ It is particularly directed at abolishing barriers to entry based on sexist prejudice and discrimination. Such universalism abstracts from the particularities of concrete human beings and hence considers gender differences irrelevant for the right to elect and to be elected. Yet even De Gouges herself does refer to gender differences and speaks of her own sex as the one that is 'superior to the other in beauty and courage, shown in the cavalry of motherhood'.²⁵ A contemporary supporter of equal rights

²⁰ Janis, "Groupthink"

²¹ Forbes and Milliken, "Cognition and Corporate Governance", p.492

²² Erhardt, Werbel and Shrader, "Board of Director Diversity", p.102

²³ Fairfax, "Board Diversity Revisited", p.856-857; Wilkins, "From "Separate is Inherently Unequal""

²⁴ De Gouges, "Declaration of the Rights of Woman and Citizen"

²⁵ Ibid.

for women, Condorcet attributed such differences to differences in culture rather than biology. According to Condorcet 'it is just as reasonable for women to care for physical beauty as it was for Demosthenes to care for his voice and gestures'.²⁶ It is the function of women in society that accounts for being different. Of course physical differences exist, but they become less relevant in modern society. And besides, so Condorcet argues polemically, physical differences are considered relevant in the case of women, whereas the same differences are not considered relevant when discussing men. 'If physical weakness were to be reason not to grant voting rights to women, they should not be granted to men who suffer from gout'.²⁷ Condorcet clearly represents the equal opportunity discourse where differences between men and women are predominantly determined by male prejudice and culture and hence can – and should be eliminated.

The equal rights argument precedes the functionalist argument and builds on a universalist assumption. However, in recent years, a functionalist argument for female board participation became increasingly popular, notwithstanding its weak empirical underpinnings. But why then does a corporate elite slowly but steadily open its realm to outsiders? Through which channels did women find entrance to the highest level of corporate decision-making? We suggest two routes: from outside and from inside the corporate elite.

Elite Democratization

The equal rights argument and the functionalist argument can be related to two different pathways that lead to female board participation and hence elite democratization. Females can gain access to the corporate elite through acceptance from *within* the corporate elite because they want more diversity or through pressure from *outside* the corporate elite, because excluding women is a form of discrimination.

To start with the latter, the equal rights argument for female participation in corporate decision-making is essentially a normative and political one. Political parties actively promote more equal opportunities for women. However, the political elite have limited power to control the corporate elite. While it is within the power of the political elite to regulate corporate board membership this has become difficult in a society where (neo)liberal values and conceptions of states and markets

²⁶ Condorcet, *La Politique De Condorcet*, p. 165-166

²⁷ Ibid.

dominate. The role of the state is increasingly seen as one in which it sets the 'playing field' and guards some basic rules, but is not to intervene in the operations of corporations. Indeed only the Norwegian parliament so far has set mandatory quota for female board membership (although very recent developments in France and Belgium try to follow the Norwegian example). This does not mean, however, that parliaments do not exert pressure by setting targets. We expect that the effect of political pressure is highest where the political elite has some leverage over the economic elite. This implies that the initial entry point of females on corporate boards would be in corporations within the sphere of influence of the state. State-owned corporations are an extreme example of this.

But female membership can also be induced from *within* the corporate elite. An important quality of well-functioning elites is the capacity to incorporate *homines novi*. By inviting successful and up and coming people, the incumbent elite refreshes its talent pool and set of expertise. Perhaps more importantly, inviting the promising to join their ranks is a pre-emptive strike in order to avoid a build-up of power outside the incumbent elite sphere of influence. This is a strategy of co-optation that elites throughout history have successfully applied.²⁸ Also, elites typically recruit members from other, emerging elites. In this way they effectively create weak ties²⁹ or bridges³⁰ to other social networks. For these reasons successful elites are often willing to invite people outside their own circles into their midst, although these invitees are typically not considered to be genuine members of the elite itself.³¹

An obvious problem for female recruitment is that female entry can still be considered an elite-threatening action for at least three reasons. First, there might exist a collective interest of men who do not want to share their personal benefits from the 'old boys network' with (female) outsiders. Secondly, the male group of board members overlooks the specific set of skills and personality traits that women can bring to the boardroom. Instead, they would rather recruit new members that are similar to them in appearance and outlook. This is the well-known principle of homophily.³² Thirdly, there is a 'traditionalist' argument that has received some empirical support and is popular in traditional corporate elite circles: the introduction of females to the boardroom has a negative effect on the performance of male members because the presence of women would distract the males and have

²⁸ see for instance Fleron, "Cooptation as a Mechanism of Adaption to Change" for co-optation in USSR elites; and see Richardson, Kakabadse and Kakabadse, *Bilderberg People* for co-optation patterns in modern day global elites

²⁹ Granovetter, "The Strength of Weak Ties"

³⁰ Burt, "Structural Holes and Good Ideas"

³¹ see Richardson, Kakabadse and Kakabadse, *Bilderberg People* for a number of illustrative examples

³² McPherson, Smith-Lovin and Cook, "Birds of a Feather"

them focus their attention on the females in the room rather than on their board tasks. By having a woman on the board, the entire group dynamic of an old boys social club changes into a social arena where the majority of male board members compete for the attention of the female member(s). (For similar reasons no females were allowed to set foot on the trading floor of the Amsterdam stock exchange until 1975.) As a result, top managers and board members look alike; they are typically educated at the same institutions, attend the same social clubs and are with few exceptions male.³³ And as Tocqueville already noted, social homogeneity stirs social control because 'when conditions are unequal, no inequality, however great, offends the eye. But amid general uniformity, the slightest dissimilarity seems shocking, and the more complete the uniformity, the more unbearable it seems'.³⁴ In this situation the corporate elite tries to defend their privileged position against newcomers while at the same time feeling some need to adapt to changing societal circumstances in order to maintain their position.

Regarding the inside pressure that exists among the 'old boys', we expect that high status boards are different. High status confers esteem and privilege.³⁵ Boards and directors with higher status can be expected to have a higher degree of freedom to deviate from standard practice.³⁶ Therefore we expect that high status boards are more inclined to allow females to join. Within a social network such as the corporate elite, status is generally operationalized with some measure of network centrality. Or as Podolny argues, status 'flows through associations' and represents how location within a hierarchy (...) determines the opportunities and constraints.³⁷ Boards with central positions in the social network position of the corporate elite are therefore more likely to invite females among their midst.

Table 1 gives an overview of the two pathways to board democratization. We expect that democratization is initially endorsed through state pressure. Firms within the sphere of influence of the state will be most likely to be affected by this. The inspiration comes from the equal rights argument. Democratization from within the corporate elite on the other hand, stems from the conviction of the incumbent elite that it is smart to invite females into their ranks. This can be inspired by the equal

³³ Greve and Mitsuhashi, "Power and Glory"; Domhoff, *The Higher Circles*; Domhoff, *The Bohemian Grove and Other Retreats*; Barnes, "The Organizational Mosaic of U.S. Corporate Directors"; Westphal and Khanna, "Keeping Directors in Line"

³⁴ Tocqueville, *Democracy in America*, p.364

³⁵ Washington and Zajac, "Status Evolution and Competition"

³⁶ Ibid.; Centola and Macy, "Complex Contagions and the Weakness of Long Ties"

³⁷ Podolny, *Status Signals*, p.11, 14

rights, the functionalist argument, or, typically, a mixture of both. We expect the first movers to be high status firms with an international orientation.

[INSERT TABLE 1 ABOUT HERE]

Before we proceed to the case of the Netherlands, we should note that in our discussion we emphasize the 'demand side' of female board participation. On the 'supply side', there are ample barriers as well. First, until recently women were also strongly underrepresented in the management positions just below the board level.³⁸ Indeed an often-heard excuse for the lack of female board members is that there is a lack of qualified candidates. For instance, former president of Dutch bank-insurance conglomerate ING, Aad Jacobs, declared that 'he had never met a woman qualified to become a board member'.³⁹ But if the implicit quality that he searches for is to be male, it may indeed become difficult to find well-suited directors. A second supply side barrier to women entering the corporate elite is that management experience in other segments of society does not seem to count in the corporate recruitment process. This means that it is difficult to switch from public administration to business or from the non-profit sector to business. Third, women often prefer part-time jobs, as is the case in the Netherlands.⁴⁰ This desire however should not inhibit women from entering a supervisory board – which is a part-time occupation – but it does make women reluctant to enter the executive board. In what follows we devote our attention mainly to the demand side and less to the supply side. The main reason for this is not that we believe demand side is more important, but that our contribution lies in the particular perspective we offer on the demand side of female board participation.

Business Elites in the Netherlands

The case of the incorporation of female directors in the Netherlands' boards of directors over the period 1969-2011 serves as our research setting. A small and highly internationalized economy, the Netherlands scores above average in the recent rankings of female membership on corporate boards while no targets of female membership have been set until 2012. The size of the Dutch business community is such that we are able to fully map the dominant corporate elite and trace the professional background of all female board members of the largest firms in the Netherlands over the

³⁸ Sociaal en Cultureel Planbureau, *Emancipatiemonitor 2012, 2013*

³⁹ Fennema and Heemskerk, *Nieuwe Netwerken*, p.95

⁴⁰ Visser, "The First Part-Time Economy in the World"

period 1969 – 2011. Before we report these empirical findings, we first sketch the historical and institutional particularities of the Dutch business community.

The corporate elite in The Netherlands remained an all-male elite up until the 21st century. Other elites opened their ranks to women in the second half of the 20th century, such as the political elite (1970s), state bureaucrats (1990s) and the semi-public sectors (1990s).⁴¹ The corporate elite however was able to restrict considerable female entrance until the late 1990s. In the neo-corporatist landscape of post war Netherlands, corporate governance developed a stakeholder orientation. This built on the notion that there should not be one stakeholder within the firms whose interest dominates over the others, such as, for instance, the shareholder. During the early 1970s this was formalized in corporate law. The Netherlands has a two-tier board system, where executive directors convene in the executive board, and outside directors meet in a separate supervisory board. The supervisory board was defined as an independent council with the task of serving 'the interest of the limited liability company and its enterprise', rather than shareholder interests alone. State-controlled corporations in the Netherlands typically functioned at arms-length as semi-private firms.⁴² Their governance structure mimicked corporations with executive and supervisory directors. A more shareholder oriented corporate governance perspective has gradually replaced the stakeholder orientation. Today both a one-tier and a two-tier board structure are allowed, although the latter remains dominant.

In the procedure for recruiting new directors, the supervisory board plays a crucial role. In the traditional Dutch corporate governance system, it is the supervisory board that selects and appoints new executive board members. And because the supervisory board is considered an independent body, they themselves appoint new supervisory board members as well. Only recently, shareholders gained more influence on the recruitment procedure. The recruitment practices of the Dutch corporate elite resulted in a post-war 'Old Boys Network'. A notable effect was a dense network of board interlocks. When a person sits on the board of at least two firms, he or she creates an interlocking directorate. These board interlocks are important building blocks for the business community.⁴³ Not

⁴¹ Fennema and Schijf, "Elites in Nederland"

⁴² Heemskerk, Mokken and Fennema, "The Fading of the State"

⁴³ Carroll and Fennema, "Is there a Transnational Business Community?"; Scott, *Corporate Business and Capitalist Classes*; Heemskerk, *Decline of the Corporate Community*

only was it a male-only community, but many of the big linkers in the network were recruited from aristocratic families.⁴⁴ And in this period females were fully excluded from the corporate boardrooms.

The second feminist wave in The Netherlands started during the seventies. But this feminist movement came from the left and hence had a strong bias against capitalist business organization. Women were mobilized to demand representation in the political arena, to demand equal rights on the labour market, but not to press for female representation in the boardroom. Yet, the feminist movement did indirectly affect corporate elite recruitment. The first business school in The Netherlands, Nyenrode, was forced to open its doors to female students in 1976. Old aristocratic student fraternities that traditionally provided business leadership was also 'emancipated' in the seventies. Hence the pathways to the economic elite positions slowly opened up. The feminist movement that had been so strong in the 1970s had run out of steam in the 90s but it did not disappear. It was just mainstreamed and thus lost its radical left-wing character. The demand for female participation on the board of directors of large firms now slowly became part of the feminist agenda. This pressure further mounted after 1989 when communism collapsed. Liberalism turned out to be the historical winner but was at the same time challenged to live up to its own program that included equal rights for men and women. We may add that early feminism had induced female students to pursue a career rather than become a housewife. Thus, by the nineties there were plenty of women that now had a professional career and this was a group of female professionals and managers that began to feel that further career advancement was apparently blocked at the highest levels of management. The so-called 'glass ceiling' that was also felt within the universities where females hardly ever became full professors, became something that was being discussed in the newspapers. It became a political issue and hence, also a problem to be tackled by the corporate elite.

In the debate on corporate governance, female participation in the boardroom did not become an issue until the 21st century. The first Dutch good governance code (Commissie Peters) that was implemented in 1996 did not address the issue of board composition at all. After some corporate fiascos and scandals, most notably the near bankruptcy and accounting scandal of Ahold in 2003, a new and more stringent governance code was introduced. This Tabaksblat code (2004) did not include any references to diversity in the supervisory board either. But, while the corporate elite did not seem concerned with the low number of female board members, the issue became slowly more

⁴⁴ Heemskerk and Fennema, "Network Dynamics," 807-832

politicized. In 2006 a lobby was organized to push for more females on the corporate boards under the header of 'women on top'. Their call for more females on corporate boards was inspired by the presumed waste of human capital, a necessary increase of workers participation, setting a good example and ultimately also by the business case argument. Disregarding the diverse results of previous studies, they claim that corporations with more female top managers outperform other firms.⁴⁵ They did not campaign on an equal rights argument. A year later, in 2007, their lobbying activities resulted in a motion in parliament that called for a target for the number of females on corporate boards. The updated Dutch corporate governance code stated that a company should 'aim for a diverse [board] composition in terms of such factors as gender and age'.⁴⁶ Later, the Labour party succeeded in passing a law that demands large corporations to have a target of 33% female board members. An indication of the increasing salience of the issue in the public debate is illustrated by Figure 1. It gives an admittedly rudimentary overview of the salience by counting for each year following 1990 the number of Dutch newspaper articles that included the word 'females' and 'executive board' or 'supervisory board'. The overall trend is clear and corroborates the notion that public discussion on female board membership only picked up at the beginning of the 21st century.

[INSERT FIGURE 1 about HERE]

The growing attention to female board participation was not without effect. Figures 2 and 3 illustrate the entry of women onto the Dutch supervisory and executive boards of the largest 25, 100 and 500 corporations (as reported by the Sociaal Cultureel Planbureau). As expected, in 1990 females were still rarely found on corporate boards. On the executive boards, there were no women at all. In the supervisory boards of the 100 largest firms women occupied only 3.1% of the seats. The figures warrant three observations on the subsequent inclusion of females on corporate boards. First, while the largest 25 firms do have the highest number of female supervisory (non-executive or outside, see Figure 2) directors, until very recently they were the least willing to include women on the executive boards (see Figure 3). Second, the increase in the number of female directors took place in two waves, separated by a period of consolidation. After an initial period of stark increase during the 1990s, the rise of female supervisory board members consolidated until 2003/2005, when a second period of

⁴⁵ Mees and Kroes, "Meer Vrouwen Aan De Top - Desnoods Verplicht"

⁴⁶ Lückcrath-Rovers, "Women on Boards and Firm Performance"

increase in female board membership took off. Beginning in 2003, there is a new increase in female board membership that gains pace from 2005 onward. This increase is strongest among the top 25 firms that have, by 2009, 14% female supervisory board members. For executive boards a similar trend is visible, although with a time lag. Thus, between 1999 and 2003 the number of female directors increases steeply, followed by a period of consolidation. Since 2007 the number of female executive board members of the top 100 corporations is again on the rise; up to 6.5 % in 2011. Third, the timing of the two waves of female ascension to corporate boards mirrors a similar development in Foreign Direct Investment. Figure 4 shows the increase in Dutch female board members (both executive and supervisory) as well as the trend in foreign direct investment. The increase in female board memberships indeed seems to follow increased levels of foreign direct investment. In our analysis we will therefore have a keen eye for the role of internationalization.

[INSERT FIGURES 2, 3 and 4 about here]

The construction of the data

We traced back the composition of corporate boards for the years 1969, 1976, 1996, 2001, 2006 and 2011. We included both the executive directors at the level of the board (*raad van bestuur*) and the supervisory directors (*raad van commissarissen*); top management positions below the board of directors are not included. The dataset was constructed following the common practice of stratified sampling.⁴⁷ Each wave (except 1969, see below) contains the 200 largest industrial and service firms of the Netherlands in terms of total revenue and the 50 largest financial firms in terms of total assets. Both listed and non-listed firms are included. For 1996 and 2001 we used the existing dataset as described and analyzed by Heemskerk.⁴⁸ The 2006 and 2011 networks were compiled for the purpose of this study. Firms without significant economic activities (notably administrative units and mailbox firms) are not included and subsidiaries of firms that are part of the largest 250 firms are excluded as well. The 1969 dataset comes from the seminal ‘traces of power’ study and contains the largest 84 firms.⁴⁹

Subsequently we identified all of the female board members. This allows us to analyse the proportion of female board directors among the Dutch corporate elite, but to also consider their

⁴⁷ Stokman, Ziegler and Scott, *Networks of Corporate Power*

⁴⁸ Heemskerk, *Decline of the Corporate Community*

⁴⁹ Helmers et al., *Graven Naar Macht*

position within the structure of the network of interlocking directorates. We then collected information on the career background of all female board members in our sample. For each person we traced their career trajectory through sources such as annual reports, personal websites, newspaper and magazine articles. For almost all female board members we have been able to trace their professional background. We discern between board members with a career in business (both financial and non-financial), professional services (law, accounting) and academia. For the female politicians who serve on corporate boards we distinguish between those who are a member of the board of a (former) state owned or controlled firm and those who are not. Finally we have a separate category for those directors who owe their board position due to family ownership.

Women on Dutch corporate boards

1960s: a reluctant entrance

Tracing back the first female presence in the largest corporate boards in the Netherlands brings us to the late 1960s. There were female directors before in Dutch firms. Louise Margu rite van Loon for instance joined the prestigious family bank Hope en Co as a partner during the 1920s, joining her father and several brothers. Such female presence at the top level of firms occurred in family firms mainly, and certainly not in boards of limited liability corporations. The first female member on a board of one of the largest firms in the Netherlands we encounter at chemical corporation Akzo (now Akzo Nobel). Mrs Kittie Schudel- Van Zwanenberg served on the supervisory board from 1969 to 1982. Akzo has always been considered a high status board in the Dutch business community, in the same league as Philips, Royal Dutch Shell and Hoogovens and with a fair share of aristocracy among its board members.⁵⁰ Membership to the supervisory board was typically granted to reputed executives of the other largest and most prestigious Dutch firms. As a consequence of its status and attractiveness Akzo was the third most central firm in the network of interlocking directorates by 1969.⁵¹ This seems to be in line with our expectation that democratization from within is more likely to occur at high status firms. In this case, however, something else is at play. Mrs Schudel-Zwanenberg's board position is the consequence of family capital. She was the daughter of Saal van Zwanenberg, son of a Jewish family of butchers and cattle traders and founder of pharmaceutical Zwanenberg-Organon. During a

⁵⁰ Heemskerck, *Decline of the Corporate Community*

⁵¹ Helmers et al., *Graven Naar Macht*, p.237

wave of mergers and acquisitions in the second half of the 1960s AKZO acquired Organon (by then Koninklijke Zout Organon (KZO)) in 1969. Schudel-Zwanenberg already served on the supervisory board of KZO and regained her position when it was merged in AKZO. At AKZO, the separation of ownership and control has not yet fully taken place and the founding families still gain a fair share of influence through board positions. And for the Van Zwanenberg family, there was no male sibling that could take the board position. Thus, the first female entrance among the most important Dutch corporate boards was through ownership.

[INSERT TABLE 2 ABOUT HERE]

1970s: The state steps in

During the seventies we see that more women entered corporate boards. In 1976, we count 12 female board members at the largest 250 firms in the Netherlands (see Table 2). In absolute terms, they represented 0.54% of the entire group of corporate board members. This extremely limited representation shows that female board presence was still an exception, but at the same time not unheard of. Out of these twelve, nine were politicians. And eight politicians served on the board of state-controlled corporations. They sat on the supervisory board ex officio, for instance where positions of the board of regional energy companies are reserved for aldermen. The democratization of the political elite already made these offices increasingly filled by females as well. It was a spill-over effect from one elite to another. The female politicians who managed to enter the boardrooms did not come from one particular political family. They were Labor party members (three), liberal conservatives (two), and liberal democrats (two). There was even one communist female director. This heterogeneity in political background suggests that the female board presence is not the result of an agenda from a particular political group but rather a general the result of an overall increase of female participation on key political positions. One female politician stands out because she served as supervisory board member of a private firm, the luxury shopping mall Royal Bijenkorf NV. Mrs Gardeniers-Berendsen was a member of parliament for the Christian Democrats from 1971 until 1977, when she became minister and was forced to resign from the board.

Although the number of cases we consider here is small it does provide us with important information because these are the first females to enter corporate boards. During the 1970s, politicians paved the way. State-controlled firms were the first to allow female directors on their boards.

Only two out of twelve female board members in 1976 gained their position through capital ownership (including the aforementioned Mrs Schudel). The final female board member we encounter is more distinctive. From 1976 to 1989 Mrs 't Hooft-Welvaars sits on the supervisory board of AMRO bank. AMRO is one of the two largest banks in the Netherlands (the other being ABN) and an organizing pillar in the network of interlocking directorates.⁵² What is distinctive about this board appointment is that for the first time a woman was invited to one of the most important boards in the Netherlands, not for her political affiliations or family background, but for her expertise. She was a well-respected economist and became professor in Rotterdam when, as rumour has it, she was passed for a chair in economics at the University of Amsterdam because she was a woman. Before she was invited on the supervisory board, she served three years on the advisory board, together with another female Mrs H.G. Goudswaard-Blom, who became lady-in-waiting to Queen Beatrix a few years later. It seems that she made such a good impression and contribution that the board members deemed it fit to invite her to the supervisory board. Perhaps it helped that the CEO of AMRO had some experience with female board participation because he also sat on the supervisory board of AKZO, where he worked together with the aforementioned Mrs. Schudel. This particular case falls into the category of recruitment from within the corporate elite. And as we expected, this occurred at a high status board right in the midst of the elite corporate network.

1980s and mid 1990s: A widening of female presence

Following 1976 we see that the inflow of women onto boards slowly gained pace. By 1996 there were 38 female board members among the largest 250 firms: a meager 2.15% of the entire corporate elite. But while the overall numbers do not show spectacular progress, an important change did take place: the first females entered the executive board.

In 1996, seven of the 38 female directors held executive positions. None of them reached the corporate boardroom through politics or family ties. They all had a career in business. Some as entrepreneurs and CEO of their own company (Tineke Veldhuis-Hagedoorn of Holland Colours, Sylvia Toth of Content), others were able to rise through the corporate hierarchy, such as Marielle Wiegmans. Trained as a secretary, she started her career as a desk clerk at Rabobank in 1984, but soon became a trader. After two years she left for stockbroker AOT, where she became executive board member in

⁵² Heemskerk, *Decline of the Corporate Community*

1996. This example underscores the increased importance of meritocratic recruitment and open career trajectories. By the mid-1990s more meritocratic recruitment practices in combination with more and more business careers among women created a situation where the highest corporate echelons were no longer out of the reach of women.

Politicians were still well represented among the female members of the Dutch corporate elite by 1996, although not as omnipresent as twenty years before. They still accounted for almost 35% of the female board positions. It will take another ten years before the share of female politicians will significantly decrease. In contrast to the 1970s, however, the female politicians are increasingly invited to corporate boards that are outside the sphere of influence of the state. Businesses such as Vendex (formerly Bijenkorf), publishers VNU and PCM, but also financials, such as Rabobank and Generale Bank, invited female politicians onto their supervisory board.

The gradual acceptance of women joining corporate boards also leads to their ascension to the network of interlocking directorates. In 1996 six female directors had more than one board position among the largest 250 firms. We call members of the corporate elite with at least four board positions *big linkers*.⁵³ In the mid-1990s only one female was a big linker (against 47 males). Neelie Kroes came from a Rotterdam business family and while she received a master in economics, she chose a career in politics. In 1971 she became a member of parliament for the Liberal Conservatives (VVD) and was a member of the government from 1977 to 1989. She is a prime example of a female politician who was invited onto supervisory boards during the 1990s. She acquired positions at firms such as Ballast Nedam (1990), McDonalds Nederland (1991), Nationale Investeringsbank (1991), Nederlandse Spoorwegen (2002), and many others. From 2004 onward she continued her political career as European Commissioner. She was also an open supporter to the lobby for more female board participation that emerged in the early years of the 21st century.

The democratization of the corporate elite continued in the more traditional parts of the business community. There was an increase of female board members with a family or ownership relationship to the corporation. This signals a transformation where the male members of a family no longer exclusively take up the supervisory positions that safeguard the family investments. Take for instance the longstanding leaders in Dutch industry and trade, the Fentener van Vlissingen family. In the last decades of the 20th century it was led by brothers Paul and Frits. By 1996, the family relied on

⁵³ Heemskerk and Fennema, "Network Dynamics," 807-832

Annemiek Fentener van Vlissingen (daughter of Frits) and niece Marguerite Mautner Markhof-Cassis Farone (niece of Paul) to safeguard family interests through their board positions. 'In the family it was custom to keep the women out of the firms', Paul reflects in an interview. 'When my grandfather died, his daughters did not inherit any of the shares of SHV [the family company]; that would have been an unspoken invitation to the son-in-law to come and work with the firm. My brother and me, we changed this for our children'.⁵⁴ Here we see a clear example of democratization from within the corporate elite inspired by an equal rights argument.

A final note on the background of female board members by the mid-1990s concerns a modest increase in female board members with an academic background, such as Van Rosmalen, professor at Delft Technical University and supervisory director at Holland Colours; Hommes, professor in social sciences and member of the board of insurance firm Delta Lloyd; Professor Van der Berghe who became member of the board of Bank-insurance firm ING in 1991; and professor at Nyerode business university Roobeek, supervisory director at publisher PCM and financial conglomerate Fortis. The corporate elite started to recruit females from the academic elite.

At the dawn of the 20th century, women gained more ground in the corporate elite; their numbers grew. Some of them reached top executive positions as well. Yet, it is striking to see that even by 2001 only less than one third of the female board members have a distinct business background. The incumbent corporate elite prefers females from other elites on their boards, such as politicians and academics. In the boardroom, female members encounter a dominant faction of male board members with a business profile. The influence of the female partition of the corporate elite is therefore not only limited by their small numbers, but also by their non-business background which makes them more 'visitors' than full-fledged members of the elite. Such a strategy – inviting women from non-business elites – allows the incumbent elite to democratize their ranks without giving up their dominant position.

The 21st century: competition with foreigners grows stronger

Female representation at the apex of corporate power steadily increased in the years following 2001, with growing numbers of female board members from business and professional services such as accounting and law. In the first decade of the 21st century the number of females on corporate boards

⁵⁴ Haasnoot, "Ondernemer Paul Fentener Van Vlissingen"

steadily increases, from 59 in 2001, 78 in 2006 to 112 in 2011. This equates to about 6.5 percent of all board members are female. However, a closer look at this group reveals a striking observation that suggests that the increased numbers are not necessarily good news for *Dutch* females. As it turns out, Dutch corporations increasingly recruit foreign female directors to their boards.

Internationalization of board composition markedly increased over the past decade, in particular among the largest listed firms. The Netherlands in particular stands out with a relatively high number of non-nationals as board member of the largest listed firms.⁵⁵ Merger and acquisition activities of Dutch corporations have been an important reason for the large overall influx of foreigners, both male and female.⁵⁶ But what is striking is that the share of foreign female directors is several magnitudes higher than the foreign male directors. In 2001, 21 of the 59 female board members came from outside the Netherlands. For those among the group of female directors with a business background, the contrast is even stronger. Only five out of the total 18 are Dutch. This leads us to the observation that the inflow of female directors that takes place is only partly a sign of the emancipation of the Dutch 'old boys' network. Indeed, as a Dutch female it is still very difficult to reach a top position, and now even more so because of the popularity of foreign females.

Some of the foreign female board members serve on 'genuine' Dutch firms, such as big linker Lutgart van den Berghe at ING, CSM, SHV and KLM; Toni Rembe at Aegon; and Nancy McKinstry who became the first Dutch female CEO of a major stock listed firm when she took over leadership of publisher Wolters Kluwer in 2003. Before she had been CEO of USA based publisher CCH and joined the board of Wolters Kluwer when it acquired CCH. However, we see that a fair share of female board members actually serve on the boards of foreign-owned or -controlled firms. Take for instance Patricia Barbizet-Dussart at Gucci Group and Miuccia Prada Bianchi at Prada Holding (in 2001). Both firms are listed and based in the Netherlands, but should not be seen as genuine Dutch companies. The relocation of head offices and the increase of international mergers and acquisitions bring foreign women onto corporate boards, but it inflates the figure of female presence in *Dutch* corporate boards. This is an important caveat that remains disregarded in the common literature on nationality diversity on corporate boards.

[INSERT FIGURE 5 ABOUT HERE]

⁵⁵ Van Veen and Marsman, "How International are Executive Boards"

⁵⁶ Heemskerck, "De Internationalisering van de Nederlandse financieel economische bestuurselite"

After 2001 the share of foreign female directors increases to over 40 per cent of all female directors in 2006 and 2011. Out of the 112 female board members in 2011 only 66 have Dutch nationality (see Table 2). And those females with a career in business increasingly achieve *executive* board placements as well. By 2006 there are 18 female executive board members, and five years later this has increased to 32. About half of them are foreigners, either at foreign-controlled or at 'genuine' Dutch firms. And the rest have Dutch nationality. When we look at the professional background of the Dutch and the non-Dutch female board members, we see marked differences. Figure 5 shows the differences in background for the female board members in 2011. Of the Dutch board members 40 per cent have a business background. However for the foreign directors this is no less than 75 per cent.

A closer look at the group of Dutch female *executives* leads to another interesting observation. Many Dutch female executives hold their position in firms that are former state-controlled or state-owned firms. There is Carlo Smits-Nusteling at KPN and Merel van Vroonhoven at the Dutch Railways, Claudia Zuiderwijk at ProRail (ad interim), Mirjam Sijmons at Eneco and Caroline Princen at ABN AMRO which became a state-owned firm after the bailout following the financial crisis. Some Dutch females reach top executive positions at other firms as well (for instance Jolanda Poots-Bijl at Volker Wessels Stevin and Gerlinde Silvis at Rabobank), but the numbers suggest that the firms that are or used to be within the sphere of influence of the state are still more willing to recruit females into their top echelon.

[INSERT FIGURE 6 ABOUT HERE]

How the old boys open their ranks to women without losing their power

In the 21st century, female corporate board members are no longer an exception. In absolute terms, their numbers may still be low compared to the number of male board members. At the same time, a vast share of big business now recognizes that female board membership is an inherent element of the properties of the business community. In the last forty years, the female politicians that first found their way into corporate boards have been replaced by women with a business career trajectory. Figure 6 shows how the professional background of female directors (both executive and non-executive) changes over the period 1976 – 2011. By 2006 no more than 10% of the female directors came from politics, and five years later this dropped to an even lower 5%.

Female politicians paved the way for other female board members. Following more meritocratic recruitment practices and career development, females with a business background increasingly enter corporate boards. This also underscores another important observation: the group of female board members is not homogenous but consists of several groups and cohorts. The politicians came first, then came the academic professors and finally the women with a business career.

Yet, democratization from within remains relatively modest and the incumbent corporate elite applies several strategies to keep female board members from becoming an all too important factor in the Dutch business community. Firstly, they invited females from adjacent elites into their boards; initially from politics and academia, later from other countries. Members from other elites pose less of a threat because they are not fully a part of the corporate elite. And foreign females are arguably less threatening because foreign directors hardly participate in national elite business networks.⁵⁷

Secondly, although women increasingly occupy the boardroom, they still do not reach the more powerful positions. The first time a female rose to the position of chair of supervisory board of a major Dutch firm was in 2009, when Marike van Lier Lels took this position after the former chairman of USG suddenly passed away. And in a similar vein, the entrance of females into the ranks of interlocking directors – the inner circle of the corporate elite – remains limited. The number of female directors with more than one board position at the top 250 firms remains stable from 1996 (8 interlockers) through 2001 (6 interlockers) to 2006 (8 interlockers). In 2011 their numbers more than doubled to a total of 18 interlockers.

Thirdly, it has been argued that the beneficial contribution of female board members comes with a threshold effect.⁵⁸ Just one female entering the board may be ignored and thus the internal capacities will not increase and may even decline if the presence of the female creates tension. With two female board members there is somewhat more of a critical mass, but typically observers state that with three females on the board there is an actual change in board dynamics.⁵⁹ While females have been entering corporate boardrooms since the 1990s, they are still a minority. More than two female on one board is still very exceptional: in 2011 five Dutch supervisory boards have three female members and three of these organizations are (formerly) state owned (TNT, Alliander and BNG). At

⁵⁷ Heemskerk, *Decline of the Corporate Community*

⁵⁸ Kramer et al., *Critical Mass on Corporate Boards*

⁵⁹ Erkut, Kramer and Konrad, "Critical Mass"; Kramer et al., *Critical Mass on Corporate Boards*

the executive board level three corporations have two female board members. This all implies that any potential benefits from diversity are still counteracted by negative effects of group dynamics. In sum, the female group of corporate board members still have to find their way into the core of the corporate elite.

Conclusion and discussion

After a century of an all-male corporate elite, females slowly gained access to corporate boards. We have traced how and where females gained access to the corporate boards. The perspective we applied was that of an incumbent elite that has to open up its ranks and by doing so allows for more descriptive representation. Rather than asking the question why there are so few women on corporate boards we asked how an incumbent corporate elite allows for democratization of its ranks. We have used the term democratization in the Tocquevillian sense of the word: (more) equality of access to positions of power and influence for all citizens. Building on the scholarly literature we distinguished between democratization driven from within and from outside the corporate elite. Accordingly, we have formulated a number of expectations (see Table 1).

When, during the 1970s, the first females started to enter corporate boards, this was mainly through outside pressure. State controlled firms were the first to allow females on their board. These initial female board members were politicians, partly occupying their positions ex officio. In a way, the state paved the way for females to join the corporate elite. One might say that political democracy induced the democratization of the business elite. The entry of female politicians in the boardrooms of state controlled firms also had a more lasting effect on the wider business community. After their initial entry in the boards of state controlled firms, female politicians were also recruited as board members of other large corporations. Yet, even in the 21st century former state owned firms still had more Dutch females on their executive boards.

Democratization from within the corporate elite did follow externally driven democratization (as we expected). Initially the incumbent corporate elite preferred female politicians over females with a business background. This may also be a supply side issue: there was only a very small group of females with business experience. It is only after the turn of the century that we find an increasing number of female board members with a business background. These female board members with a business background are more often than not from foreign origin.

The Dutch corporate elite has increased its descriptive representation over the past decades. The total absence of females at the highest levels of corporate decision-making is now gone. We see this as part of the democratization of Dutch society. Increasingly so, powerful positions can be obtained because of merits, rather than through ascription. Tocquevillian democratization can also be conceived a move toward meritocracy. Social homogeneity among the corporate elite is decreasing. At the same time, it is clear that we should not overstate the heterogeneity of the corporate elite. In order to ascend to and be invited to a board, one needs to adhere to certain norms, practices and behavior. This goes for both males and females. The enhancement of female board participation builds on both equal rights and functionalist arguments. And often, these two work in tandem. Both lines of argumentation provide for a sense of legitimacy to female board participation. The case of the Netherlands suggests that if more equal participation in corporate boards is an important political goal, the incumbent corporate elite might well need a helping hand in making corporate governance more democratic.

This study is limited for at least two reasons. First of all we deliberately focused on the 'demand side' for female board participation. It goes without saying that we cannot fully understand the processes and mechanisms that lead to a more equal distribution of powerful positions between men and women if we do not consider supply side issues as well. Increased levels of education, changing distributions of household tasks within families and changing preferences of working hours all play a role in the ascendance of females to the corporate board. Here we show that the demand side plays a crucial role. A second limitation is that we look at board composition and do not delve deeper into the black box of board decision-making. Further investigation of the nature of women's board participation is needed: to what extent do they influence the board dynamics. Are they able to make contributions to the decision making process? In other words: how much influence do women have *vis-à-vis* their male counterparts?

The implications of our study extend well beyond the Dutch case. Our study shows that research into board diversity can learn quite a lot from considering the paths through which women moved and continue to move onto corporate boards. It is important to recognize that businesswomen are not a homogenous group. We have been able to show how particular paths have been important in particular periods and how over time several pathways to the boardroom mutually have reinforced each other. This take on the important issue of female representation at the corporate apex can help

us to better understand why there are still few women on corporate boards but also, how those that *are* made it there. We hope that our study of pathways to the Dutch corporate elite will inspire new directions in corporate elite studies.

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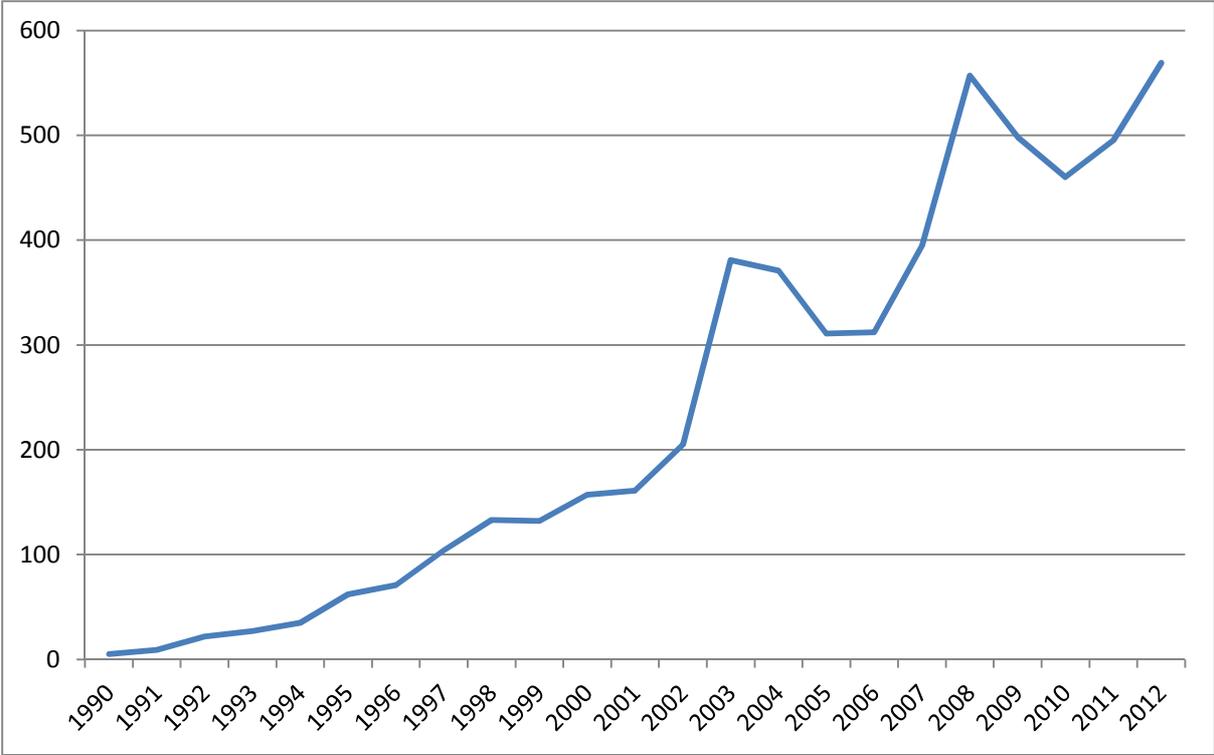
Table 1: Elite democratization from within and from outside

	Democratization from	
	Outside elite	Within elite
Change comes from	Pressure from outside the elite	Pressure from inside the elite
Inspired by	Equal rights argument	Functionalist and Equal rights arguments
First movers	Firms within the sphere of influence of the state	High status firms
Professionals background of female directors	Politics	Business
Timing	Precedes democratization from within	Follows democratization from outside

Table 2: Female presence in corporate boards in the Netherlands and their professional background

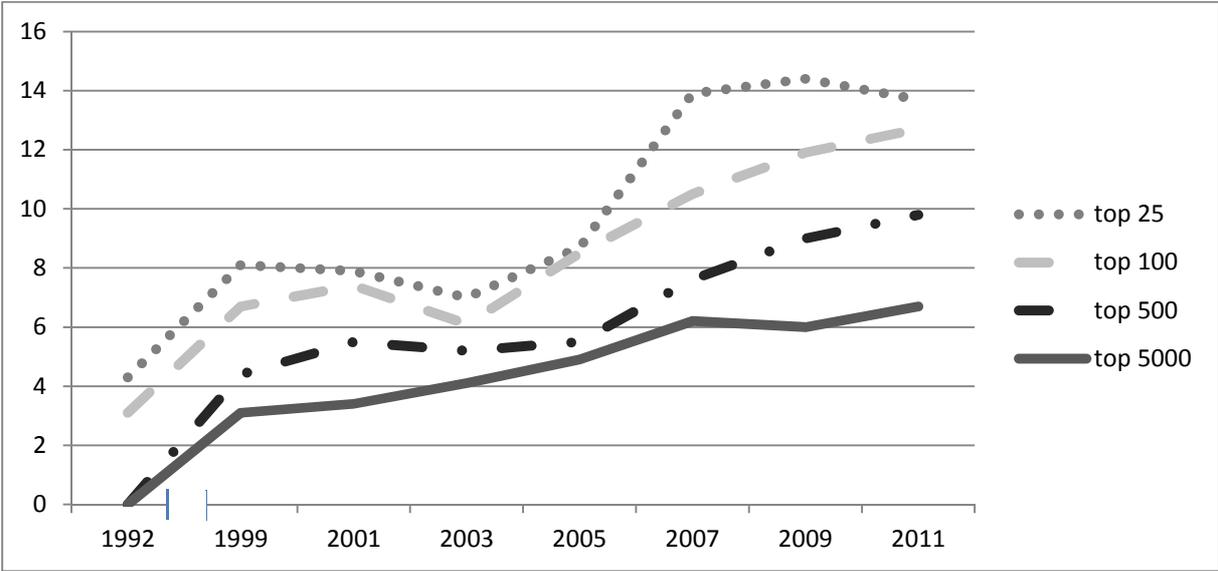
	1976		1996		2001		2006		2011	
				%		%		%		
Total number of directors	2222		1771		1721		1617		1739	
Female directors	12		38		59		78		112	
as % of all directors	0.54		2.15		3.43		4.82		6.44	
Female executive board members	0		7		11		18		32	
Foreign female directors	0		7		21		33		47	
Dutch female directors	12		31		38		45		65	
as % of all directors	0.54		1.75		2.21		2.78		3.80	
Background:	#	%								
Politics, at private corporation	1	8.3	8	21.1	11	19.0	5	6.41	6	5.36
Politics, at government controlled corporation	8	66.7	5	13.2	7	12.1	3	3.85	0	0.00
Family / owner	2	16.7	7	18.4	8	13.8	5	6.41	7	6.25
Academic	1	8.3	4	10.5	4	6.9	8	10.26	8	7.14
Business	0	0.0	9	23.7	18	31.0	33	42.31	61	54.46
Services	0	0.0	1	2.6	5	8.6	7	8.97	10	8.93
Other	0	0.0	3	7.9	5	8.6	8	10.26	12	10.71
Unknown	0	0.0	1	2.6	0	0.0	9	11.54	8	7.14
Total	12		38		58		78		112	

Figure 1: Dutch Newspaper articles that mention females and executive board or supervisory board



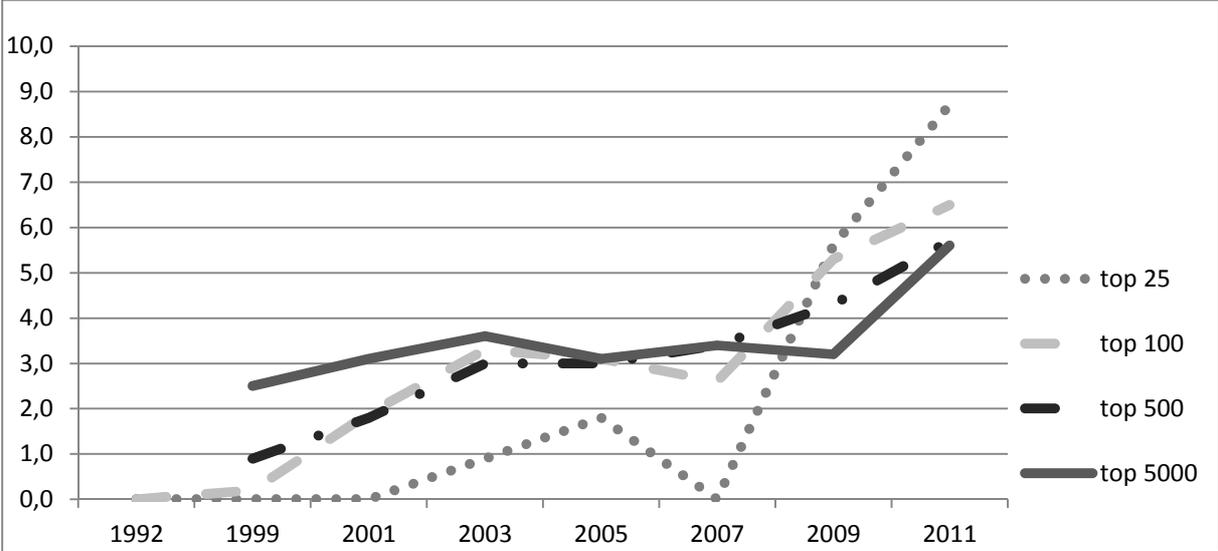
All Dutch national distributed newspapers are included. Source: Lexis Nexis Academic

Figure 2: Percentage of females on Dutch Supervisory Boards



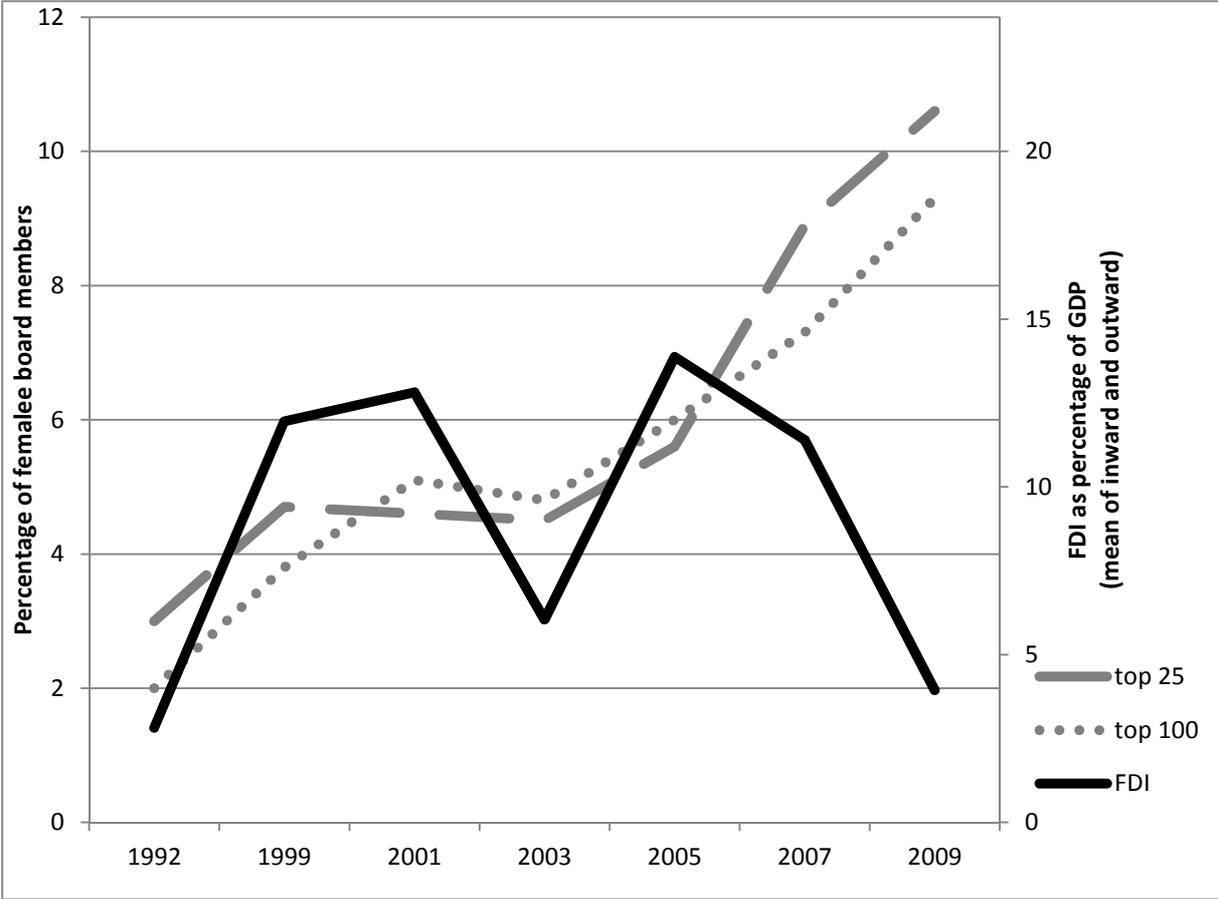
Source: *Emancipatiemonitor 2012, 2000*, Sociaal en Cultureel Planbureau

Figure 3: Percentage of females on Dutch Executive Boards



Source: *Emancipatiemonitor 2012, 2005, Sociaal en Cultureel Planbureau*

Figure 4: Female board participation and Foreign Direct Investment in the Netherlands



Source Foreign direct investment: CIA world factbook (accessed June 2012). FDI gives the average of inward and outward FDI.

Source Percentage female board members: Emancipatiemonitor 2010, 2005, Sociaal en Cultureel Planbureau

Figure 5: Profesional background of Dutch and non Dutch female directors in 2011

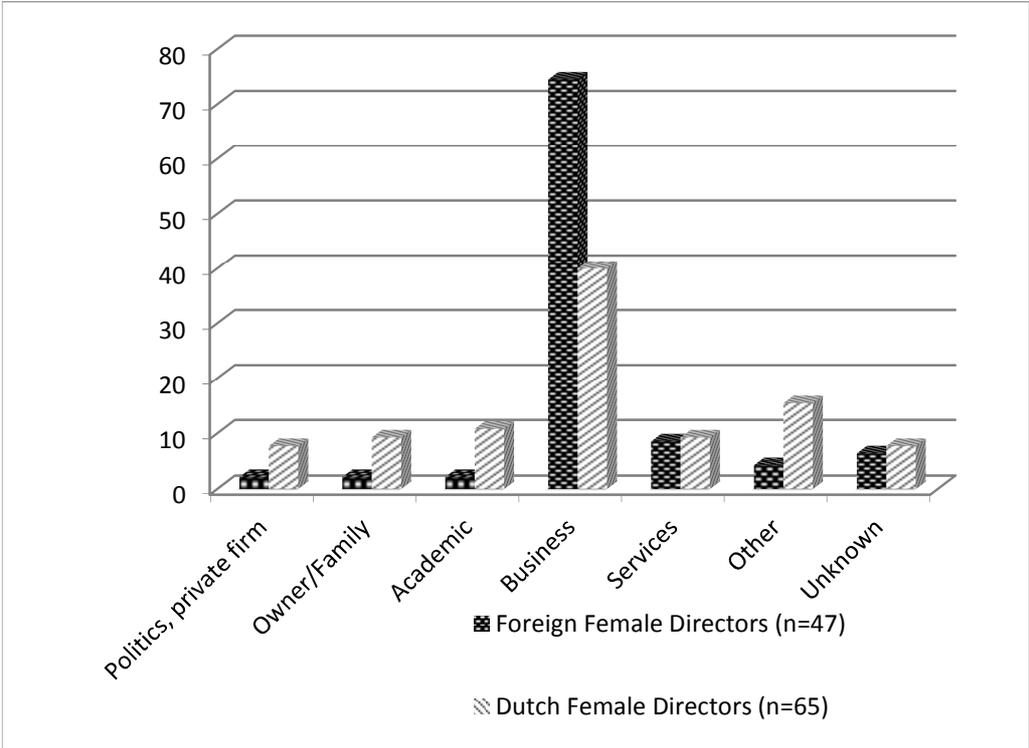


Figure 6: Background of female board members of the largest 250 firms in 1976-2011

