

## GENDER BALANCE ABOVE CORPORATE GOVERNANCE QUOTAS

**Tommaso Fornasari**

Department of Economia & Management,  
Università degli Studi di Brescia, Via San Faustino 74 Brescia 25123, Italy  
Email: [tommaso.fornasari@unibs.it](mailto:tommaso.fornasari@unibs.it)

### Article History:

Received: 15- Jul -2022  
Revised: 10- Aug- 2022  
Accepted: 21 Aug-2022  
First Published:15-Sep-2022

### Journal Information:

International Journal of Social Sciences & Economic Environment, ISSN: 2456-7485 (online)

### Cite this Article as :

Tommaso Fornasari (2022), "Gender Balance Above Corporate Governance Quotas", International Journal of Social Sciences & Economic Environment, Vol. 7, Issue 2, 2022, pp 01–19.

### DOI:

<https://doi.org/10.53882/IJSSEE.2022.0702001>



©2022 By the Author. Published By Acadres C, India. This article is an open access article published & distributed under the terms and conditions of the Creative Commons Attribution (CC BY 4.0) license. The full terms of this license may be seen at <http://creativecommons.org/licenses/by/4.0/legalcode>

### ABSTRACT

**Aim of the Study:** The paper tries to examine how the evolution of the principles of corporate governance can promote improvement in other fields as well. Specifically, it aims to investigate whether the imposition of quotas on the boards of big corporations encourage gender balance outside the companies themselves

**Design/Methodology:** Through qualitative analysis and descriptive statistics, the paper investigates the secondary effect of the introduction of quota law in Italy. The analysis verified two hypotheses. First is about the under-representation of women within the board of companies not covered by quota law. Second about the percentage of women in key decision-making positions, after the approval of quota law.

**Findings:** The study shows that the imposition of a quota law has an excellent effect on the societies to which the law is addressed directly, but insufficient results in terms of cultural change.

**Practical Implications:** For scholars, this research intends to verify the effectiveness of a coercive systems for the achievement of gender equality. Board members and practitioners could exploit the findings of this research to trace the future path of their companies in the gender area. Policy makers and authorities have a valid tool at their disposal to develop an effective gender policy, basing the choices on objective results, net of political conditioning and bias.

**Originality/value:** Scholars have highlighted the positive effects of quota law in economic terms, while others have outlined the potential in social terms. This last aspect, only generically studied, represents a gap in the literature. For this reason, the paper deepens and investigates the secondary effects of this regulatory approach, about relevant roles of key decision-making positions in the economic, political, and social fields.

**Keywords:** corporate governance; gender balance; gender diversity; quotas; board of directors.

**Paper type:** Research Paper

## INTRODUCTION

Despite significant improvements, gender unbalance at work is still a very topical issue: the 2030 Agenda for Sustainable Development by United Nations can be seen as an historic chance for a comprehensive, far-reaching, and people-centred set of universal and transformative goals and targets (Gennari, 2018), where the role of women in companies is clearly emphasised.

Many nations intervened to eliminate wage differences (Drazin & Auster, 1987; Hedija, 2015), ensure fair access to top positions (Fan, Jiang, Zhang, & Zhou, 2019) and promote gender balance in corporate governance (Mumu, Saona, Haque, & Azad, 2021), but the objectives do not seem fully achieved.

According to the most widespread theories of corporate governance (Vitols & Kluge, 2011), gender balance in top position could stimulate female inclusion at all company levels (Gennari & Fornasari, 2019). Ensuring gender balance in corporate governance takes hold since managers make decisions that involve many stakeholders (Pirozzi, 2019). Internal and external actors are conditioned by corporate policies, which affect local communities, national and international economies (Fanelli & Misangyi, 2006). Just think of the choices on the workforce and human resources, strategies of internationalization and relocation: all these aspects are strongly influenced by few decision-makers but involve multiple subjects of both genders (Koch, D'Mello, & Sackett, 2015). Hence the importance of ensuring gender balance in the places where strategic decisions are taken (Kabeer, 2003).

The selection of the top management determines the direction of the enterprise and the effectiveness of corporate governance for the creation of value in the long term. In general, the different contributions of a variety of actors diversify and improve, the decision-making process (Bernardi & Threadgill, 2011). More ideas, information and resources are available when the board of directors involves different people and perspectives (Daily & Dalton, 2003). Furthermore, the achievement of an effective gender balance on corporate boards is considered one of the tools to reduce gender discrimination among the entire society (Dawar & Singh, 2016).

Notwithstanding the European Women on Board declares a steady increase in the Gender Diversity Index (del Rio, Infante, & Gil-Alana, 2021), significant gender inequality persists. Removing all forms of gender discrimination is, in the first place, a matter of responsibility on the part of companies. This package, properly integrated into a sustainability strategy, can protect the company from several risks, including reputational one, ensuring balanced development in the medium to long term (Salvioni & Almici, 2020).

Scholars and practitioner propose three metaphors to overcome the difficulties that women encounter in the attempt to reach top positions: the glass ceiling metaphors, the glass cliff metaphor, and sticky floor metaphor (Clavero & Galligan, 2021).

The glass ceiling metaphor identifies the existence of a series of barriers that slow down to prevent access to the top position of the company. The ceiling is considered crystal because the obstacles are invisible and unreliable: on the formal level there is a fair competition in the process of recruitment and promotion. However, unwritten rules and practices lead the male gender to be favoured, creating an invisible ceiling against which women clash, to climb the top of the company (Cotter, Hermsen, Ovadia, & Vanneman, 2001).

The glass cliff metaphor describes the situation in which women are appointed in top roles only when organizations go through turbulent or problematic phases. Women can access top positions at a time of decline in the status and prestige of the organization, once the role has become less attractive to men. The metaphor induces to consider the changes to the type of power and authority conferred by certain positions when these are attributed to female (Castaño, Fontanil, & García-Izquierdo, 2019).

The sticky floor metaphor represents women in precarious forms of work at the base of the corporate hierarchy, as if they were invisible and deprived of any status within the organizations (Chi & Li, 2008).

These metaphors give back the condition that women, very often, must face in the workplace; they also offer a picture of the unequal distribution of power between men and women (Hultin & Szulkin, 1999).

Although many scholars have tried to demonstrate that diversity ensures board effectiveness and performance (Fernández-Temprano & Tejerina-Gaite, 2020; Harjoto, Laksmana, & Lee, 2015; Kakabadse, Figueira, Nicolopoulou, Hong Yang, Kakabadse, & Özbilgin, 2015), the instruments with which to achieve this objective are not shared.

The aim of the paper is to assess whether the introduction of quota law has influenced the way of thinking about women in the world of work (Terjesen & Sealy, 2016). All the different legislative interventions on quotas, bring with them a wider purpose linked to the triggering of a cultural change in the position of women compared to the key roles of decision-making process (Klettner, Clarke, & Boersma, 2016). The paper's goals are multiple. First tries to put an end to the debate between supporters and detractors of quotas (Baldez, 2006; Nanivadekar, 2006), through a rigorous analysis of the consequence of the introduction of quotas in the board of companies. Second, investigates the effects of the affirmative action in those sectors that are not directly affected by the action itself (Dahlerup, 2012; Suk, 2014). The paper has several contributions. For scholars, this research intends to verify the effectiveness of a coercive systems for the achievement of gender equality (Franceschet, Krook, & Piscopo, 2012). Board members and practitioners could exploit the findings of this research to trace the future path of their companies in the gender area (Tienari, Holgersson, Meriläinen, & Höök, 2009). Policy makers and authorities have a valid tool at their disposal to develop an effective gender policy, basing the choices on objective results, net of political conditioning and bias (Pande & Ford, 2012).

## LITERATURE REVIEW

This section introduces an overview of the fluent literature on quotas, paying particular emphasis to the provisions of Agenda 2030 of United Nations and the Gender Equality Strategy of the European Union. According to Wysocki (Wysocki, 2003), in the literature review section it is introduced the topic, developed the background by providing previous works on quotas, and ended with the purpose and the rationale of the study. The concern about the low presence of women in corporate governance seems to be quite shared (Rossi, Nerino, & Capasso, 2015). For this reason, supranational organization and national policy makers have adopted or consider adopting affirmative actions (Dahlerup, 2013; Diaz, 2002; Leszczyńska, 2018). An affirmative action is defined as the effort aimed at helping a group of people who experience discrimination (Gamson & Modigliani, 1994; Kellough, 2006; Rubinfeld, 1997; Stevenson, 2010).

In the light of the numerous stimuli coming from scholars and institutions, in recent years, gender balance on corporate governance has also captured the attention of policymakers, which must choose among mandatory or not mandatory provisions to achieve equilibrium. The international debate is on the relevance and opportunity to adopt coercive or enabling regulations as opposed to maintaining a voluntary approach to achieve gender diversity on corporate boards (Labelle, Francoeur, & Lakhali, 2015). Diversely, this article intends to consider the effect of the introduction of a specific gender legislation for listed companies, produced at the level of companies not subject to such legislation.

According to Clavero (Clavero & Galligan, 2021), affirmative action can be coercive through legislation, enabling through regulation or voluntary. The coercive or legislative approach involves the adoption of mandatory laws. It contemplates the possibility of creating an *ex-lege* discrimination to eliminate another more serious one. In terms of gender balance, in addition to the mandatory rules, companies can always implement more restrictive policies than regulatory provisions. The most responsible companies demonstrate their commitment by appointing a higher percentage of women, than those indicated by law.

The enabling or regulatory approach foresees the adoption of a set of rules by a regulatory body, which oversees how laws are enacted and enforced. According to this approach, companies follow a system of voluntary adherence and self-discipline to governance codes, but with the obligation to explain non-compliance. The responsibility of the enterprises represents a qualifying element for the attainment of the gender equilibrium.

The voluntary or *laissez-faire* approach leaves companies free of their own commitments or goals that are not legally binding. The achievement of gender balance is entrusted solely to the responsibility of individual companies. Gender balance, as already mentioned, is one of the relevant topics for the United Nations. It is no coincidence that the fifth objective of Agenda 2030 for sustainable development is "Gender equality". More specifically, objective 5.5 is: "Ensuring the full and effective participation of women and equal leadership opportunities at all levels of decision-making in political, economic and public life".

This renewed focus on gender issues, that have not been effectively resolved, has also urged the EU to stimulate the Member States. In fact, as early as 2012, the European Commission proposed to Parliament, a directive *on improving the gender balance among non-executive directors of companies listed on stock exchanges and related measures*. The directive has never been approved, but the European fundamental values provides that Member States shall ensure the same opportunities and equal treatment for men and women and shall combat all forms of discrimination. In 2020, the Commission updated the objectives of the European Strategy for Gender Equality. Among the most important: putting an end to gender violence, combating stereotypes, closing the gap in the labour market, achieving equality in participation in different economic sectors, and reaching gender balance in decision-making.

Although the principles of supranational organisms are very convincing, the real challenge is how to transform this abstract concept of equality into soft or hard law provisions capable of achieving substantial equality.

The first country to introduce quotas was Norway in 2003, followed by Spain in 2007 and Italy in 2011. The list of countries that have adopted coercive systems has gradually been extended, including among others Belgium, Finland, France, Germany, Iceland, Israel, India, and Kenya. Many countries -including Australia, Canada, and Japan- have introduced a regulatory approach, while others have opted for *laissez-faire*.

Several studies focused on the impact of gender quotas in different countries. Norway adopted gender legislation in 2003, indeed, in 2008 public companies' boards complied with 40% gender quota. This pioneering approach is not shared by all scholars. Some authors consider an increase in women director membership positively impacts on the appointments of women in top leadership positions (Wang & Kelan, 2013; Wiersema & Mors, 2016). Others do not find any economic reason for a legislation that imposes gender quotas to the board of directors (Ahern & Dittmar, 2012; Bertrand, Black, Jensen, & Lleras-Muney, 2019; Bøhren & Strøm, 2010). Studies on the impact of gender quotas legislation in Spain (Lucas-Pérez, Mínguez-Vera, Baixauli-Soler, Martín-Ugedo, & Sánchez-Marín, 2015; Reguera-Alvarado, De Fuentes, & Laffarga, 2017) show that gender diversity has a positive impact on the effectiveness of boards of directors, but other research show the lack of compliance in countries adopting regulatory model (de Cabo, Terjesen, Escot, & Gimeno, 2019; Verge & Lombardo, 2021).

In the United States, only California, in 2018, has passed a law that requires any domestic or foreign corporation whose "principal executive office" is in the State, to maintain a minimum number of female directors or face monetary penalties (Greene, Intintoli, & Kahle, 2020).

Other authors (Ferreira, 2015; Kim & Starks, 2016) argue that the studies available are not able to provide guidance in favour or against quotas. The causal effects are too difficult to estimate, so it is better to focus on potential benefits to society that go far beyond narrow measures of firm profitability.

Durbin (Durbin, 2011), claims that quotas are not the answer, highlighting several possible negative consequences, as tokenism, diminishing the overall value of diversity in boards, influencing the dynamics of boards, and leading to diluted commitments by existing female executives. Instead, she recommends the adoption of a holistic approach aimed at improving the criteria and processes of selection of managers and the development of medium and high-level talents. Smith (Smith, 2018) argues, *inter alia*, that gender difference leads to more disagreements and conflicts, leading to a delay in decision-making. Furthermore, if a company already has an optimal composition of the board, the imposition of quotas would ruin this condition. Finally, in many countries, the percentage of women in managerial positions is very low, so there is a limited pool of female candidates. Until the pipeline will be sufficiently expanded, companies will have to overload the small number of qualified women or accept less experienced candidates.

A further argument in favour of gender equality is that of efficiency. From this point of view, the positive aspect is framed in utilitarian terms, rather than following abstract universal ideals of justice. Efficiency considers gender equality not as an end, but as a means of achieving efficiency gains. Assuming that talent is equally distributed between women and men, gender inequality is a waste of human resources.

Finally, the economic value related to the presence of different sensibilities within the board. Female administrators improve corporate value through their influence on governance and corporate strategic decisions. Several authors have been involved in advocating for and against the use of gender quotas on the boards of directors of larger companies. In the following table are shown the main *pros* and *cons* of quotas (Table 1 PROS and CONS of gender quotas).

Table 1 PROS and CONS of gender quotas

PROS	CONS
Stimulate female inclusion at all company levels	Tokenism
Enhance stakeholders' engagement	Diminish the overall value of diversity on boards
Diversify the decision-making process	Raise of disagreements and conflicts
Support gender diversity among the entire society	Involves a delay in decision-making process
Improve risk management	Alters the existing equilibrium
Increase firms' value	Increased risk of choosing candidates only for their gender and not for actual qualifications
Guarantee board effectiveness	

Regardless of the positions of the individual authors, the key issue identified in this section is the potential of a tool such as quotas, to achieve gender balance in the board of directors of big companies, as a lock pic to eliminate female segregation.

Many scholars (Bertrand et al., 2019; de Cabo et al., 2019; Greene et al., 2020; Groening, 2019; Issa, Elfeky, & Ullah, 2019; Lucas-Pérez et al., 2015) have studied the impact of gender quotas in companies established in those countries where a mandatory law has been passed. Some researchers (Groening, 2019; Issa et al., 2019; Shabbir, 2018) focused on the positive effects in term of economic value of the company, some others (Mazzotta & Ferraro, 2020; Mirza, Majeed, & Ahsan, 2020) on the implemented efficiency of the board of

directors, while still others (Ferreira, 2015; Kim & Starks, 2016) on the impact on society in general. Some scholars have highlighted the positive effects in economic terms, while others have outlined the potential in social terms. This last aspect, only generically studied, represents a gap in the literature. For this reason, I would like to deepen and investigate the secondary effects of this regulatory approach, about relevant roles of key decision-making positions in the economic, political, and social fields.

## RESEARCH DESIGN

Despite the fluent literature, one aspect that still deserves to be explored is the social impact resulting from the imposition of quotas. Most of the research focused on the drag effect on female managers appointments (Ip, Leibbrandt, & Vecci, 2020; Sacchet, 2008). In a different way, I will deal with the effects on the governance of those companies that do not allocate quotas, as well as on the key decision-making positions outside firms.

In the light of the above I want to verify if the cultural change, advocated by the Italian law on quotas, as well as by all similar measures, is taking place. To do this test, I conducted a qualitative analysis, to verify if the appointments of more women in the boards of listed companies helps removing the obstacles that limit access to command roles, promotes cultural renewal, undermines consolidated policies, and intervene on the board to obtain reflections on managers.

The need to test the effects of the quota provisions on those subjects not directly addressed by the law itself, allowed me to develop the following research question:

**RQ:** *Does the imposition of quotas on the boards of big corporation encourage gender balance outside the companies themselves?*

Although qualitative research is sometimes considered vulnerable to the assessment of its quality and robustness, its contributions are recognised as having great impact as those of quantitative research (Leung, 2015).

The beginning point of the research is the definition of the sample of the analysis. In this case the options are many:

- a group of states belonging to a supranational organisation, such as USA, EU, or Commonwealth,
- a selection of countries with similar characteristics,
- a reasoned selection of countries,
- a specific national state,
- other relevant experiences.

In my case I have decided to focus on a specific country, Italy, because I preferred to base my research on direct data collection rather than on the use of second-generation data (Hair, Page, & Brunsveld, 2019). This choice, as will be clarified further below, has led to the need to restrict the sample analysed to a single state. Another reason that affected my choice is that

in a previous work (Gennari & Fornasari, 2019), I came across the auspice of the quotas law to enact cultural change, which drew my attention and inspired this research.

The Italian law that imposes gender quotas, in the board, is the Law 120/2011, so called Golfo-Mosca, from the name of two inspirers of the measure. This Law requires a minimum of one-third of the corporate board seats for members of the under-represented gender, starting from August 2012 for three subsequent board appointments. If a company does not comply, sanctions and invalidation of directors appointed without respecting the Law are established. The main purpose of the law is to remove the obstacles that hinder equal access to corporate governance bodies, introducing mandatory quotas in the administrative and control bodies of listed companies and in public sector companies; other purposes are to guarantee a gender balance, to promote access to corporate governance bodies to the gender less represented and to enact cultural change. In 2019, the Italian Parliament passed a law (Italian Parliament, 2019) that increases the component reserved for the less represented gender at least two-fifths of the components and not more one-third, extending the original forecast of three mandates to a further six mandates. The law justified the introduction of an affirmative action in function of the temporary nature of the measure, hoping the graft of a cultural change on the topic of the gender balance. Analysis of the state of this cultural change is the core of my research.

Defined the sample of investigation and the reasons why it has been chosen, now I pass to the construction of the hypotheses that I intend to validate with the research. Starting from the principles of an effective and efficient corporate governance, the validation of the hypotheses aims to verify how the evolution of the board composition's provisions can be a factor to promote improvement in other fields.

The first aspect to consider, trying to answer the research question, concerns those Italian companies not addressed by quota law. Specifically, I intend to deeply analyse the composition of the board of non-listed companies. This analysis will allow me to provide an answer to the first hypothesis:

***HP 1:** gender balance is reached inside the boards of companies not covered by quota law.*

The validation of the first hypothesis provides a useful element to attempt to respond to the RQ. Indeed, a significant presence of women in the administrative bodies of non-listed companies, and therefore not target to the quota law, would be significant. This presence would show that the desired cultural change is beginning to have its effects outside of the companies which are mandatory subject to the quotas.

Nevertheless, I considered it appropriate to assess whether similar investigation dynamics could be extended to other areas, outside the corporate world. I investigate the presence of women in key decision-making positions, in roles such as, for example, politics, top bodies of professional or sport associations. This research will allow me to validate the second hypothesis:



**HP 2:** *the percentage of women in key decision-making positions, after the approval of quota law, is equal to the male one.*

Data collection required two different paths for the purpose of validating the two hypotheses.

For hypothesis 1, I have used the Orbis database provided by Bureau van Dijk. I have chosen this source as it declares to be “the largest database available with data on world companies” with information on over 400 million companies and entities worldwide.

Through the database I have built my own dataset (Michalos, 2014), to observe the gender distribution of the administrative body of the Italian limited companies. The only active filter concerns the status of the company, which, for the search, has been set as "active", which means operational. The query “administrator gender” returned 1.600.719 observations, which have been broken down into 6 groups:

- small-sized not listed companies (not included in any other category),
- medium-sized not listed companies (revenue > 1 million EUR, assets > 2 million EUR, employees > 15),
- large-sized not listed companies (revenue > 10 million EUR, assets > 20 million EUR, employees > 150),
- very large-sized not listed companies (revenue > 100 million EUR, assets > 200 million EUR, employees > 1,000),
- listed and not listed companies,
- listed companies,
- not anymore listed companies.

For hypothesis 2, I based the building of dataset on the United Nations guidelines for gender statistics (UN, 2016). The query “gender” has been observed in the following areas: politics, judiciary, social partners, education, and sports. The following table (

Table 2 Data Sources) provides information on the items analysed in relation to the observed areas. Data were collected by scanning official sources, such as websites, reports and documents published and accessible online, indicated in brackets in correspondence of each item and listed in references.

Table 2 Data Sources for hypothesis 2

Area	Item analysed
Politics	Government
	Parliament
Judiciary	Board of Superior Council of Magistracy
Social partners	Top Bodies of Professional Associations
	Secretaries of Confederal Unions
	Presidents of Chambers of Commerce
Education	Council of the Association of Principals
	Rectors of Italian Universities
Sports	National Olympic Committee Board

All data and information deployed in this research have been collected in the period October 2021 – January 2022.

Two aspects that I tried to cure with greater scrupulousness are reliability of measurement and validity of collected information (Rout & Aldous, 2016). Reliability concerns consistency of results obtained at different time, by different researchers/observers, and in different occasions and it is usually assessed through the test–retest method (Welman & Kruger, 2001). To verify data reliability, I have compared my results with those from EIGE and I have found no significant differences. This audit has allowed me to verify the consistency of the elaborations illustrated in the next section. Validity is the extent to which a test measures what it is intended to measure (Deniz & Alsaffar, 2013). Validity relates to the accuracy of a measure and its subsequent suitability to support the conclusions. To ensure validity of data, I based my research on established theory and findings of previous studies.

## RESULTS

Regarding the first hypothesis, the following table (

Table 3 Gender distribution among Italian limited companies) shows the percentage of women appointed in the board of Italian limited companies, divided by categories. On the left the relevant information for my research and on the right the comparative information, as illustrated in the research design section.

Table 3 Gender distribution among Italian limited companies' boards

Companies group	Sex	Number	%	Companies group	Sex	Number	%
Not listed companies General	M	1.311.602	82%	Listed and not listed companies	M	1.313.012	82%
	F	286.880	18%		F	287.705	18%
Not listed companies Small-sized	M	927.150	81%	Listed companies	M	1.410	63%
	F	214.264	19%		F	827	37%
Not listed companies Medium-sized	M	263.315	83%	Not anymore listed companies	M	1.040	87%
	F	53.338	17%		F	154	13%
Not listed companies Large-sized	M	95.328	86%				
	F	15.670	14%				
Not listed companies Very Large-sized	M	25.809	88%				
	F	3.608	12%				

A first recital concerns the percentage of women appointed in the board of listed companies, that is 37%. The law requires at least one third, 33%, the legislative provisions are, on average, respected, given that the target has been reached and partially exceeded. Looking at the data on Italian listed companies in 2021, an interesting aspect emerges, about newly listed companies. As declared by Borsa Italiana, the company that manage the Italian stock market, 50 new companies have they I.P.O. in 2021 and only 22 have been delisted. This could mean that 28 companies, currently listed, were not subject to the quota law when they appointed their board but have nevertheless decided to prepare for listing, also considering gender requirements.

Focusing on not listed companies, the general figure shows a percentage of 18% of women appointed in the board. This finding is greatly affected by the data relating to small-sized companies, 19%, that appears in line with the general one. In this specific case, given the small size, often there is not a board but a single director at the head of the company. Despite the prolonged presence of incentives to female entrepreneurship (Dal Mas & Paoloni, 2020; Sadeghi & Biancone, 2017), the numerous small companies in the Italian market are driven mainly by male figures. The situation worsens in the following categories, with a point down to 17% in medium-sized companies, 14% in large-sized and even 12% in very large-sized. This trend, which is inversely proportional to the size of the enterprise, seems rather bleak. It is precisely the companies indicated as very large-sized those potentially subject to an earliest I.P.O.

(Chen & Wu, 2009; Gupta, Singh, & Yadav, 2021) and, therefore, more influenced by the quota law. Considering this result in relation to the reflection that has just been made on newly listed companies, it is clear that only the task of preparing for listing provides for the approximation to gender balance in the board.

Considering the overall data relating to all Italian companies, we note that the values are in line with the general ones of non-listed companies: 18% of women appointed in the board.

This result should not surprise: the addition of the 2.237 directors from listed companies to the 1.598.482 directors of not-listed companies, which in percentage represents less than 1, does not entail significant changes. Another interesting fact comes from not anymore listed companies.

These companies have been subject to the rules of listed companies until the time of their delisting, so they may have been subject to the quota law, at the time of the last appointment of their board. The data obtained appears rather negative in terms of gender balance, in fact, in this group, only 13% of board members are women, showing that there is no positive train wreck with their experience with the stock exchange.

In conclusion, the proportion of women in the board of Italian limited companies is still very low, despite the fact that 10 years have passed since the adoption of the quota law.

To prevent potential treats to reliability and validity of the data collected (Brink, 1993; Ihantola & Kihn, 2011), I have provided to compare the results of my elaboration with those obtained from another research. Data have been linked to those coming from Cerved, Consob and Fondazione Bellisario.

The comparative analysis did not reveal any significant deviations by shielding research from threats.

Considering that the presence of women in unlisted Italian capital companies does not exceed 18%, it follows that hypothesis 1 is not validated.

Regarding the second hypothesis, the following table (Table 4 Percentage of women in key decision-making positions) shows the percentage of women appointed key decision-making positions.

*Table 4 Percentage of women in key decision-making positions*

Area	Item analysed	% of Women
Politics	Government	28%
	Parliament	31%
Judiciary	Board of Superior Council of Magistracy	22%
Social partners	Top Bodies of Professional Associations	24%
	Secretaries of Confederal Unions	0%
	Presidents of Chambers of Commerce	6%
Education	Council of the Association of Principals	50%
	Rectors of Italian Universities	6%
Sports	National Olympic Committee Board	20%

The first aspect that emerges clearly, is the under-representation of women in the key decision-making positions. The average value is about 20%. In the politics area, the percentage of women in ministerial position is 28%, while for parliament members it is 31%, despite the numerous provisions to promote the gender equality in the Italian representative bodies (Carbone & Farina, 2020; Weeks & Baldez, 2015).

The Superior Council of Magistracy, the only item in the judiciary area, has among the members of its board only 22% of women. Considering that I chose to investigate this item because it is an elective body and not an appointing one, the percentage of women elected appears very low in relation to the number of women practising as magistrates (Time for Equality, 2013).

The data from social partners areas are really discouraging, in fact, none of the secretaries of the confederal unions is a woman, only the 6% of the presidents of chamber of commerce are women but at least 24% of the member of the top bodies of professional associations are women. Here too we are dealing with elective bodies, concerning influential positions closely connected with the business world, in which a certain masculinity clearly dominates (Schultz & Shaw, 2003; Willson, 2009).

The council of the association of principals is the only item where parity is reached, and not by statutory provision. The reasons for this condition derive from the fact that, especially in Italy, the figure of the teacher is mostly covered by female subjects (Miller & Chamberlin, 2000; Sargent, 2000), an aspect that also reverberates in the figures of the principals. This positive figure of the education area is weighed down by that of the rectors of Italian universities which stands at 6%. Considering that the position of rector is much more powerful than that of principal, we note that, even in this area, the result obtained is not encouraging.

The last item is national Olympic committee board, the only one for the sport area, where we find only 20% of women. Whereas the Olympic disciplines are divided into gender

categories and therefore participation should be equal, this female under-representation does not seem justified (Asztalos et al., 2012; Thibault et al., 2010).

In conclusion, the proportion of women in Italian key decision-making roles is still very limited, even though 10 years have passed since the adoption of the quota law.

With the aim to guarantee an adequate quality assessment and assurance, and to ensure reliability and validity, observation areas included in the dataset have been compared with those covered by the gender statistics of European Institute for Gender Equality – EIGE. The result is that all the areas included in the research are comprised in the EIGE parameters. The results attributes to individual items were check through a triple blind control process.

Considering that the presence of women in Italian key decision-making roles does not exceed 20% on average, it follows that hypothesis 2 is not validated.

After the verification of the hypothesis, I can, eventually, answer to the research question -does the imposition of quotas on the boards of big corporation encourage gender balance outside the companies themselves. The graph shown below (Figure 1 Percentage of women in the investigated items) collect all the aspects investigated for the verification of hypotheses. This make it possible to determine whether the cultural change advocated by the Italian quota law, as well as by all similar measures, is taking place. The yellow line indicates the level of female inclusion called for by the Italian quota law.

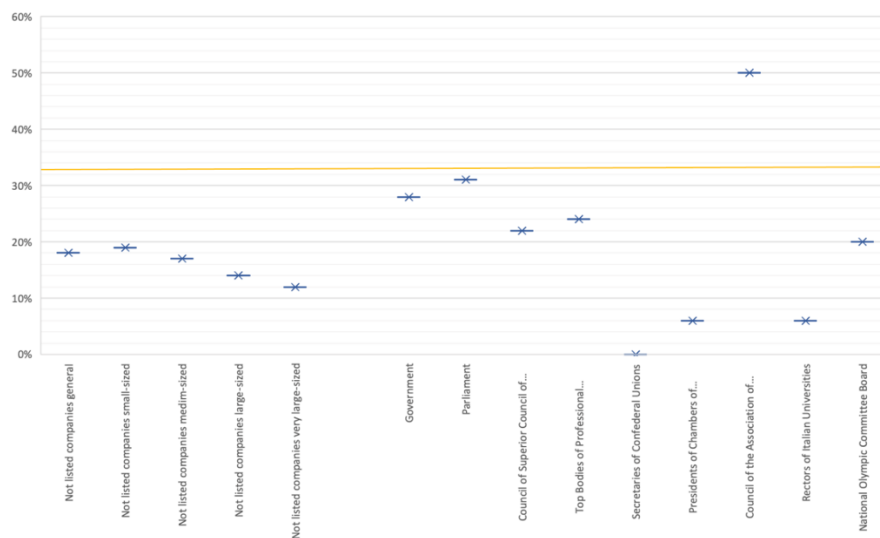


Figure 1 Percentage of women in the investigated items

The reading of the graph, combined with the non-validation of both hypotheses, allows to conclude that, 10 years after the imposition of the quota law, the desired cultural change has not taken place. The same conclusion was reached by other authors who analysed the introduction of quotas in corporate governance in other countries (Klettner et al., 2016).

Leaving the scope of corporate governance, the other main area in which policy makers intervened to impose gender quotas is that of political representation (Piscopo &

Clark Muntean, 2018). Scholars reaches little more positive findings, connected to the incentive of women's collective actions and the politicization of gender issues (Franceschet et al., 2012; Sacchet, 2008).

## **DISCUSSION**

In conclusion, the analysis of the effects of the imposition of quota law in Italy has shown that the desired cultural change has not yet fully taken place. Hopefully, there are some encouraging signs. For example, the gender equality index (Bericat, 2012) for Italy has gone from 53% in 2013, the year of its introduction, to 64% today. This study has shown that the imposition of a quota law has an excellent effect on the societies to which the law is addressed directly, but insufficient results in terms of cultural change (Mansbridge, 2005). Cultural obstacles in the company, the defence of positions acquired, and the limited orientation to responsibility can be the real obstacle to a greater presence of women in positions of level, with the consequent impacts on society as a whole (Gennari, 2018). This lack of confidence in gender diversity on the part of companies also appears to be reflected in other relevant sectors. The causes of resistance to change are hidden in the social context, ideological constructions, and existing prejudices.

To alleviate the gender gap and the lack of women in top positions, it is difficult to think of imposing gender quotas at every level, in fact, this hypothesis, besides being impractical, would clash with the principles of economic freedom. It is therefore necessary to find a balance between mandatory forecasts, soft law and self-regulations and the autonomy of the companies. The risk is that the instruments put in place by supranational organisations, the EU and individual states will not be effective in triggering the desired cultural change (Caven, Navarro Astor, & Urbanaviciene, 2021).

If the goal is to bring more women into key-decision roles, policy makers need to shift the focus from quotas (Smith, 2018) to a holistic approach ensuring gender neutrality in all public and private sectors and within the family (Bertrand, 2013; Ezzedeen & Ritchey, 2009). These interventions would encourage greater female participation even after the effects of quotas laws have been exhausted.

The transformation should start at an institutional level because it is easier to achieve, but effective measures are needed to enact a change also at individual level. The entry of women into the top-level positions should be complemented by a corresponding involvement of men in the private sphere and in traditionally not male occupations (Nanivadekar, 2006).

The research has several limitations. First, it considers only one country, while a larger sample could bring out little different or, at least, more robust results. Second, the absence of a temporal comparison, due to the difficulties of collecting required data. Difficulties that often are impossibility, because of the lack of accessible information. In any case, in the light of the findings of the paper, a temporal comparison would have made it possible to identify an eventual positive trend, which would not have substantially affected the conclusions of the paper.

An emerging issue, that could simulate possible future research, relate to the second hypothesis: the percentage of women in key decision-making positions, after the approval of quota law, is equal to the male one. The opportunity consists in extending the analysis to other areas of investigation and/or different items. The same reasoning could be applied to other countries.

## REFERENCES

- Ahern, K. R., & Dittmar, A. K. (2012). The changing of the boards: The impact on firm valuation of mandated female board representation. *The quarterly journal of economics*, 127(1): 137-197.
- Asztalos, M., Wijndaele, K., De Bourdeaudhuij, I., Philippaerts, R., Matton, L., Duvigneaud, N., Thomis, M., Lefevre, J., & Cardon, G. (2012). Sport participation and stress among women and men. *Psychology of Sport and Exercise*, 13(4): 466-483.
- Baldez, L. (2006). The pros and cons of gender quota laws: What happens when you kick men out and let women in? *Politics & Gender*, 2(1): 102-109.
- Bericat, E. (2012). The european gender equality index: Conceptual and analytical issues. *Social Indicators Research*, 108(1): 1-28.
- Bernardi, R. A., & Threadgill, V. H. (2011). Women directors and corporate social responsibility. *EJBO: Electronic Journal of Business Ethics and Organizational Studies*, 15(2).
- Bertrand, M. (2013). Career, family, and the well-being of college-educated women. *American Economic Review*, 103(3): 244-250.
- Bertrand, M., Black, S. E., Jensen, S., & Lleras-Muney, A. (2019). Breaking the glass ceiling? the effect of board quotas on female labour market outcomes in norway. *The Review of Economic Studies*, 86(1): 191-239.
- Bøhren, Ø, & Strøm, R. Ø. (2010). Governance and politics: Regulating independence and diversity in the board room. *Journal of Business Finance & Accounting*, 37(9- 10): 1281-1308.
- Brink, H. I. (1993). Validity and reliability in qualitative research. *Curationis*, 16(2): 35-38.
- Carbone, D., & Farina, F. (2020). Women in the local political system in italy. A longitudinal perspective. *Contemporary Italian Politics*, 12(3): 314-328.
- Castaño, A. M., Fontanil, Y., & García-Izquierdo, A. L. (2019). “Why can’t I become a manager?”—A systematic review of gender stereotypes and organizational discrimination. *International journal of environmental research and public health*, 16(10): 1813.
- Caven, V., Navarro Astor, E., & Urbanaviciene, V. (2021). Gender inequality in an ‘Equal’ environment. *Gender, Work & Organization*, EW.
- Chen, X., & Wu, Y. (2009). IPO pricing of SME based on artificial neural network. Paper presented at 2009 International Conference on Business Intelligence and Financial Engineering.
- Chi, W., & Li, B. (2008). Glass ceiling or sticky floor? examining the gender earnings differential across the earnings distribution in urban china, 1987–2004. *Journal of comparative Economics*, 36(2): 243-263.
- Clavero, S., & Galligan, Y. (2021). Delivering gender justice in academia through gender equality plans? normative and practical challenges. *Gender, Work & Organization*, 28(3): 1115-1132.
- Cotter, D. A., Hermsen, J. M., Ovadia, S., & Vanneman, R. (2001). The glass ceiling effect. *Social forces*, 80(2): 655-681.

- Dahlerup, D. (2012). *The impact of gender quotas*, Oxford University Press.
- Daily, C. M., & Dalton, D. R. (2003). Are director equity policies exclusionary? *Business Ethics Quarterly*, 13(4): 415-432.
- Dal Mas, F., & Paoloni, P. (2020). A relational capital perspective on social sustainability; the case of female entrepreneurship in Italy. *Measuring business excellence*, 24(1): 114-130.
- Dawar, G., & Singh, S. (2016). Corporate social responsibility and gender diversity: A literature review. *Journal of IMS Group*, 13(1): 61-71.
- De Cabo, R. M., Terjesen, S., Escot, L., & Gimeno, R. (2019). Do 'soft law' board gender quotas work? evidence from a natural experiment. *European Management Journal*, 37(5): 611-624.
- Del Rio, M., Infante, J., & Gil-Alana, L. A. (2021). Gender diversity index. measuring persistence. *Research in international business and finance*, 58: 101474.
- Deniz, M. S., & Alsaffar, A. A. (2013). Assessing the validity and reliability of a questionnaire on dietary fibre-related knowledge in a Turkish student population. *Journal of health, population, and nutrition*, 31(4): 497.
- Diaz, M. M. (2002). Do quotas matter?: Positive actions in the Belgian parliament. *Res Publica*, 44(1): 49-72.
- Drazin, R., & Auster, E. R. (1987). Wage differences between men and women: Performance appraisal ratings vs. salary allocation as the locus of bias. *Human resource management*, 26(2): 157-168.
- Durbin, A. (2011). *Optimizing board effectiveness with gender diversity : Are quotas the answer?* World Bank, Washington, DC.
- Ezzedeen, S. R., & Ritchey, K. G. (2009). Career advancement and family balance strategies of executive women. *Gender in management*, 24(6): 388-411.
- Fan, Y., Jiang, Y., Zhang, X., & Zhou, Y. (2019). Women on boards and bank earnings management: From zero to hero. *Journal of Banking & Finance*, 107: 105607.
- Fanelli, A., & Misangyi, V. F. (2006). Bringing out charisma: CEO charisma and external stakeholders. *Academy of Management Review*, 31(4): 1049-1061.
- Fernández-Temprano, M. A., & Tejerina-Gaite, F. (2020). Types of director, board diversity and firm performance. *Corporate governance (Bradford)*, 20(2): 324-342.
- Ferreira, D. (2015). Board diversity: Should we trust research to inform policy? *Corporate Governance: An International Review*, 23(2): 108-111.
- Franceschet, S., Krook, M. L., & Piscopo, J. M. (2012). Conceptualizing the impact of gender quotas. In Lepinard Éleonore (Ed.), *The impact of gender quotas*. New York: Oxford University Press.
- Gamson, W. A., & Modigliani, A. (1994). The changing culture of affirmative action. *Equal employment opportunity: labor market discrimination and public policy*, 3: 373-394.
- Gennari, F. (2018). Gender balance on boards and corporate sustainability for the 2030 agenda. *African Journal of Business Management*, 12(11): 343-356.
- Gennari, F., & Fornasari, T. (2019). Gender diversity in nomination committee: A way to promote gender balance on board? *International Conference on Gender Research*, 1(1): 278-XVII.
- Greene, D., Intintoli, V. J., & Kahle, K. M. (2020). Do board gender quotas affect firm value? evidence from California senate bill no. 826. *Journal of Corporate Finance*, 60: 101526.
- Groening, C. (2019). When do investors value board gender diversity? *Corporate governance (Bradford)*, 19(1): 60-79.



- Gupta, V., Singh, S., & Yadav, S. S. (2021). Disaggregated IPO returns, economic uncertainty and the long-run performance of SME IPOs. *International journal of emerging markets*, ahead-of-print(ahead-of-print).
- Hair, J. F., Page, M., & Brunsveld, N. (2019). *Essentials of business research methods* Routledge.
- Harjoto, M., Laksmana, I., & Lee, R. (2015). Board diversity and corporate social responsibility. *Journal of Business Ethics*, 132(4): 641-660.
- Hedija, V. (2015). The effect of female managers on gender wage differences. *Prague Economic Papers*, 24(1): 38-59.
- Hultin, M., & Szulkin, R. (1999). Wages and unequal access to organizational power: An empirical test of gender discrimination. *Administrative Science Quarterly*, 44(3): 453-472.
- Ihantola, E., & Kihn, L. (2011). Threats to validity and reliability in mixed methods accounting research. *Qualitative research in accounting and management*, 8(1): 39-58.
- Ip, E., Leibbrandt, A., & Vecci, J. (2020). How do gender quotas affect workplace relationships? complementary evidence from a representative survey and labor market experiments. *Management science*, 66(2): 805-822.
- Issa, A., Elfeky, M. I., & Ullah, I. (2019). The impact of board gender diversity on firm value: Evidence from kuwait. *International Journal of Applied Science and Research*, 2(1): 1-21.
- Kabeer, N. (2003). *Gender mainstreaming in poverty eradication and the millennium development goals: A handbook for policy-makers and other stakeholders* Commonwealth Secretariat.
- Kakabadse, N. K., Figueira, C., Nicolopoulou, K., Hong Yang, J., Kakabadse, A. P., & Özbilgin, M. F. (2015). Gender diversity and board performance: Women's experiences and perspectives. *Human resource management*, 54(2): 265-281.
- Kellough, J. E. (2006). *Understanding affirmative action*. Washington: Georgetown University Press.
- Kim, D., & Starks, L. T. (2016). Gender diversity on corporate boards: Do women contribute unique skills? *American Economic Review*, 106(5): 267-271.
- Klettner, A., Clarke, T., & Boersma, M. (2016). Strategic and regulatory approaches to increasing women in leadership: Multilevel targets and mandatory quotas as levers for cultural change. *Journal of Business Ethics*, 133(3): 395-419.
- Koch, A. J., D'Mello, S. D., & Sackett, P. R. (2015). A meta-analysis of gender stereotypes and bias in experimental simulations of employment decision making. *Journal of Applied Psychology*, 100(1): 128.
- Labelle, R., Francoeur, C., & Lakhil, F. (2015). To regulate or not to regulate? early evidence on the means used around the world to promote gender diversity in the boardroom. *Gender, Work & Organization*, 22(4): 339-363.
- Leszczyńska, M. (2018). Mandatory quotas for women on boards of directors in the european union: Harmful to or good for company performance? *European Business Organization Law Review*, 19(1): 35-61.
- Leung, L. (2015). Validity, reliability, and generalizability in qualitative research. *Journal of family medicine and primary care*, 4(3): 324.
- Lucas-Pérez, M. E., Mínguez-Vera, A., Baixauli-Soler, J. S., Martín-Ugedo, J. F., & Sánchez-Marín, G. (2015). Women on the board and managers' pay: Evidence from spain. *Journal of Business Ethics*, 129(2): 265-280.
- Mansbridge, J. (2005). Quota problems: Combating the dangers of essentialism. *Politics & Gender*, 1(4): 622-638.

- Mazzotta, R., & Ferraro, O. (2020). Does the gender quota law affect bank performances? evidence from Italy. *Corporate Governance (Bradford)*, 20(6): 1135-1158.
- Michalos, A. C. (2014). *Encyclopedia of quality of life and well-being research* Springer Netherlands Dordrecht.
- Miller, J., & Chamberlin, M. (2000). Women are teachers, men are professors: A study of student perceptions. *Teaching Sociology*, 28(4): 283-298.
- Mirza, S. S., Majeed, M. A., & Ahsan, T. (2020). Board gender diversity, competitive pressure and investment efficiency in Chinese private firms. *Eurasian Business Review*, 10(3): 417-440.
- Mumu, J. R., Saona, P., Haque, M. S., & Azad, M. A. K. (2021). Gender diversity in corporate governance: A bibliometric analysis and research agenda. *Gender in management, ahead-of-print*(ahead-of-print).
- Nanivadekar, M. (2006). Are quotas a good idea? the Indian experience with reserved seats for women. *Politics & Gender*, 2(1): 119-128.
- Pande, R., & Ford, D. (2012). *Gender quotas and female leadership*. Washington: World Bank.
- Pirozzi, M. (2019). Stakeholders, who are they? *PM World Journal*, 8(9): 1-10.
- Piscopo, J. M., & Clark Muntean, S. (2018). Corporate quotas and symbolic politics in advanced democracies. *Journal of Women, Politics & Policy*, 39(3): 285-309.
- Reguera-Alvarado, N., De Fuentes, P., & Laffarga, J. (2017). Does board gender diversity influence financial performance? evidence from Spain. *Journal of Business Ethics*, 141(2): 337-350.
- Rossi, M., Nerino, M., & Capasso, A. (2015). Corporate governance and financial performance of Italian listed firms. the results of an empirical research. *Corporate Ownership & Control*, 12(2): 628-643.
- Rout, C. C., & Aldous, C. (2016). How to write a research protocol. *Southern African Journal of Anaesthesia and Analgesia*, 22(4): 6-12.
- Rubinfeld, J. (1997). Affirmative action. *Yale LJ*, 107: 427.
- Sacchet, T. (2008). Beyond numbers: The impact of gender quotas in Latin America. *International Feminist Journal of Politics*, 10(3): 369-386.
- Sadeghi, V. J., & Biancone, P. P. (2017). Exploring the drivers of gender entrepreneurship: Focus on the motivational perspectives in USA, Italy and France. In *Gender and family entrepreneurship*: 124-141 Routledge.
- Salvioni, D., & Almici, A. (2020). Circular economy and stakeholder engagement strategy. *Symphonya*(1): 26-44.
- Sargent, P. (2000). Real men or real teachers? contradictions in the lives of men elementary teachers. *Men and Masculinities*, 2(4): 410-433.
- Schultz, U., & Shaw, G. (2003). *Women in the world's legal professions* Bloomsbury Publishing.
- Shabbir, M. S. 2018. Women on corporate boards and firm performance, preliminary results from Italian listed companies after the introduction of gender quota law 120/2011. *Journal of Business & Financial Affairs*, 7(1): 1-6.
- Smith, N. (2018). Gender quotas on boards of directors. *IZA World of Labor*, 7(1).
- Stevenson, A. (2010). *Oxford dictionary of English* Oxford University Press, USA.
- Suk, J. C. (2014). Democratic deficits and gender quotas: The evolution of the proposed EU directive on gender balance on corporate boards.
- Terjesen, S., & Sealy, R. (2016). Board gender quotas: Exploring ethical tensions from a multi-theoretical perspective. *Business Ethics Quarterly*, 26(1): 23-65.
- Thibault, V., Guillaume, M., Berthelot, G., El Helou, N., Schaal, K., Quinquis, L., Nassif, H., Tafflet, M., Escolano, S., & Hermine, O. (2010). *Women and men in sport*

- performance: The gender gap has not evolved since 1983. *Journal of sports science & medicine*, 9(2): 214.
- Tienari, J., Holgersson, C., Meriläinen, S., & Höök, P. (2009). Gender, management and market discourse: The case of gender quotas in the swedish and finnish media. *Gender, Work & Organization*, 16(4): 501-521.
- Time for Equality (2022). Women and the judiciary in italy. <https://timeforequality.org/dossier-women-and-the-judiciary-in-italy/profile-women-and-the-judiciary-in-italy/> Jan 5, 2022.
- UN. (2016). Integrating a gender perspective into statistics. New York: United Nations.
- Verge, T., & Lombardo, E. (2021). The contentious politics of policy failure: The case of corporate board gender quotas in spain. *Public Policy and Administration*, 36(2): 232-251.
- Vitols, S., & Kluge, N. (2011). The sustainable company: A new approach to corporate governance ETUI.
- Wang, M., & Kelan, E. 2013. The gender quota and female leadership: Effects of the norwegian gender quota on board chairs and CEOs. *Journal of Business Ethics*, 117(3): 449-466.
- Weeks, A. C., & Baldez, L. (2015). Quotas and qualifications: The impact of gender quota laws on the qualifications of legislators in the italian parliament. *European Political Science Review*, 7(1): 119-144.
- Welman, C., & Kruger, F. (2001). *Research methodology for the business & administrative sciences* Oxford University Press.
- Wiersema, M., & Mors, M. (2016). What board directors really think of gender quotas. *Harvard business review*, 14(November): 2-6.
- Willson, P. (2009). *Women in twentieth-century italy* Macmillan International Higher Education.
- Wysocki, D. K. (2003). *Readings in social research methods* Wadsworth.