

WOMEN ON NEW ZEALAND
CORPORATE BOARDS

A thesis submitted in partial fulfilment of
the requirements for the degree of Master of
Commerce in Accountancy, Finance and
Information Systems

by Roya Najib

University of Canterbury

2008

Table of contents

ABSTRACT	2
GLOSSARY	3
CHAPTER ONE: INTRODUCTION	7
CHAPTER TWO: LITERATURE REVIEW	11
2.1. DEMOGRAPHIC RESEARCH	11
2.2. BUSINESS CASE FOR WOMEN ON CORPORATE BOARDS	17
2.3. BARRIERS TO WOMEN'S ADVANCEMENT IN THE ORGANISATIONS	22
2.3.1 DISCRIMINATION	22
2.3.2. JOB SEGREGATION AND CAREER CHOICES	24
2.3.3. NEGATIVE PERCEPTIONS ABOUT WOMEN	25
2.3.4. SIMILARITY, "OLD BOYS' CLUBS" AND NETWORKS	27
2.3.5. WOMEN - OUTSIDERS, UNKNOWN AND HIGHLY INDEPENDENT	30
2.3.6. LACK OF DEVELOPMENTAL OPPORTUNITIES	31
2.3.7. WOMEN AND LEADERSHIP	32
2.3.8. LACK OF MOTIVATION	33
2.3.9. TRADITIONAL GENDERED CAREER MODELS	34
2.4. REASONS FOR GENDER DISCRIMINATION AND THE EXISTENCE OF BARRIERS TO WOMEN'S ADVANCEMENT IN THE ORGANISATIONS	36
2.3. SUMMARY OF LITERATURE REVIEW	43
CHAPTER THREE: RESEARCH METHODS	46
3.1. RESEARCH METHODS AND SAMPLE SELECTION	46
3.1.1. SAMPLE	47
3.1.2. RESEARCH METHODS	48
3.2. DATA ANALYSIS	51
3.3. ETHICAL CONSIDERATIONS	52
CHAPTER FOUR: RESEARCH FINDINGS	53
4.1 DOCUMENT ANALYSIS	53
4.2. INTERVIEWEE DEMOGRAPHICS	57
4.3. MAJOR INTERVIEW FINDINGS	60
4.3.1. FACTORS INFLUENCING WOMEN'S ADVANCEMENT	61
4.3.1.1. Networks	61
4.3.1.2. Women and family commitments	64
4.3.1.3. The pipeline theory	67
4.3.1.4. Different sets of aspirations	70
4.3.1.5. Career choices	71
4.3.1.6. Risk adversity	72
4.3.1.7. Male organisational culture	73
4.3.1.8. Discrimination	75
4.3.1.9. Women do not fit the role	75

4.3.1.10. Directorship responsibilities and lower return levels	75
4.3.2. WHAT ARE THE IDEAL CHARACTERISTICS OF DIRECTORS?	76
4.3.3. SHOULD THE NUMBER OF WOMEN ON CORPORATE BOARDS INCREASE?	81
4.3.4. ARE QUALIFIED WOMEN VISIBLE?	83
4.3.5. WHAT DO WOMEN BRING TO CORPORATE BOARDS?	85
4.3.6. ROLE MODELS	87
4.3.7. EFFORTS FOR GENDER EQUITY ON BOARDS	88
4.4. SUMMARY OF THE FINDINGS	89
 CHAPTER FIVE: DISCUSSIONS	 92
 CHAPTER SIX: CONCLUSIONS AND RECOMMENDATIONS	 98
 REFERENCES	 102
 APPENDICES	 105
 APPENDIX ONE: HUMAN ETHICS COMMITTEE APPROVAL	 105
APPENDIX TWO: SINGH AND VINNICOMBE (2006) QUESTIONNAIRE	106
APPENDIX THREE: INTERVIEW DEMOGRAPHIC QUESTIONNAIRE	107
APPENDIX FOUR: INTERVIEW QUESTIONNAIRE	108
APPENDIX FIVE: DOCUMENT ANALYSIS FINDINGS	110

Acknowledgements

This thesis would not be complete without the help and support of a number of people.

First of all, I would like to thank my supervisors Professor Amanda Ball and Dr. Karen Lewis, especially Professor Amanda Ball who was always there to guide me. I deeply appreciate her patience and efforts.

I also owe gratitude to Dr. Marjolein Lips-Wiersma whose invaluable comments have been very useful in structuring this thesis.

Finally, I would like to thank my parents and my family who have continuously supported me throughout my studies.

Abstract

Replicating and extending Singh and Vinnicombe (2006), the primary problems addressed in this research are: What factors influence women's attainment of corporate directorships? And what are the proportions of female executive and non-executive directors and CEOs in New Zealand? Executive directors are company employees who attain board directorships via progressing through CEO and other top management roles; therefore, this study included an investigation of the proportion of women in executive and non-executive director and CEO roles in New Zealand companies.

To understand women's non-progression to corporate boards, 11 male and female directors were interviewed. Contrary to international research findings, the majority of interviewees in this study emphasised the importance of networks in attaining corporate directorships in New Zealand. Explanations for women's under-representation on corporate boards included lack of networks, family commitments, pipeline theory, lack of aspiration for power, career choices, risk adversity, male organisational culture, discrimination and women's unsuitability for director roles. Archival analysis indicated that of a total of 1366 corporate directors, women constituted 88 (6.44%) directorships. Women held 64 non-executive (4.69% of total directorships), 23 executive (1.68% of total directorships) and one alternate directorship. The findings indicated that there were only five women CEOs and only five out of a total of 240 New Zealand corporate boards achieved gender equality.

Social identity theory was used to provide insight into this change resistant phenomenon.

Glossary

Alternate director: An alternate director sits on the board when one of the other directors is not there. S/he has equal legal responsibility as other directors.

Board: The Board is a small group of appointed people who direct the management team and governs the organisation. It ensures that the organisation is well-run, financially sound and compliant with relevant legislation, sets the strategic direction and hires the chief executive of the company, who leads the company management team.¹ Boards of directors are composed of executive and non-executive directors.

Corporate board: A corporate board is the board of a for profit, private company.

Corporate governance: Corporate governance is “the system of checks and balances, both internal and external to companies, which ensures that companies discharge their accountability to all their stakeholders and act in a socially responsible way in all areas of their business activity” (Solomon, 2007, p. 14).

Chief Executive Officer or CEO: Head of the corporation who makes the final managerial decisions of an organisation (Adair, 1999).

¹ <http://www.mwa.govt.nz/women-on-boards/understanding-governance>, retrieved 28 February 2007.

Crown company (the more accurate term is Crown entity company): One of the five categories of Crown entity (statutory entities, Crown entity companies, Crown entity subsidiaries, school boards of trustees, and tertiary education institutions). A company incorporated under the Companies Act 1993 that is wholly owned by the Crown and named in Schedule 2 to the Crown Entities Act 2004.²

Crown Company Monitoring Advisory Unit: Established in 1993 this unit is responsible for monitoring Crown companies and for advising shareholding ministers on the appointment of directors to the boards of Crown companies. The unit is aggressively proactive in establishing a balance of skills on boards and searches for women candidates who have commercial abilities to be appointed in the Crown company boardrooms.

Executive director: Executive directors are inside directors who are senior executive staff from within the company itself. These directors are on the board often because they work for the company or are owners (Burgess & Tharenou, 2000).

Glass ceiling: Symbolises a virtual barrier which prevents qualified women from advancing to the higher positions (Adair, 1999).

² <http://www.ssc.govt.nz/glossary>, retrieved 14 February 2008.

Listed company: A company that has a listing agreement with a major stock exchange and whose shares have a quotation on that exchange (Oxford University, 2005).

Network: An information system to provide and receive the assistance, support and help to find the resources needed (Adair, 1999).

Non-executive director: Non-executive directors are outside directors who are more freely selected and are not linked with the organisation itself (Burgess & Tharenou, 2000).

NZAX: NZAX stands for the New Zealand Alternative Market which is one of the three securities markets of the New Zealand Exchange or NZX. The NZAX is specifically designed for developing companies and companies with non-traditional structures (McGregor & Fountaine, 2006).

NZDX: NZDX stands for the New Zealand Debt Market which is one of the three securities markets of the New Zealand Exchange or NZX. The NZDX offers a range of investment securities including corporate and government bonds and fixed income securities (McGregor & Fountaine, 2006).

NZSX: NZSX stands for the New Zealand Stock Market. NZSX formerly known as the Main Board includes the majority of New Zealand companies (McGregor & Fountaine, 2006).

Qualitative research: It is the research strategy that usually emphasizes words rather than quantification in the collection and analysis of data (Bryman & Bell, 2003).

Quantitative research: It is the research strategy that emphasizes quantification in the collection and analysis of data (Bryman & Bell, 2003).

State owned enterprise: SOEs are companies listed in the first schedule of the State Owned Enterprises Act 1986. SOEs operate as commercial businesses but are owned by the state. They have boards of directors, appointed by shareholding ministers to take full responsibility for running the business.³

Statutory boards: Statutory boards are boards of statutory entities which is one of the five categories of a Crown entity. Statutory entities are bodies corporate established by or under an Act and are named in Schedule 1 to the Crown Entities Act 2004. There are three types of statutory entities: Crown agents; autonomous Crown entities (ACEs); and independent Crown entities (ICEs).

Tokens: It refers to individuals who are hired or admitted to a group to serve as a proof of non-discriminatory policies of an organisation.

³ <http://www.ssc.govt.nz/glossary>, retrieved 14 February 2008.

Chapter one: Introduction

The aim of this research is to identify barriers to women's advancement to corporate boards in New Zealand and to investigate the proportion of female executive and non-executive directors and CEOs in New Zealand Exchange (NZX) listed companies

Recent demographic research on women on corporate boards in New Zealand illustrates that while women constitute 47% of the work force and 41% of the statutory board directorships, their proportion on the corporate boards is 7.13% (McGregor & Fountaine, 2006). These demographics illustrate that although women are increasingly joining the workforce and are getting more and more qualified, they still have a long way to go in order to achieve executive positions. It is of even greater concern that New Zealand lags behind several other countries regarding the proportion of women on corporate boards (McGregor & Fountaine, 2006).

In 1995 the New Zealand government pledged to increase the proportion of female directors on the statutory boards to 50% by 2010. Eleven years later, New Zealand Census of Women's Participation 2006 (McGregor & Fountaine, 2006) paints a picture of the government's success in the public sector and portrays a significant discrepancy between the proportion of women on statutory (41%) and corporate boards (7.13%). The relatively higher proportion of women on New Zealand statutory boards is surely an indication of the availability of female talent and defies the common claims of women's lack of required directorship skills and qualifications.

International research on women on corporate boards mainly focuses on identifying the barriers to women's attainment of board positions and a business case for women

on boards. In accordance with these studies, discrimination, stereotypes, “old boys’ network”, women’s choices of career, family commitments and other factors have been identified to influence women’s progress on boards (Adair, 1999; Burke, 1994b; Fondas, 2000; Levin & Mattis, 2006; Pajo, McGregor, & Cleland, 1997; Richard, 1999; Singh & Vinnicombe, 2004; Still, 2006). Where these studies have also highlighted the business advantages of having more women directors, no studies have come to the researcher’s attention which claims gender diversity on the basis of ethical and civil human rights’ requirements of women’s inclusiveness on boards and other positions of power in the organisations.

Research on women on corporate boards is very limited in New Zealand. Benchmark demographic studies by Pajo et al. (1997) and Shilton et al. (1996) were undertaken approximately a decade ago. Although the New Zealand Census of Women’s Participation 2006 (McGregor & Fountaine, 2006) provides a recent benchmark study, it falls short of explaining the reasons for continued under-representation of women in the executive suites in New Zealand.

Recent novel work by Singh and Vinnicombe (2006) in a census of the FTSE 100 UK companies illustrated that unlike a slow increase in the proportion of female non-executive directors, the number of women executive directors are still minuscule. Singh and Vinnicombe (2006) also conducted a series of nine interviews to investigate women directors’ experiences of accessing the FTSE 100 board positions. Replicating the work of Singh and Vinnicombe (2006) and updating the findings of Pajo et al. (1997), semi-structured interviews will be conducted with a sample of 11 New Zealand directors to study their experiences of accessing board positions and to

identify barriers to women's entry on corporate boards. Extending the work of Singh and Vinnicombe (2006), interview comments will be interpreted in the light of the social identity theory to provide explanations for the origin and persistence of barriers to women's progress to corporate boards in New Zealand.

Although present research in New Zealand analyses an overall proportion of female directors, it fails to examine the proportion of female executive and non-executive directors separately. The proportion of women executive directors as the company employees who attain directorships through advancing to top management and CEO roles not only represents opportunities for women to progress within their own organisations but also indicates a talent pool for non-executive directorships. Replicating Singh and Vinnicombe (2006), this study also aims to investigate the proportion of women directors on the NZX company boards. The study will look into the proportion of women executive and non-executive directors. Company annual reports, company websites, Companies Office website, NZX and Australian Exchange (ASX) websites will be examined to access data on the board structures and composition of the NZX company boards. Since top management positions such as CEO are the potential route to board nominations and appointments, the study will also look at the number of female CEOs in the NZX companies.

It is hoped that the findings and the theoretical explanations provided in this research will fill the gaps in New Zealand research and shed light on the factors influencing women's representation on New Zealand corporate boards. Specifically, the contribution will lie in updating and extending Pajo et al. (1997) in New Zealand and in replicating and extending the work of Singh and Vinnicombe (2006) in the UK.

This thesis will start in chapter two where the women on corporate board and women in top management literature are reviewed. Chapter three “Research methods” focuses on discussing sample selection and research methods. Chapter four will contain research findings and their comparison and discussion with respect to prior research findings. The interview findings are interpreted according to the psychological and behaviour predictions of social identity theory in chapter five “Discussions”. This thesis is concluded in chapter six “Conclusions and recommendations” with a number of recommendations for ways to improve women’s representation on corporate boards and possible future research.

Chapter two: Literature review

The objectives of this section are to discuss prior international and New Zealand research on gender diversity on corporate boards and to identify gaps in the current New Zealand research on this topic in order to locate the present study. This chapter is comprised of a review of the literature of women on corporate boards which is further enriched by a brief review of the research on women in senior management and executive positions.

The following review of the literature is presented in four sections: 2.1. Demographic research on women on corporate boards, 2.2. Business case for women on corporate boards, 2.3. Barriers to women's advancement to corporate boards, 2.4. Explanations for persistent existence of barriers to women's attainment of senior executive positions and 2.5. Summary of literature review which summarises prior research findings and clarifies gaps in New Zealand research.

2.1. Demographic research

Both international and New Zealand research on women in corporate governance and women in management indicate that although the number of women in the work force continuously increases, there has been minimal or no increase in the proportion of women in senior executive and top management positions (Francis, 2007; Gammie, Gammie, Matson, & Duncan, 2007; Heilman, 1997; Lahtinen & Wilson, 1994).

Demographics indicate that the number of female board members is considerably low in the US (14.7 %) (Lublin, 2007), UK (10.35%) (Singh & Vinnicombe, 2006),

Canada (11.2%), Australia (8.6%), South Africa (7.1%) as well as New Zealand (7.13%) (McGregor & Fountaine, 2006). According to the census of women directors in the top 50 listed European companies, women on average constitute only 11% of the decision making roles in Europe (McGregor & Fountaine, 2006).

Singh and Vinnicombe (2006) in an archival analysis of the FTSE 100 UK companies observed that the proportion of women directors on the UK boards not only decreased to 10.35% from 10.5% in 2005, but some boards even reverted to an all-male status. The study also indicated that 77 companies had at least one female director, 20 companies had two, six companies had three and only three companies had four female directors. Their findings also indicated that there was one female chair, three female deputy chairs and only two CEOs in the FTSE 100 companies. They also indicated that companies with women directors had higher market capitalisation, larger workforce, higher number of non-executive directors and higher board sizes.

As a potential pathway to non-executive board directorships, it is important to study the number of women CEOs and executive board directors. In a novel approach, Singh and Vinnicombe (2006) investigated the proportion of female executive and non-executive directors on the boards of the FTSE 100 UK companies. These researchers indicated that although the proportion of women non-executive directors is increasing slowly, the number of women executive directors is still minuscule. The study clearly illustrated the lack of women in the FTSE 100 executive teams, with only 53 companies having any women at all on their executive committee which is the source of many future non-executive directorships. The findings of this study showed that women constituted only 4% of the executive directorship positions and 10% of

the total FTSE 100 directorships. Researchers in this study also analysed boardroom composition of the FTSE 250 companies to investigate the proportion of women directorships on the smaller businesses. This analysis of the smaller businesses showed a similar result which indicated that women held only 4% of the executive director positions and only 6.6% of the total directorships of the FTSE 250 boards.

Women in New Zealand constitute nearly half of the labour force (47%). They occupy some of the key leadership positions in New Zealand such as the Prime Minister and Speaker of the House of the Representatives. However, the high profile of these women at the top of their fields does not reflect the status of all women in the workforce.

The New Zealand Census of Women's Participation 2006 (McGregor & Fountaine, 2006) shows that despite the growing presence of women in the workforce, representation of women in corporate governance in New Zealand is relatively low. This census indicates a 2% increase in the number of women in the top 100 New Zealand listed companies (5.04% in 2004 and 7.13% in 2006). However, the issue of concern is that while women constitute nearly half of the labour force and 41% of the board memberships on the state sector boards, their membership on the corporate boards is limited to merely 7.13%. In other words, women constitute 46 out of a total of 645 corporate directors and only 37 of the top 100 listed companies have any female directors in New Zealand. The percentage of women on the New Zealand corporate boards (7.13%) further decreases to 6.44% (61 women from a total of 947 directors) when the sample is increased and the top 163 New Zealand listed companies are analyzed.

In an attempt to establish gender balance on government boards and committees, New Zealand's former Prime Minister, Jenny Shipley,⁴ following her participation in the Beijing Women's Conference in 1995 and in response to the obligations of the government to Article 7 of the United Nations Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW),⁵ pledged through the Ministry of Women's Affairs to increase the proportion of females on the statutory boards to 50% by the year 2000 (now extended to 2010) (McGregor, 2000).

As part of the government's exercise to establish gender balance in the boardrooms, the government has initiated training programs to equip potential women with the necessary skills for directorships. Such initiatives may not only increase the proportion of women on statutory boards, but may also influence the proportion of women on corporate boards by increasing women's visibility and providing them with the governance experience once they have appeared on a statutory board.

Judy McGregor, the Equal Employment Opportunities' (EEO) Commissioner, and a former professor at Massey University has been one of the change making individuals in the status of women in employment in New Zealand. Influenced by the shareholder scrutiny of three New Zealand companies in 1997, Judy, along with two other researchers at Massey University, preformed the first demographic study of women

⁴ Jenny Shipley is currently director and chair of Mainzeal Property and Construction.

⁵ Article 7 states: Parties shall take all appropriate measures to eliminate discrimination against women in the political and public life of the country and, in particular, shall ensure that women, on equal terms with men, have the right:

- (a) To vote in all elections and public referenda and to be eligible for election to all publicly elected bodies;
- (b) To participate in the formulation of government policy and the implementation thereof and to hold public office and perform all public functions at all levels of government;
- (c) To participate in non-governmental organizations and associations concerned with the public and political life of the country.

<http://www.un.org/womenwatch/daw/cedaw/text/econvention.htm#article7>.

corporate directors in New Zealand. Pajo et al. (1997) used questionnaires to gather information about a variety of demographic factors such as age, ethnicity, education, occupation, income and the number of female directors of the top 200 New Zealand companies. These top 200 companies were identified on the basis of a range of financial indicators such as turnover, profit before tax and profit after tax. The findings of the study illustrated that the majority of the female directors (80.6 %) were aged 50 and over. These women directors were highly educated i.e. over 80% of the women had completed postgraduate study and almost all women (93.3%) had undertaken tertiary education at an undergraduate or postgraduate level.

The findings of Pajo et al. (1997) illustrated that only a little more than 28% of the companies for which data was available had women directors on their boards. Companies with more than one woman director were exceedingly rare and only 5.4% of the companies surveyed had more than one woman on their boards. Similarly, the findings illustrated that women occupied only 4.4% of the total number of directorships in the top 200 New Zealand companies.

Influenced by the increasing changes in government policies, deregulation and corporatization in New Zealand and, one year after the former Prime Minister Jenny Shipley pledged to enhance the proportion of women directors on New Zealand boardrooms, Shilton et al. (1996) performed a unique study in New Zealand. Shilton et al. (1996) compared the public and private sector of the New Zealand economy to differentiate between Crown company directorships and corporate directorships. Researchers analyzed company records and archival material to obtain the accurate number of women on the Crown and corporate directorships. They also analyzed

media reports and conducted interviews to study the possible implications for increasing the number of women on the boards.

The findings of Shilton et al. (1996) revealed that out of a total of 54 Crown companies, 46 companies (85.2%) had one or more women on their boards. Although the study showed that the total percentage of female directors to male directors is 19.7%, there were three Crown companies that had equal representation of males and females on their boards and only eight Crown companies (out of a total of 54) had no women representation on their boards. These findings are an indication of the successful implementation of Jenny Shipley's experiment on New Zealand Crown company boards.

Shilton et al. (1996) also investigated women's representation on the top 40 (by market capitalization) corporate companies. The findings showed that women constituted 3.86% of the total corporate directorships. Of these 40 large companies 28 had no women directors on their boards. The reasons behind such a discrepancy in the female representation on the corporate and Crown company boards were explained as maybe related to the influences of legislations, the establishment of the Crown Company Monitoring Advisory Unit in 1993 and the public sector's response to public agitation on issues of gender inequality. Such a considerable difference in the numbers of women in the top ranks of the private and public sector companies perhaps sheds doubt on the often expressed excuse of lack of qualified women for the absence of women on corporate boards.

While international research i.e. Singh and Vinnicombe (2006) indicate dismal progress in the number of executive directors in the UK, the above New Zealand demographic studies by Shilton et al. (1996), Pajo et al. (1997) and McGregor and Fountaine (2006) fail to differentiate between the proportion of women executive and non-executive directors on New Zealand corporate boards leaving a need for further research on this topic.

2.2. Business case for women on corporate boards

A key theme in the literature is that women represent a resource that is still greatly underutilised. Their presence at the top managerial and executive ranks not only introduces benefits such as higher business competitive advantage, but also results in better quality decisions and consequently the better financial performance of the firms.

Women as outsiders (Fondas, 2000) equipped with better qualifications than their male counterparts (Burgess & Fallon, 2003; Burke, 1994a; Ciancanelli, Gallhofer, Humphrey, & Kirkham, 1990; Richard, 1999) can affect the quality of decisions made by the boards. Studies have shown that women board members are often more highly educated than their male counterparts (discussed in section 2.3). In spite of this fact, women face greater hurdles to get appointed to the boards, thus once on the board, they can be highly motivated to fulfil their board responsibilities. Women's high motivation to perform their responsibilities combined with their higher qualifications and varied personal and professional backgrounds give them a different perspective from the male board members. In addition to their better qualifications, women as outsiders, with no links or relationships with the management and the company CEO,

have a better capability to resist management and CEO decisions. As a result, women's increased representation on the corporate boards can result in more innovative and creative board deliberations and better decisions (Fondas, 2000).

Interviews with women CEOs in a study of the boardroom dynamics by Huse and Solberg (2006) revealed that women are more committed to their board responsibilities than their male colleagues. Interviewees in this case explained that women's presence on the board helped in better decision making by better preparation for the board meetings. One woman CEO commented:

I have seen that male members of this board open the envelope in the elevator. We were often joking by saying that the boardroom should be as far as possible away from the garage. The quality of the board meetings was a function of the distance between the boardroom and the garage (Huse & Solberg, 2006, p. 119).

Alternatively, the interviewees described that women board members were in general better prepared. Their better preparation not only increased their independence (by not relying on and supporting management's presentations), but also provided them with an opportunity to effectively influence decision making.

Literature indicates that the presence of women on boards not only improves corporate governance but also changes the boardroom environment (Huse & Solberg, 2006; Rosener, 2005). Women directors interviewed by Huse and Solberg (2006) indicated that women were able to create a good atmosphere in the boardroom which facilitated openness and generosity among the board members. Women are also considered to listen more, to ask more questions and to see problems and solutions differently from their male counterparts.

Beside the above arguments, women today constitute the majority of consumers of different products produced by companies (Rosener, 2005). A number of studies in the corporate governance literature reveal that gender diversity on the boards is positively related to the firm's performance and value. Carter et al. (2003) in a study of board diversity argues that overall board diversity (including gender diversity) produces more effective problem-solving. According to them, while heterogeneity may initially produce more conflict in the decision making process, the variety of perspectives that emerge cause decision makers to evaluate more alternatives and more carefully to explore the consequences of these alternatives. Their study provides evidence for a positive relationship between the proportion of women and other minorities on the boards of directors and company success.

A study of the 2500 largest Danish firms from 1993 to 2001 by Smith et al. (2006) supports Carter et al. (2003) results. Smith et al. (2006) observed that the proportion of women in top positions influenced performance measures, which approximated the mark-up (e.g. gross profit) more positively and more significantly than the other performance measures in the study (e.g. net income after tax). Smith et al. (2006) argue that better financial performance results as women have different experiences from the working and non-working life than men have. Therefore, women may have a better understanding than men of some of the segments of the market place of the firms, which may improve the creativity and quality of the decision making process of the firms and consequently result in better financial results. However, their results show that positive performance effects are mainly associated with the female managers who have a university degree (higher education and qualifications) whereas

female CEOs who do not hold a university degree have a much smaller or insignificant effect on firm performance.

The findings of Smith et al. (2006) are also supported by the latest US research. The research by US firm Catalyst showed a clear link between representation of women at board level and better financial performance (Fox, 2007). Their findings showed that Fortune 500 companies with the highest representation of women among its directors achieved significantly higher financial results than companies with the lowest number of women on their boards. They found that companies with the highest percentages of women directors outperformed those with the least women representation by 53% on return on equity, by 42% on return on sales and by 66% on return on invested capital (Fox, 2007).

Overall, literature on the business case for women on corporate boards supports the arguments that the presence of women on boards of organisations can be beneficial. Gender diversity on the boards not only improves board deliberations (which will result in better decisions), but also improves the boardroom atmosphere. Similarly, as more women move into high-ranking corporate positions, the presence of role models may further encourage other women to seek similar positions. Greater numbers of women in positions of authority may lead to an increase in the general acceptance of women in those roles. It can also affect the firm's reputation by portraying an image that women are valued in such firms which will subsequently affect the organisation's financial results.

On the other hand, Sinclair (2006) in a review of diversity practice in Australia argues that claims for the business case of diversity not only abolishes the mere purposes for which it is practised (e.g. to reduce discrimination and promote equal employment opportunities), but also considers economic reasons to be the only justification for it. In addition, when diversity is discussed in economic terms then it has to make it easier to recruit the best (least troublesome) employees and neglect the anti-discriminatory and equal employment claims for which it was initially established. The arguments that diversity should only be considered when it brings economic benefits to organisations makes it conditional on a calculation and ignores moral, ethical and justice arguments for it. Sinclair (2006) states:

Allowing the business case to set the terms of diversity management defines what is discussable and non-discussable rendering invalid the language and principles of rights and equality. Diversity is they say, all about 'strategic HR management' not about people and how they are treated (Sinclair, 2006, p.520).

Sinclair (2006) adds that diversity is generally considered to be a tool for harmonious inclusion and no conflict. However, in reality diversity sits in a world where small and large scale domination, sexism and racism are a daily experience. Therefore, she advises practitioners to engage critically and reflexively with diversity. Where they promote and practice diversity, they should also reflect on the distribution of power, domination (e.g. white domination where white is always right and superior) and the ways in which gender and racial oppression continue to exist in the organisations.

2.3. Barriers to women's advancement in the organisations

Research on women in corporate governance identifies a number of factors as the barriers to women's progress and attainment of board positions. These barriers to women's progress and rationales for women's absence from the executive suites are discussed below.

2.3.1 Discrimination

According to a number of the researchers, women's lower representation on higher ranks may be merely an act of discrimination as a result of their token status on the top management and board positions. Kanter (1977) argues that the problems faced by women in the organisations are not the product of their gender per se. These problems are created as a result of the rarity of women in the male-dominated organisations and any group (men or women) in the extreme minority will suffer consequences similar to the experiences of women in male-dominated positions. She further adds that even when women work in the management ranks, they often work in predominantly male groups and suffer from the negative effects of tokenism. As a result of their token status, women in the corporations become highly visible and greatly under pressure which affects their performance negatively. She claims that:

Women echoed the experiences of people of any kind who are rare and scarce: the lone black among whites, the lone man among women, the few foreigners among natives. Any situation where proportions of significant types of people are highly skewed can produce similar themes and processes. (Kanter, 1977, p.207).

Arguably, Kanter (1977) claims that women may suffer in higher ranks as long as their token status persists. She suggests number-balancing as a necessary precondition to women's equal treatment in the workplace.

On the other hand, criticising Kanter's gender neutral theory Zimmer (1988) and Ciancanelli et al. (1990) claim that negative male behaviour in the workplace is seen to be more motivated by the notions of female inferiority rather than scarcity; therefore, mere number-balancing is insufficient to establish women's equal treatment in the workforce. According to these researchers, there is no reason to assume that an increasing number of women will improve their employment conditions. In fact, it is possible that as "tokens" become more numerous their problems actually increase, due to increased tension and hostility between the groups. Instead Zimmer (1988) and Ciancanelli et al. (1990) suggest that it is important to target organisational and societal structures, stereotypes and ideologies of the wider society before gender related workplace discriminations can be eliminated.

2.3.2. *Job Segregation and career choices*

Discussing the problem of women's non-progression to positions of power (top management and others) in UK organisations, Lahtinen and Wilson (1994) argue that one reason for women's lower representation in high ranks is female and male job segregation. They explain that women's and men's jobs are horizontally segregated, that is, women are usually restricted to lower status, unskilled, lower paid and part-time jobs. The number of UK women with a second job doubled in the 1980s which indicates that for many women part-time jobs are a matter of compelled circumstances and not a matter of preference and that women needed more paid work hours. They further explain that jobs are also vertically segregated where men progress and occupy top positions; women are usually limited to lower positions even in female dominated jobs.

According to researchers, women's lower representation on the boards is also influenced by their career choices. Research shows that most women occupy lower level jobs and staff positions that have lower promotional prospects (Hyland & Marcellino, 2002; Levin & Mattis, 2006). Similarly, Lear⁶ (1994) explains that women have not been able to progress as they traditionally lacked the necessary business experience to advance to the executive positions. He adds that many talented women usually chose careers such as law, public accounting, investment, commercial banking, advertising and management consulting which did not expose them to managerial challenges and which do not lead to board selection processes. These

⁶ Robert W. Lear was the former CEO of F.&M. Schaefer from 1972 to 1977 and a former professor at the Columbia Business School.

arguments are also supported by Kanter (1977) who explains that women fill positions that normally lack power and advancement opportunities.

2.3.3. Negative perceptions about women

A significant number of studies reveal that the lower number of women board memberships are associated with the negative perceptions of CEOs and other executives of companies. In a study of the Canadian corporate boards, Burke (1994b) examined views of the male CEOs of those corporations that had at least one woman board member. The findings of this study showed that approximately 50% of the CEOs believed that there were not enough women qualified for board service. The study also showed that a large number of CEOs believed that having women on their boards had no impact on their board or company performance. More than half of the respondents (57.7%) indicated that women board members are there only to focus on the female employee issues.

Sheridan and Milgate (2003) observed that men and women directors had contrasting views on women's low representation on the Australian boards. The study illustrated that while men associated women's low representation to a lack of qualified women, women associated it to other factors i.e. the "old boys' networks" (discussed in 2.3.4).

Similarly, in a New Zealand study by Pajo et al. (1997), the majority (62%) of the respondents (women directors of the top 200 New Zealand corporate boards) expressed that women on corporate boards are rare as company authorities do not think that women are qualified enough for the board services and, of more concern is that company authorities are not looking to put more women on boards (58.6%). In

addition, more than half of the respondents (55.1%) indicated that companies are not appointing women on their boards out of a concern that women will bring a “women’s agenda” to their boardrooms.

The reason most commonly attributed by the existing CEOs and directors for the poor representation of women at corporate level is that usually company authorities do not know where to look for qualified women. As a result, informal networks are considered helpful to locate qualified women which consequently limit the pool of potential female candidates only to women in the informal networks of a particular group of people (Burke, 1994b; Sheridan & Milgate, 2003). Women’s lack of representation on corporate boards, however, cannot be attributed to inferior educational qualifications. Literature shows that women executives are often better qualified than men of similar ranks (Burgess & Fallon, 2003; Burke, 1994b; Ciancanelli, Gallhofer, Humphrey, & Kirkham, 1990; Richard, 1999).

Women get further disadvantaged and looked at negatively when companies that have appointed them perform poorly. Ryan and Haslam (2007) in a UK study observed that company performance leading to a director appointment differed depending on the gender of the appointee. They indicated that usually women, due to their particular abilities at the times of crisis, are appointed on boards of companies that are experiencing problems. They stated:

...women are more likely than men to find themselves on a glass cliff – an allusion to the fact that their leadership positions are relatively risky or precarious since they are more likely to involve management of organisational units that are in crisis. (Ryan & Haslam, 2007, p.5)

Although “glass cliff” positions may not necessarily lead to failure, companies that experience problems attract attention to their board of directors. In this way women who accept such positions may be blamed for the circumstances that existed prior to their appointments.

2.3.4. Similarity, “old boys’ clubs” and networks

Burke (1994b) argues that corporate boardrooms are generally dominated by a network of male, white executives who are opposed to changes in their existing board compositions. In a study of large Australian organisations, 11 CEOs were interviewed to explore the reasons for the continued exclusion of women from the executive suites. Interviewees in this case described boards and executive ranks as the “man’s world” where women are not integrated but tolerated (Sinclair, 1994 cited in Fawcett & Pringle, 2000).

The reasons behind this male domination are that individuals usually prefer those groups of people who are similar to themselves, whose ideas are easily understandable and whose behaviour is easily predictable. As such, male executives and board members prefer to appoint men who have similar characteristics as they have rather than women who are different from them in many respects i.e. demographic characteristics, communication styles and backgrounds (discussed further below in the light of the theoretical arguments). In the words of Murray (2006, p.184):

Women can have haute couture with designer labels, be super rich through inherited wealth or entrepreneurial ability, but they are still being overlooked for promotion because it is supposed that the businessman’s ideal-type in business is a man like himself.

In this way, the comfort of similarity increases trust and ease of decision making while it discriminates against and prevents women from reaching the top.

Parallel to international research, studies in New Zealand underscore the influence of the “old boys’ club” and the importance of networks in corporate board appointments. A significant number of the respondents (female directors of New Zealand’s top 200 companies) in Pajo et al. (1997) considered visibility to be an important factor in women’s first time board appointments. These women directors, however, indicated that visibility can be achieved through the recommendations of acquaintances of the company CEOs, the CEOs themselves or board members of the companies and by the virtue of being a shareholder in the companies. Approximately half of the respondents (46%) indicated that recommendations or personally knowing other board members are the two important factors that may help women to enhance their visibility and get appointed to the boards.

In another study, Shilton et al. (1996) interviewed four women who held multiple directorships on the boards of Crown and corporate companies in New Zealand. These women directors suggested that to help women progress into directorship, in addition to the acquisition of commercial experience and a desire to become a director, women will need to be active in soliciting contacts, networks and agencies to help increase their visibility for their first board appointments.

While CEO roles are the ultimate talent source for board appointments, research indicates that “old boys’ clubs” and networks also influence CEO appointments. Fawcett and Pringle (2000) examined the processes of CEO appointments through

case studies of eight major New Zealand organisations. They interviewed the chairs of the boards, the CEOs and, where applicable, the executive recruitment consultants. Their findings provided strong evidence for the existence of an “old boys’ club” and the importance of the networks in the appointments of new CEOs. Interviewees cited their concerns that a CEO and a board member should fit comfortably with the executive team and their activities and that women as CEOs may possibly disrupt the effective functioning of the top management teams and boards of directors. An executive search consultant interviewed by Fawcett and Pringle (2000) described that boards of directors’ preferences regarding gender are based on the concept of compatibility between the appointee and the board, the customers and the organisational culture. He explained: “If the board has certain attitudes, the appointment of a CEO outside of their framework may result in dissension and ultimately be destructive” (Fawcett & Pringle, 2000, p.256).

Fawcett and Pringle’s (2000) findings illustrated that the appointments of CEOs in New Zealand were characterised by a lack of rigour, formality and objectivity. Researchers observed that there was limited use of selection tests, clear job specification or even structured interviews. On the other hand, CEO appointment processes mainly relied on the individuals in the informal networks of the CEOs.

Although studies in New Zealand indicate the importance of networks in director and CEO appointments, a recent study by Singh and Vinnicombe (2006) in the UK does not support this argument. In addition to a census of the FTSE 100 UK companies, Singh and Vinnicombe (2006) interviewed nine experienced women non-executive directors to study their experiences of accessing the FTSE 100 board positions. They

observed that whilst the majority of these women did not engage in clubs or networks, all of them acknowledged the importance of personal connections in their board appointments. Their interviewees emphasised the importance of commercial experience, a professional background and a good knowledge of corporate governance to achieve directorship roles.

2.3.5. Women - outsiders, unknown and highly independent

Being an outsider with many unknown factors make women too independent to CEOs to consider them for board memberships. Women directors and board members are often outsiders (they usually come from outside the organisation, hence not very much influenced by the CEOs and top management) and, therefore, more likely to be objective and highly independent. In this case, it is not the femaleness of the women that prevents them from advancement, but the fact that they are usually outsiders, unknown and highly independent in the eyes of the CEOs (Fondas, 2000). According to Fondas (2000) since board members are nominated by the top managers, particularly by the chief executive, if women are not in the executive social circles they can be disadvantaged. Further, if a woman's politics are unknown in terms of whether or not she carries a feminist agenda, she is at a further disadvantage. Thus, a major reason for CEOs to resist appointing women to the boards is that doing so increases the number of outsiders on the board who may challenge their decisions and diminish their power (Fondas, 2000).

2.3.6. *Lack of developmental opportunities*

An important barrier to women's progress towards the executive suite and boardroom membership is the limited exposure of women to appropriate developmental opportunities.

Studies reveal that executive-level experience is an important selection criterion for corporate board memberships (Bryant, 1998). Therefore, women's advancement to executive-level roles is dependent upon the company's success in exposing potential women to challenges that will eventually prepare them for strategic decision making roles and executive-level responsibilities. Such developmental opportunities may involve responsibilities for profit and loss, revenue production and general management roles.

According to the pipeline theory, women's absence from the top levels of management is a natural consequence of them not having been in managerial positions long enough for the natural career progression to take place. Forbes et al. (1988) predict that the number of women in executive suites will increase as time passes and as women progress to top management positions. They argue that:

Although progress has been slow, young women currently entering the work force already are viewing the sky through the broken remnants of the glass ceiling. Continuing to break down the walls will help them see the CEO's job on the horizon (Forbes, Piercy, & Hayes, 1988, p.9).

On the other hand, Heilman (1997) argues that the explanation provided by the pipeline theory for women's lack of representation at the top is unsatisfactory. Heilman (1997) adds that such explanations are inadequate, because, although the

number of women in middle and lower management has continuously increased, few women have advanced to the executive suites. Therefore, the pipeline theory alone may not provide a thorough explanation for the lower representation of women on corporate boards.

2.3.7. Women and leadership

Research indicates that, generally, women face significant barriers to achieve leadership roles. Still (2006) argues that the term leadership is normally associated with the concepts of the “great man” or “hero”. She adds that leadership is often used as a masculine notion defined by “subtle and deeply rooted cultural norms and values in organisations” (Still, 2006, p.7). Research has also shown that such beliefs are stronger among men as compared to women. Schein (2007) discusses multi-country studies that were conducted over the years to investigate gender typing of managerial positions globally. She explains that although female managers today no longer gender type managerial positions and treat men and women equally, male managers continue to perceive men as more successful managers and leaders. Similarly, Fawcett and Pringle’s (2000) findings illustrated that CEOs and managers are perceived in terms of the characteristics more commonly ascribed to men than to women. Their interviewees repeatedly used “he” in reference to potential CEOs. Therefore, even though women may have the required skills for leadership they are not yet seen culturally as leaders in comparison to men.

Indeed, literature indicates that women are perceived to be passive, indecisive, dependent, emotional, non-objective and insecure. On the other hand, men are thought to be active, strong, independent, decisive, objective and self-confident. Women are

also thought to be tender, understanding, warm, concerned with others whereas men are described as just the opposite (Heilman, 1997). Research findings suggest that traits associated with men are more highly valued and are more desirable in our society. These are the characteristics which are considered to be achievement oriented and necessary for top management positions (Heilman, 1997). Consequently, in an attempt to blend in with the organisational culture, women may exhibit stereotypical male characteristics of rationality and instrumentality. This may provide an explanation as to why some women acquire and exhibit male traits as soon as they have progressed to top management positions.

2.3.8. Lack of motivation

There is an often made assumption that women's lack of representation at the top is due to their lack of motivation or drive for such positions (Heilman, 1997; Lamsa & Sintonen, 2001; Miner, 1977; Sheridan & Milgate, 2003). However, these claims were rejected by Huse and Solberg (2006). Huse and Solberg (2006) conducted a number of in-depth interviews with Swedish and Norwegian female directors. Their findings indicated that women directors displayed excitement and motivation in being board members. One interviewee explained:

Through my board assignments I have experienced having power. It is satisfactory to know that you have power. To take big and important decisions. As a board member I have learnt a lot. Not only in general management, but also various professions. I have learnt a lot of technology through one of the boards. (Huse & Solberg, 2006, p.123)

And

Own learning. A lot of fun. I receive a lot in return. It has been fantastic. I enjoy it. A good change from the daily duties. Other themes, other industries, other views. Learning,

excitement and new people – that is what I consider to be the most important. (Huse & Solberg, 2006, p.123)

Their findings thus indicate that women not only considered board service to be fun, but also enjoyed practising power and decision making responsibilities.

2.3.9. Traditional gendered career models

Another important factor associated with the lower representation of women in higher ranks is women's commitment to family and child bearing responsibilities. Mavin (2000) explains that women are usually forced to choose between their careers and their family stability. A study of women in middle management reveals that the majority of women turned down promotion offers due to their family commitments and relocation problems (Crawford, 1977 cited in Mavin, 2000).

Mavin (2000) further argues that women's marital status plays an important role in women's advancement to higher positions. She adds that it is not only the corporations that often look less favourably on married women when it comes to promotion, but the women themselves also exhibit lower expectations of advancement than those who are single.

While women continue to hold the main caring roles in the family, the traditional male career model has remained the normative standard for judging career progress in organisations. Such a model fails to incorporate women's varying life experiences and is based on a linear upward progression which consists of education, full-time career and retirement. The choice of women to remain in management and to have children

is still not viewed as positive by society and organisations. Women are forced to choose between their careers and family commitments or even a family at all (Mavin, 2001).

The lack of gender appropriate career and organisational structures has compelled women to become part of the male career model to progress in management. Research has shown that the majority of successful women have displayed high career centrality. They have worked continuously and full-time, fitting their domestic responsibilities around work or choosing to remain childless (Mavin, 2001). The lack of gender appropriate organisational structures can effectively enhance barriers to women's advancement and entry to boardrooms.

Looking at the barriers to women's advancement in the workplace, it can be observed that currently, although women are better qualified than their male counterparts (Burgess & Fallon, 2003; Burke, 1994b; Ciancanelli, Gallhofer, Humphrey, & Kirkham, 1990; Richard, 1999) and are motivated to enter organisations (Huse & Solberg, 2006), organisations have difficulty in developing and retaining women and advancing them into senior management and executive ranks. Research on women on corporate boards has neglected to investigate the origins of these organisational barriers and how they emerge and live in the organisations. A number of the international studies on corporate directorships and top management have explained the origins of these barriers in the light of the traditional "home making" role of women in society and in the light of social theories. These perspectives are discussed below.

2.4. Reasons for gender discrimination and the existence of barriers to women's advancement in the organisations

Gender inequality and discrimination in the workplace is not a new issue. Gender discrimination has been embedded in organisational cultures for centuries. As Moore (1994) explains women's inferior status is the product of the social and cultural construction. She adds that differences between men and women are conceptualised as the sets of opposed pairs which resonate with other sets of oppositions. In this manner, where men are normally associated with "up", "right" and "strength", women are associated with their opposites such as "down", "left", and "weakness" (Moore, 1994).

Pacey (1994) argues that women's inferior status in society is caused by their deep involvement in domestic affairs since the eighteenth century when the workplace became separated from the household. In this way, for years, women's roles increasingly have been seen to be bound up with "home making" and child bearing activities. He further adds that in the nineteenth century women were considered as "the presiding spirits of home". Their abilities and creativity were restricted to domestic affairs and, due to their domestic applications, skills such as embroidery and needlework were considered necessary for them. Pacey (1994) quotes a passage written by a gentleman:

If she makes that delightful and salutary – the abode of order and purity, though she may never herself step beyond the threshold, she may yet send forth from her humble dwelling, a power that will be felt round the globe (Pacey, 1994, p.144).

Such was the role propagated for women by men and women in the nineteenth century. Women's confinement to domestic roles was also portrayed in the paintings

of the Dutch interiors where women were always seen putting away linen, sweeping the floor and bent over the needlework.

According to Bradley (1994), more recent surveys in the US and the UK have shown that women still bear the burden of housework and that they are still considered to be responsible for the running and cultivation of the home. If women decide to go out to work, it is up to them to make alternative arrangements to cover housework. Therefore, usually women who choose to join the workforce are restricted to part time, low paid jobs with low promotional prospects that will drive them back to the home. Exhausted with the burden of housework, parenthood responsibilities and a full-time job, women may lack the energy to perform their tasks as well as men at the workplace and to engage in social activities essential for success in competitive jobs. In this way, their careers are neglected at an important stage when their male colleagues are starting to step up to the promotion ladder (Bradley, 1994).

Unlike the nineteenth century, though, today contemporary families in Britain and the US are no longer patriarchal; most social institutions are still shaped around male needs and priorities and women who enter such professions will have to fit into male occupational cultures. In the words of Bradley (1994), our contemporary society if it is no more patriarchal is literally andocentric (male centred).

Women have also been disadvantaged due to the myth of pregnancy. Lahtinen and Wilson (1994) argue that despite the evidence against this perception, usually employers believe that women leave to have children and that they are less committed to paid work. Lahtinen and Wilson (1994) suggest that the perception of women's

lack of commitment may have originated from men's reluctance to accept women in management posts. They explain that many women managers have experienced that their male colleagues create stress for them and seem to be threatened by them. "There is a masculine consciousness which feels threatened and so often they exclude women from their social interactions" (Lahtinen & Wilson, 1994, p.18). Murray (2006), supporting the above arguments, provides an example of a foreign exchange saleswoman who was made redundant after going on a maternity leave. Murray (2006) adds that the saleswoman described her workplace to be male dominated where men held men-only drinking sessions and arranged golf trips from which female employees were excluded. He further adds that:

Women can systematically be made to appear as under-achievers or incompetent by cutting off their access to resources or clients, and through other means not explicitly sexual in nature. These techniques continue to be used to keep women out of the top jobs (Murray, 2006, p. 182).

In another study by Liu and Wilson (2001) women indicated that their male colleagues found it difficult to perceive women in anything but a nurturing, child-rearing and spousal support roles which was reflected in their attitudes towards women at work. They also added that a large proportion of their male colleagues felt threatened by women who were more senior, more qualified and more successful than them.

Women's lack of representation in high ranking positions can also be influenced by different family and societal attitudes towards men and women. Stereotypes and negative perceptions start from the moment of birth since the child is handled differently depending on his or her gender. Family and societal attitudes not only

shape individuals' personalities, but also influence their perceptions about themselves. In addition, women's learning abilities and, later on, their choices of career can be greatly influenced by societal factors. Jacobs and Eccles (1992) investigated parents' perceptions and future expectations of their sixth grade (11 to 12 years old) children's abilities in maths, sports and social domains. Their results indicated that parents' expectations were influenced by the traditional stereotypes and they had greater confidence in the abilities of their sons in the above mentioned domains as compared with their daughters. Their study also indicated that perceptions of parents had a consequent impact on the children's self perceptions and abilities in those domains. Although studies of school grades provide evidence that girls do better in maths and other subjects, undervaluation of female capabilities limits their career choices and compels them to develop their abilities in sex-typed "women's jobs" which are not only lowly paid but also may offer lower developmental opportunities (Kimball, 1989).

In another study, Brazelton (1998) found that university instructors had different attitudes towards male and female students. They observed that although women constituted 45% of the population of classrooms, only 36% of interactions were with female students. Ninety percent of the interruptions were made by men who were also much more likely to impulsively call out their responses. Researchers noted that male students received the most helpful feedback and lengthier interactions. They observed that while the average interaction time between professors and male students was in excess of two minutes, the interaction time with female students was only 56 seconds. Brazelton (1998), thus concludes that for women to progress in their careers it is

necessary that they receive the same communication opportunities and assertiveness training that men receive throughout their education and careers.

The literature on women on boards has generally ignored ethical issues of inequality and discrimination, preferring to argue the business case for women's advancement to corporate boards (discussed in 2.2). Invoking an understanding of the gendered values of society, Singh and Vinnicombe (2004) use social identity theory, social cohesion and social network theories to provide explanations for the persistent homogeneity of the top 100 FTSE boards in the UK.

In this rare example of a theoretically informed study, Singh and Vinnicombe (2004) explain that in accordance with the social identity theory, individuals segment and order the social environment around them into various categories such as family, race, class, gender, profession defining themselves and others. Once within one of these groups, individuals start to think in a group way (the "group think" phenomenon (Singh & Vinnicombe, 2004, p.484)) defining themselves according to the norms of the group, trusting the group members and trying to achieve the collective group goals. In this way, they establish a group which consists of its special set of rules and boundaries excluding those not in the group. These in-group members tend to stereotype those out of the group establishing barriers of entry for the outsiders who may try joining the group and once these outsiders succeed to join the group, they too develop the characteristics perceived as prototypical of the group with which they identify.

Social identification, therefore, is the perception of oneness with, or belongingness to, some human aggregate. According to social identity theory, in-group favouritism tends to occur even in the absence of strong leadership or member interdependence and interaction. Favouritism is not dependent on prior perceptions or interpersonal similarity or liking. It can be generated simply by assigning individuals to a group (Blake & Mael, 1989; Singh & Vinnicombe, 2004; Tajfel & Turner, 1986).

Social identity theory, therefore, explains the prevalent concept of the “old boys’ club” (discussed in 2.3.4) and resistance of male directors to the increased representation of women in the corporate boardrooms. Male directors, as the members of an all-male, almost always all white board, will define themselves as directors and as male colleagues and buddies, reinforcing group boundaries which exclude non-directors, non-whites and, importantly, women who have different demographic characteristics, communication styles and different backgrounds.

Social identity theory also holds that in-group members will also have a tendency to consider that their in-groups are superior to the out-group (Tajfel & Turner, 1986). This argument supports the research findings discussed above where women are considered to be less qualified for board service by the CEOs and board members (discussed in 2.3.3). Therefore, women will face greater hurdles while men will challenge them just a bit more than they would challenge new male directors.

Singh and Vinnicombe (2004) also briefly discuss network and cohesion theories to explain the change-resistant phenomenon of women’s access to corporate boards. Network and cohesion theory are based on social exchange and reciprocity

perspectives. According to these sets of theories, senior managers and executives are the nodes of a collective network of the executives. They not only benefit from their personal position of power, but also from the collective power of the executive network. In such a system of social interaction, board members help one another expecting reciprocation not only from the same individual in the network, but also from others linked with him or her sometime in the future. This implies that such a system relies on the existence of sufficient trust that the giver believes he or she will receive reciprocal treatment by someone else, sometime in the future. However, the theory suggests that for a system of generalized exchange to work properly it is important that members of the network are of similar characteristics and prestige.

Corporate CEOs are a relatively homogenous cohesive group; they may feel a generalized obligation to support fellow CEOs in board meetings and during periods of poor firm performance. Hence, few women get appointed to boards, because they are not only less attractive to the appointing committees due to their demographic differences, but they are also less attractive to the network if they are not members of a social network and have less social connections than their male counterparts (Singh & Vinnicombe, 2004; Westphal & Zajac, 1997).

In summary, social identity theory, social cohesion and network theories provide potential explanations for the persistent exclusion of women from the corporate boards.

2.3. Summary of literature review

This review of the literature underscores the fact that women's attainment of corporate board positions are influenced by various barriers. Studies have shown that women's non-representation on boards is not only a New Zealand problem but a world wide problem. The literature review shows that, to date, international research on women on corporate boards has concentrated on the female directors' demographics and identifying barriers to women's attainment of board positions. Despite the arguments that business case for gender diversity may result in focusing on business profits and ignoring ethical and moral arguments for women's presence on corporate boards, a large number of researchers have focused on economical benefits of gender diversity on the boards. In addition, although existing research provides evidence of barriers to women's advancement in the organisations, there have been little theoretical explanations as to why such barriers occur and are so persistent. The researcher has come across only a single theoretical study i.e. Singh and Vinnicombe (2004) which discusses women's absence on boards in the light of the predictions of social and psychological theories. This may imply that researchers have started to look into social theories in order to seek explanations for women's low representation on the boards.

Prior international research primarily focuses on the appointment procedures of women non-executive directors through an examination of the views of existing CEOs and corporate board members. However, the proportion of women in executive directorships has been ignored. The recent FTSE report (Singh & Vinnicombe, 2006) is the only study found by the researcher which investigates and compares the proportions of female executive and non-executive directors. The findings of this

study provide an overview of the significant disparity that exists in the proportion of female executive and non-executive directorships.

Research on gender diversity of corporate boards in New Zealand is very limited. Contrasting the international research on women in corporate governance, benchmark demographic studies in New Zealand are limited. Benchmark studies by Pajo et al. (1997) and Shilton et al. (1996) were undertaken approximately a decade ago. A recent census of women's participation in public life in New Zealand by McGregor and Fountaine (2006) provides information about the proportion of women in New Zealand boardrooms, but it falls short in analysing the proportion of female executive and non-executive corporate directorships. Thus, more needs to be known about women executive directors to locate where the majority of female directors are likely to be found in New Zealand.

Unlike the international research, there is a shortage of research on selection and nomination processes of corporate directors in New Zealand. Fawcett and Pringle (2000) investigated the appointment procedures of corporate CEOs, while the selection processes of company directors have not received much attention. Supporting the international research findings, Fawcett and Pringle's study provides evidence of barriers to women's appointments in CEO positions in New Zealand. However, it is only an assumption that similar barriers also account for the lower representation of women on the corporate boards.

Keeping in mind the novel nature of Singh and Vinnicombe (2006), this study will follow Singh and Vinnicombe (2006). It is intended not only to investigate the

proportion of female executive and non-executive directors on NZX listed company boards, but also to investigate director appointment procedures in New Zealand through interviews with the current directors. In addition, since the literature has illustrated a difference in the views of male and female directors (Sheridan & Milgate, 2003), both male and female directors will be interviewed in this research. It is also intended to extend Singh and Vinnicombe (2006) by interpreting interview findings utilising predictions of social identity theory.

In this manner, this research will hopefully provide an understanding of the corporate directorship appointment procedures in New Zealand as well as a detailed benchmark demographic document for the future studies. This is an ethically motivated research which is based on the arguments of civil rights of women and their inclusiveness in different areas of society including senior executive positions and corporate boards.

Chapter three: Research methods

The purpose of this study is to investigate women's access to corporate boards in New Zealand. In addition it is also intended to examine the proportion of female executive and non-executive directors on NZX company boards. As a potential route to executive and non-executive board directorships, the study will also look into the number of women CEOs in NZX companies.

The objective of this chapter is to provide an overview of the research methods and sample selection procedures. The chapter starts with a discussion of the sample selection procedures and research methods in section 3.1. This is followed by an explanation of the manner in which research findings were analysed and studied in section 3.2. The chapter ends in section 3.3 where ethical issues regarding this research are discussed.

3.1. Research methods and sample selection

This study closely follows research strategies used by Singh and Vinnicombe (2006). The predominant research method for this study is semi-structured interviews. The snowball sampling (explained below) technique was used to select a sample of the corporate directors for the interviews. Sampling procedures and research methods are discussed in detail in the following paragraphs.

3.1.1. Sample

As discussed in the previous chapter, an Australian study by Sheridan and Milgate (2003) illustrated differences in the views of male and female directors regarding women's under-representation on the boards. Therefore, a sample of both male and female directors was selected for interviews to investigate the views of both groups regarding women's low representation on corporate boards in New Zealand.

Due to financial constraints and the lack of a list of corporate directors, snowball or chain sampling was employed to select a sample of potential interviewees. In the snowball sampling approach, individuals are discovered, who may or may not be selected through random sampling. This initial group is then used to refer a researcher to others who possess similar characteristics and who in turn identify others (Cooper & Schindler, 2006).

Similarly, due to the difficulty of finding willing interview participants, initially interviewees were selected through professional connections of the women in the Accounting, Finance and Information Systems Department of the University of Canterbury who then referred the names of other male and female directors who were known to them. Consequently, referred names were searched in Google search engine, Companies Office website and current phone books for any form of contact information. The identified directors were then contacted by email and phone through which they were provided with the information about the research and were invited for an interview. Although some directors, who were contacted, accepted the interview invitation, a number of them either did not respond to an interview

invitation or declined to be interviewed. Candidates who did not respond initially were re-contacted.

3.1.2. Research methods

Following Singh and Vinnicombe (2006), semi-structured interviews were chosen as the primary research method in this study. Semi-structured interviews were chosen to allow the interviewees a degree of freedom to explain their thoughts and to highlight their concerns, as well as to enable certain responses to be questioned in greater depth. This form of interviewing also revealed issues which have not been previously identified in the literature.

Following an email contact with Singh and Vinnicombe (2006), an interview questionnaire was prepared based on the Singh and Vinnicombe (2006) interview questionnaire (reproduced in appendix two) and prior findings in the literature. In addition to the demographic details (qualifications, age, marital status, children, number of directorships), questions discussed board size, director appointment procedures, characteristics required for directorships, reasons for women's low representation on the corporate boards, aspiring women's visibility, role models and efforts for gender equality by interviewed directors. It was attempted to have all questions as open-ended as possible. Questions were continuously improved to enhance their clarity. In some cases where the participants were unsure about the meaning of a question, the question was explained and examples were provided from the literature to make it as understandable as possible (a copy of the questions are included in appendix four).

In total, 11 interviews were conducted. Interview time ranged between 20 to 48 minutes. Interviewees were informed at the beginning of each interview about the goals of the researcher and reasons for the interview. All participants elected the time and place for the interview. This was to ensure that participants were in an agreeable environment to share their understanding with the researcher. Except for one phone interview, all interviews were conducted in person. Two participants were members of the NZX listed companies boards while seven participants served on the boards of unlisted private companies. One participant, on a Crown company board, was interviewed at the initial stages of the research to examine the soundness of the interview questionnaire. One participant was a director and a consultant of a director recruitment company.

To enhance the quality of the results, it was initially intended to send the questionnaires to interviewees prior to interviews. However, a disadvantage of such an approach is that interviewees may give prepared answers and be unwilling to answer follow up questions. They may also be more likely to give guarded and self-censored answers rather than if the questions come at them out of the blue (Seldon & Pappworth, 1983). Therefore, to avoid ready made responses, the decision to provide interviewees with questionnaires prior to interviews was abandoned.

To increase the validity of information attained during the sessions, all interviews were recorded and interviewees were requested to complete and sign an interview recording consent form. Although all participants approved of the use of a recorder, some appeared to be uncomfortable in the presence of it. One interviewee allowed the interview to be recorded after an inspection of the questionnaire. Despite inspecting

the questionnaire, it was noted that the interviewee's comments were different after the recorder was switched off. S/he also requested and then was sent a copy of the interview transcript for an amendment of the comments.

In addition to interviews, document analysis was used to investigate the proportion of female directorships on NZX company boards. Data was also examined for the proportion of women executive directors versus women non-executive directors and women CEOs. Data on each company was accessed from a variety of sources, including NZX website,⁷ New Zealand Companies Office website,⁸ company annual reports and individual company websites. In cases where information was not available through the above documentary sources, companies were contacted via email to obtain the missing information. A large number of companies that did not respond to the researcher's initial query were contacted again through phone and email. The data was entered into an Excel spreadsheet and was analysed for the proportion of female corporate directorships in New Zealand. Document analysis not only enriched the information obtained through interviews, but also helped the researcher to study different factors that may influence women's attainment of corporate directorships and identify potential pathways to board memberships in New Zealand.

In accordance with an earlier study by Singh and Vinnicombe (2004), social identity theory was used to analyse research findings and help frame discussion of the emergence and persistent existence of barriers in the organisations.

⁷ www.nzx.co.nz

⁸ www.companies.govt.nz

3.2. Data analysis

Data attained in this research was in two forms i.e. quantitative obtained through document analysis and qualitative obtained through semi-structured interviews. Quantitative data obtained through document analysis indicated the proportion of female executive and non-executive directors, board chairs and CEOs in New Zealand companies. The information obtained was entered into an Excel spreadsheet and the number of women in the above mentioned positions was counted and percentages of women in each category were calculated.

Qualitative data obtained through semi-structured interviews was analysed in the order of the questions in the research questionnaire. These findings are listed in the same order in section 4.3 of chapter four. Interview findings were analysed using the behavioural predictions of social identity theory. Social identity theory for example indicates the reasons for which individuals classify themselves and others into various groups and thus identify themselves and others. The theory further indicates that belongingness to certain groups triggers favouritism for in-group members and discrimination for out-groups. Therefore, information obtained through interviews was analysed to see whether male and female directors or directors, regardless of their gender, classified and identified themselves into different groups and thus exhibited the predicted feelings of favouritism for in-groups and discrimination for those outside their classified groups. In this way, it was attempted to investigate reasons for women's under-representation on the corporate boards.

3.3. Ethical Considerations

Effort was taken to adhere to the University of Canterbury Human Ethics Committee principles and guidelines in conducting this research and consequently the project was approved by that committee (approval letter is attached in appendix one). Interviewees were provided with the information about this study and the goals of the researcher at the beginning of each interview. They were also required to complete and sign a consent form prior to initiating and recording the interviews. In one case where an interviewee requested to amend the comments, a transcribed copy of the interview was sent to the interviewee. Interview contents and interviewee demographics were confidential to the researcher and her supervisors. No identifying names or features of interviewees or their organisations are used in the thesis.

Social identity theory was used to interpret interview comments. All interviewees were provided with the information about the social identity theory and their consent was acquired prior to the interpretation and utilisation of their comments in the light of the social identity theory.

In summary, the purpose of this research is to investigate the barriers to women's advancement to corporate boards and ascertain the current percentage of female directors and CEOs in New Zealand. The study will update Pajo et al. (1997) and extend it by analysing the proportion of women directors on all NZX boards. It will also replicate Singh and Vinnicombe (2006) by analysing the proportions of women executive and non-executive directors in New Zealand listed companies and extend it by interviewing both male and female directors and theoretical interpretations of the interview comments.

Chapter four: Research findings

As explained in chapter three, this research aims to build upon and extend Singh and Vinncombe (2006) through interviews with both male and female directors. The study is also aimed to update the findings of Pajo et al (1997) and fill the gaps in New Zealand research.

The primary problems addressed in this research are: What factors influence women's attainment of the corporate directorships? And what are the proportions of female executive and non-executive directors and CEOs in New Zealand? Data was obtained through semi-structured interviews and document analysis. Since this study is replicating a prior research and as the interview questions were prepared on the basis of the prior research findings, the findings of this study are presented and compared with the international and New Zealand women on corporate board literature particularly Singh and Vinncombe (2006) and Pajo et al (1997).

The chapter is structured in the following manner: 4.1. Document analysis, 4.2. Interviewee demographics and 4.3. Major interview findings. For the purpose of confidentiality interviewee names in section 4.3 are disguised using a letter representing their gender (m = male and f = female) and a number representing the order in which they were interviewed (e.g. m1, f2).

4.1 Document analysis

Singh and Vinncombe (2006) investigated the proportion of female executive and non-executive directors on the FTSE 100 UK companies. Their findings illustrated

that whilst women are achieving non-executive positions gradually, the proportion of women in executive roles on boards is still insignificant.

Replicating Singh and Vinnicombe (2006), the proportion of women executive and non-executive directors on NZX company boards was investigated. In addition, since CEOs are a potential source of talent for board directorships and an indication for the future proportion of women directors, the number of female CEOs in New Zealand companies was also identified. As discussed in chapter three, to investigate the proportion of female executive and non-executive directors and female CEOs in NZX companies, company annual reports, company websites, the NZX and Companies Office websites were examined.

The New Zealand Census of Women's Participation 2006 (McGregor & Fountaine, 2006) revealed that women constituted 7.13% of the top 100 companies of NZSX. Extending this sample to all companies listed in NZX, this study once again provides compelling evidence for gender disparity on New Zealand corporate boards. Document analysis illustrate that women constitute only 6.44% (88 women out of 1366 directors) of the total NZX directorships. This figure compares with 7.13% recorded by McGregor and Fountaine (2006).

The findings indicated that of a total of 88 directorships held by women, 64 women are non-executive (4.69% of total directorships), 23 executive (1.68% of total directorships) and one is an alternate director. In line with the findings of Singh and Vinnicombe (2006), these figures illustrate even more dismal representation of

women on executive directorships in New Zealand than the 4% in the UK (see Table 1 on page 56).

Only five out of a total of 240 NZX companies have achieved gender equality on their boards. These companies are Barramundi Limited, Kingfish Limited, Marlin Global Limited, Richina Pacific Limited and Oyster Bay Marlborough Vineyards Limited with two or more women directors. Interestingly where the majority of NZX boards are dominated by men, only in one company i.e. Widespread Portfolios Limited do women dominate the board where three out of five directors are women. The female domination of this board is perhaps associated with the chairperson of the board being a woman.

This analysis also illustrated that 69 out of a total of 240 or 29% of the companies had at least one woman director which is very negligible when compared to 77% of the companies in the UK. The findings also illustrated that 17 companies had two women board members and only two companies i.e. Widespread Portfolios Limited and Oyster Bay Marlborough Vineyards Limited had three female directors. Unlike the UK where four was the maximum number of female directors, no New Zealand listed company had more than three women directors. Women chaired only five New Zealand boards i.e. Abano Healthcare Group Limited, Briscoe Group Limited, Life Pharmacy Limited, MFS Living and Leisure Group and Widespread Portfolios Limited.

The findings further indicate that there are only five women CEOs in a total of 240 companies. Since executive directors are inside directors who attain directorships

through advancing to top management roles, lower representation of women on executive directorships is necessarily reflected in the number of female NZX companies' CEOs. The dismal number of women CEOs and executive directors perhaps provides an indication that the number of women non-executive directors may not increase in the near future.

Table 1. NZX female company directors and female CEOs

As at February 2008	
Total NZX companies	240
Total NZX directorships	1366
Female held directorships	88 or 6.44% of total directorships
Female non-executive directorships	64 or 4.69% of total directorships
Female executive directorships	23 or 1.68% of total directorships
Companies with at least one female director	69
Companies with two female directors	17
Companies with three female directors	2
Companies with more than three female directors	0
Female CEOs	5
Board chairwomen	5

Finally, since the sample of all NZX boards studied in this research is much bigger than the sample of the top 100 NZSX companies examined by McGregor and Fountaine (2006), greater understanding of the nature of women's progress to corporate boards can be obtained when a sample of a similar size is studied. For that purpose, the sample of the top 100 NZSX companies identified in McGregor and Fountaine (2006) was briefly examined. This analysis indicated that 23 of the identified 100 NZSX companies are either no longer listed or they have changed their company names. Women constituted 8.04% of the total directorships or 32 out of the total of 485 directors. While this indicates a negligible increase (0.91%) in the proportion of women directors on the top 100 NZSX (top 77 in the current sample) companies, this increase may have also been linked to the present reduction of the sample from 100 to 77 companies. The findings indicated that where the number of

gender balance boards on these 77 companies has increased to two from one board in 2005, the number of companies with two female directors is still at seven and no companies have more than two female directors.

In summary, document analysis illustrates similarity with prior New Zealand and international findings. It illustrates minimal improvement (0.91%) in the proportion of female directors on corporate boards in the last two years. It also reveals for the first time the extent of the gap between the number of female executive (1.68%) and non-executive directors (4.69%). Moreover, the above findings not only illustrate women's under-representation on corporate boards but also indicate the extent of women's non-representation in top management and CEO roles (only five CEOs) in New Zealand. Since CEO and executive director roles are normally the selection pool for non-executive directors, this analysis indicates that as long as women remain under-represented on top management roles, their number may not improve on corporate boards either. Thus, it not only enriches the interview findings but also enables the researcher to identify the CEO and top management positions as the potential pathways to corporate board directorships.

4.2. Interviewee demographics

This section provides a description of demographics provided by the interviewees themselves and information acquired from their public profiles. In order to study the perceptions of both genders, interviews were conducted with 11 male and female directors. Interviewees constituted eight female and three male directors. They ranged in age from their 30s to their 60s with the youngest being a female director. The majority of the female interviewees were between 40 and 50 years of age. Five

directors were married, two directors were single and one director was in a de facto relationship. The majority of the participants (seven interviewees) had children.

Seven participants supplied their information willingly. Three participants, however, either declined to complete the demographic questionnaire or completed selected sections (age, marital status and children were usually left blank) of the questionnaire provided to them. One interviewee who was interviewed on the phone was deliberately not asked about her/his demographics. In face to face interviews, interviewees were provided with a demographic questionnaire which they completed confidentially without the researcher observing their details. Since this approach was not possible in a phone interview, demographic details of the interviewee were not asked to avoid interviewee intimidation.

Pajo et al. (1997) in a benchmark study profiled the number and status of women on New Zealand's corporate boards. The study constituted a survey of a sample of 31 women corporate directors (discussed in chapter two). Although comparatively the sample of 11 interviewees in this research is small, demographic results of the two studies are relatively similar. The findings of Pajo et al. (1997) indicated that the majority of the sample were between 40 and 50 years of age, had postgraduate qualifications and slightly more than half had professional backgrounds with law as the most common.

Supporting the Pajo et al. (1997) findings, all interviewees who agreed to supply their demographics had at least a bachelor's degree. The majority of participants (seven directors) had postgraduate qualifications, two participants had a double degree and

three female directors had PhDs. The majority of interviewees (eight directors) were either lawyers or accountants. Thus, law and accounting were the most common professions among the interviewees. It is however acknowledged that due to the difficulty of finding willing interview participants, a number of the interviewees were selected through professional connections of the women in the Accounting, Finance and Information Systems Department of the University of Canterbury. Therefore, the sample can be biased towards the accounting profession.

Participants were serving on small to medium sized boards. Overall, the size of the boards ranged from three to eight directors. Of the 16 boards mentioned by the interviewees two boards had no women on them, nine boards had only one woman director and five boards had two female directors.

Whereas the Singh and Vinnicombe (2006) interviewees did not consider networks to play an important role in the UK board appointments, nearly half (five) of the participants interviewed acquired their first board appointment through personal connections and networks. Interviewees also obtained their first board membership through business entrepreneurship. Two female and one male interviewee indicated that their first directorship experience was through owning a business. Only one interviewee had a board appointment through a director recruitment agency and in two cases participants indicated that they were approached by the major shareholder.

4.3. Major interview findings

As discussed earlier, Pajo et al. (1997) used questionnaires to investigate issues relating to female representation on New Zealand corporate boards. Researchers in this case studied the responses of the 31 female directors of New Zealand's top 200 companies. The reasons most commonly attributed by these female directors for the poor representation of women at corporate levels were that company authorities do not see women to be qualified for board service. These authorities do not know where to look for qualified women and they are not looking to put more women on their boards. More than half of Pajo et al. (1997)'s respondents also indicated that companies are not appointing women directors since women may bring a "women's issues" agenda to the boardrooms. Only 10% of those women directors believed that women are not interested in board service.

Pajo et al. (1997)'s respondents also identified factors that they considered were important in attaining their directorships. While qualities such as sound commercial judgement, business acumen and strong profile in one's occupation were ranked the highest by their respondents, business networks, leadership qualities and previous corporate experience were ranked relatively lower.

Similarly, Singh and Vinnicombe (2006) interviewed nine experienced women directors to investigate how those women accessed their FTSE 100 board positions. Their findings indicated that a professional qualification, business experience and knowledge of corporate governance were considered essential by their interviewees in attaining a board position. There was less emphasis on the importance of personal qualities such as maturity, judgement and leadership skills in accessing board

positions. Although Singh and Vinnicombe (2006) do not differentiate between the ideas of “networks” and “personal connections”, they suggest that personal connections through work were considered to be important while networks and membership of clubs was not given the same level of emphasis by their respondents.

Whilst the majority of the women did not engage in clubs or networks, all of them acknowledged the importance of personal connections through work, particularly in getting the first NED [non-executive director] post. (Singh & Vinnicombe, 2006, p.22)

The findings of this research, however, suggest different reasons for the lower representation of women on corporate boards. The most common factors discussed by the interview participants were lack of networks, family commitments, timing and others which are considered in more detail in 4.3.1. below.

4.3.1. Factors influencing women’s advancement

4.3.1.1. Networks

Contrary to the findings of Pajo et al. (1997) and Singh and Vinnicombe (2006), interviewees emphasised the importance of networks and contacts in attaining corporate directorships in New Zealand. They indicated that networks and personal connections were important in both board nominations and appointments:

My first appointment came through personal connections. They were people that I personally knew. (f6)

I was appointed on my first board through contacts. Somebody asked me. (f8)

...I was directly approached and asked to join the board. One of the board members worked with me so it was not through the scientific process. It was through networks and connections which is still the way to a lot of appointments. (m3)

I think women are not on the boards because these board directorships act very much in an "old boys' network". Appointments very much are made based on a low risk approach. Where you have a small team of people, eight or seven people, you pretty much want somebody to arrive on the board and to be able to work straight away and it is simply a low risk strategy. We will appoint so and so because we already know so and so and so the demographics are not changing very much. (f2)

According to interviewee m3, organisations tend to prefer candidates who are well connected and have both national and international connections. He stated:

Boards have issues and a second advice on a particular issue matters. It is often the matter of who a director knows and who the collective directors know. It will help them to get a secondary advice on different issues.

Some interviewees believed that women are not well represented on corporate boards, because generally they have fewer connections or limited networks. Interviewee f5 indicated that since there are so few female corporate directors, female contacts are not at the same level as those of the male directors. She stated:

Knowing other directors probably plays a role in director appointments especially for public listed companies and that may be a reason why there are not many women on boards. Because there are so few female board members, female contacts are not at the same level as those of the male directors. If males are on 5 or 6 boards they have many more contacts and so if they are looking for a board recommendation and they know someone that does help.

And

...Women do not have the same level of networks as men. (f6)

I personally think that there are not a lot of women on boards, because I do not think they have the contact or the networking to get on boards. (f1)

Although networks and personal connections can be useful to organisations, it appears to be one of the reasons for lower representation of women on corporate boards. Literature has shown that using networks as a director recruitment procedure limits the pool of female candidates to only that group of women known to CEOs and current board members (Burke, 1994b).

According to interviewee f4, the main mechanism in director recruitment is “shoulder tapping”. She indicated that under this mechanism only those individuals are appointed who are known by the current board members and who are in the same networks as those of the board members:

The main mechanism is shoulder tapping. It is where you are on a board, you have a vacancy, you are looking for a candidate and you think who in my colleagues and acquaintances will do a good job or somebody says to you our board is looking do you know somebody, you tap them on the shoulder. I think this is one reason why we are not getting the best and a whole lot of people are getting excluded because if you are not in the network you won't get shoulder tapped.

She further added that although “shoulder tapping” appears to be an important director recruitment tool, only a previous board position grants the opportunity to be shoulder tapped. She explained:

I think you get a very specific structure developing, you get the “old boys’ network” and you also get this rich get richer thing which means you need that first board appointment, thereafter you get known and then when people are looking or have vacancies they tap you on the shoulder.

Although interviewees emphasised the role of networks in board appointments, interviewee f8 indicated that networks can only be useful if contact is established with individuals who have the power to appoint directors. She explained that, usually, aspiring directors network among themselves rather than with established directors. She stated:

I think in some of the membership organisations, because governance has become popular and is seen as the real alternative for a lot of people, there seem to be a lot of people in those functions and gatherings who are keen on pursuing places. They do not necessarily have any power to appoint anybody else and they all tend to get out and network, so they are actually networking among themselves and not among people who have got a lot of the roles. For example, the chair of X who I know quite well is so busy with his boards that the chances of him going to Institute of Directors' functions are pretty slim.

The above comments illustrate the importance of networks in corporate board appointments in New Zealand.

4.3.1.2. Women and family commitments

It is interesting that while the literature and current research provide evidence that women still carry out home making and child rearing activities, neither Pajo et al. (1997) nor Singh and Vinnicombe (2006)'s respondents and interviewees discussed family commitments as a barrier to women's advancement to higher ranks. Perhaps the lack of mention of family commitment as a barrier to women's attainment of directorships by Singh and Vinnicombe (2006)'s interviewees is associated with the structure of their interview questions. While the interviewees were asked to indicate the experiences and personal qualities that helped them achieve a FTSE 100 directorship, they were not asked to indicate the factors they considered to influence

women's attainment of such roles. Some interviewees in the current study associated women's absence at the top to their family commitments. They indicated that in some cases women have more demands on their time and quite often boards are time consuming. If women have a career and family, they do not have extra time for boards.

Women tend to get time for child rearing. Often if they are in a relationship with a partner and children their career comes second so all those things mitigate to there not being many women on boards. (f6)

Women are not willing to handle the time pressures particularly if they have family. Sometimes they just do not put up their hand and say I am interested, because they just know they won't be able to handle the time pressure. (m1)

I do not think people look at women with family and say they can not do a good job, I do not think that is the case. I think that the women's profile is less, because they have got so many other things to do as well particularly if they have aging parents. A lot of these things are still done by women in the community and I think that they just have less time to pursue other options. (f8)

...quite often women because of their wish for family commitments etc and perhaps the pressures on them for family commitments will go so far in an organisation and then say I personally do not want to commit more time. Most organisations are very demanding in terms of time and women often will say well look I want to get my work life balance right and I am not prepared to put in any more time than this. I know 2 or 3 extremely good women who have said, "I will undertake 1 or 2 board appointments, but I won't do any more, because I value my work life balance too much. (m1)

... I have a six year old. While I am a great supporter of the Institute of Directors, I do work for them, I did use to love going to its functions, I have a six year old and so 5:30 on a

Monday night with his bath, dinner, bed and he has been in school whole day and I have not seen him, so I never go to Institute of Directors' functions anymore because it is competing with something else which is more important to me at this stage of my life. (f8)

One interviewee, on the other hand, rejected the above arguments and added that at the stage of life when women usually get directorships they are normally free of most family responsibilities and commitments. According to her, these claims are merely products of perceptions and stereotypes which are developed through socialising with women who are unable to or not interested in taking on directorships or other positions of power. She argued that claims that women are not able to take on directorships due to their various commitments are perhaps excuses to keep women away from the boardrooms. She stated:

Being a director is what is called a sunset career. If you look at the statistics women tend to be in their late 40s up to 60s, so their children are grown up like mine. My kids are gone, I have got the time and interest. I do not buy this for a moment that women refuse board appointments because of their personal commitments. I think that a lot of those men probably do not move in circles where there are professional women. They are at the top of their careers, they have money, often they will have wives who will stay at home and when they think women they think wife and they can't see her doing it. So I would not buy that argument for one minute. I think they are not looking in the right place or they are looking for excuses to not appoint women. (f4)

Overall, family commitment as a reason for women's absence from the executive suite was mentioned by five female and male interviewees. Although some interviewees did not emphasize the role of this factor in women's lower representation at the top, they did consider it to play a role at some stage. This is in line with the literature arguments which indicated that whereas women still carry out a nurturing role in the family and society, organisational structures and career progression

standards are still based on a traditional linear male career model (Mavin, 2001). This model ignores women's life experiences such as pregnancy and motherhood and is based on a fulltime career.

Association of women with family commitments can also be explained in the light of social identity theory which is discussed in detail in chapter five.

4.3.1.3. The pipeline theory

As the literature indicates some researchers argue that the pipeline theory can explain women's absence from the corporate boards (refer to para 2.3.7 chapter 2). They claim that as the number of women in the work force and their participation in other areas of the society increases their number on the boards and executive suites will also gradually increase (Forbes, Piercy, & Hayes, 1988). Echoing the arguments in the literature, interviewees in this research believed that the number of women on boards will gradually increase as the number of educated and established women increases.

Interviewee f7 stated:

When I was appointed to my first board there were only 5 other women in NZ who were directors of listed companies. It is a fairly new thing for women and not as many women have risen yet to be CEOs of corporate companies and that is a natural step to board memberships. So I think as more women become chief executives then more women will become board members. (f6)

I just think it is a timing issue. I finished my degree in 1971 and I was very active in the feminist movement. If you look at the cause then and if you set 1975 as a defining moment where young women like myself who had a professional qualification were very keen to go places and make a difference were highly active in terms of tearing down the barriers. In my law class of the 110 who graduated 3 were women and if you go to a legal graduation now

60% or 70% are women. My daughter who graduated this year, 75% of her class were women so she just does not understand why her mother spent all that effort tearing down the walls and bringing down the barriers. She sees no barriers at all. So if you have a look at that generational change it just tells you what will happen. You will get a rise in the tide of women; they will come through the professions such as law, accounting, medicine and engineering. They will come through the business rings and increasingly they will be well-educated and have expectations of what they can do in their careers. They will operate in a world that understands that talent has to be nurtured and cared for... if you look at a decade or two on then increasingly you will have a much bigger pool of talent to draw on and inevitably women will make themselves felt. (f7)

In my reflection it is only in the last 10 or 15 years that the number of women at the high level in businesses has increased dramatically and therefore, there is not that many of those women yet offering themselves for board appointments or being recognised for board appointments. So there is a bit of a timing issue if you like. (m1)

I think over time it will change. I am convinced of that - there will be more and more females on boards. But at the moment it seems almost like it is too hard for them in some way... The number of women will increase once they put their applications in and once they get the experience - all that sort of thing. I just think it will increase. There is no prejudice to stop it from happening that is the point. It just takes time. It has taken me 20 years to get at the boards that I am on and if somebody else started now doing what I did 20 years ago then they need to be patient. You do not just turn around one day and go I want to be a director on a company and then put your hand up and you get chosen. It just does not happen, you get to earn it. (m2)

Interviewees also indicated that women's lower representation on the corporate boards is probably associated with their lower representation in higher management and CEO roles.

I think it is because women are not well represented in CEO roles and also in senior management roles. Many women historically have been out of the work force during times when critical career moves are made. While they might come back into the work force often they won't reach the senior level of corporate responsibility that is where we go looking for directors. Because most boards, when they are looking for directors, they are looking for established or a retired CEO or those who are in first line reporting positions like CFO or legal counsellor or partner in a law firm or an accounting firm. Because women are not well represented there, it flows into governance roles. (m3)

... not as many women have risen yet to be CEOs of corporate companies and that is a natural step to board memberships. So I think as more women become chief executives then more women will become board members. (f6)

According to interviewees, an increase in the number of educated women and their greater participation in the workforce will consequently be reflected in the proportion of women on corporate boards. However, this belief is at odds with the literature findings which indicate that although the number of women in lower and middle management positions has increased, their number on the boards and top management levels stayed stable or increased insignificantly (Gammie, Gammie, Matson, & Duncan, 2007; Heilman, 1997; Lahtinen & Wilson, 1994). Such a belief is also contrary to the demographic findings discussed in section 4.1 of this chapter. Document analysis revealed the extent of the lack of women in CEO positions in New Zealand (only five women CEOs in a total of 240 companies). Provided that CEO roles are the potential talent pool for director nomination and appointments, the number of women on corporate boards may not increase if women continue to remain significantly under-represented on these roles. In addition, comments made by the

interviewee m1 suggest that CEOs are not only the source of talent for board nomination, but they are also the preferred candidates for directorships. He stated:

...The other sort of person that I often find good on board, I do not think you want too many of them, is to have a person who has been or who is a current chief executive of another organisation. That sounds a bit paradoxical, you would expect a chief executive to get too involved with management, but often a chief executive of another organisation serving on a board absolutely understands where the management and governance split or division should be. I find in many cases to have one other chief executive who is actually sitting on a board is very useful. (m1)

This implies that as long as women's representation on top management positions remains miniscule the proportion of female directors may also continue to remain unchanged.

4.3.1.4. Different sets of aspirations

One interviewee commented that a major reason for women's lower representation on corporate boards is their lack of motivation and interest for such positions. According to this interviewee, women have different sets of aspirations which may not include power. He stated:

Although it is a generalization I think that women have different sets of aspirations and they do not necessarily involve power. They actually have different aspirations which are a different style. There are some of them that I am sure want to have power as well, but we get some senior people here and when an opportunity for a partnerships comes up they are not necessarily that interested. They do not necessarily want to become a partner. They want to be at a certain level in the organisation and they do not necessarily want to be on the boards. So if you look at the IOD [Institute Of Directors], you look at all the organisations around and you look at the number of people that are applying, still the vast majority of them are men. So one

of the reasons that woman are not on the boards is that they are not even applying to go on the boards in the first place. (m2)

However, it should be mentioned that the literature provides no support for women's lack of motivation to manage (Miner, 1977). In contrast, Huse and Solberg (2006) indicated that women directors are not only more committed to their board responsibilities but also consider it to be fun.

4.3.1.5. Career choices

Interviewees indicated that women's career choices play an important role in their lower representation at the top. They suggested:

If you are a professional woman accountant you have a much better chance of getting on the boards, because there is a clear skill set that is required by boards. If you are working in social services, health or even if you are in PR and communication sometimes (I do not know if women are still going into those but I am assuming they probably are) those are not the areas that private sector boards are necessarily looking for. If you are a lawyer or if you are an accountant or something that is easily describable or if you have a clear set of professional skills and competency that they can identify, I think you stand a much better chance of appointment. (f8)

What I find is that there are a lot more female partners in law firms now than there were 10 years ago, but a lot of them do not do the corporate work. They do the family law, the trust work, they do the employment law, resource management all those other things but they do not do the business law. I do not know why, maybe that is their preference. (m2)

Although women's lack of representation on boards may be associated with their choices of career, literature indicates that these choices are effectively influenced by

the manner in which they have been brought up and educated. Women's choices of career also depend upon their self perceptions which are in turn influenced by the society and family attitudes towards them. Literature provides clear evidence that undervaluation of female capabilities limits their career choices and compel them to develop their abilities in sex-typed "women's jobs" which are not only lowly paid but also may offer lower developmental or progress opportunities (Jacobs & Eccles, 1992; Kimball, 1989).

4.3.1.6. Risk adversity

Two interviewees suggested that women's appointments to corporate boards are also affected by the risk adversity factors. To avoid risk boards may prefer to appoint individuals who are known to them and who are present in their networks. One interviewee stated:

Appointments very much are made based on a low risk approach...in fact I just went into the IOD's directorship course in April and the president of the institute talked to us precisely about the topic of the "old boys' network" and why it continues to be so strong and it is because of risk management and because of low risk strategy, appointing people you know or you know somebody who knows, so in order to increase diversity you have to take risk and it is not an environment where people want to take risk. (f2)

The above comments illustrate that interrelationship of risk adversity and network. Arguably, as long as women lack networks they may face greater efforts to prove their competence to the recruiting authorities.

According to another interviewee, the risk adversity factor is perhaps linked with the age of women where older women with their clear career path, skills and experience

are considered a safer choice. She indicates that organisations usually avoid appointing younger, inexperienced women to avoid risk.

...they have usually had a successful career themselves and they are risk adverse and they see having younger women on the board sometimes as a bit of a risk. Whereas, the older women have that clear career path and they are perhaps better known, so they are perhaps a bit more comfortable with them. (f8)

4.3.1.7. Male organisational culture

According to the literature, negative assumptions and harsh attitudes towards women in the organisations increase as the number of women and their power increases (refer to para 2.3.3, chapter 2) (Lahtinen & Wilson, 1994). Researchers have observed that many women felt that their male colleagues created stress for them and felt threatened by women who were more senior, more qualified and more successful than them. Researchers also argue that such techniques continue to be used to keep women out of the top jobs (Lahtinen & Wilson, 1994; Murrar, 2006). Supporting the prior research findings, interviewees described situations where they have been excluded, ignored and have been treated as aliens in the men's world. They stated:

At the last Annual General Meeting (AGM), the prior board had already decided who the new chair would be. Usually between the board meetings before the AGM there is a sort of discussions between various members. The other female board member and myself did not hear anything. We were not involved in that discussion at all and it was only the evening before the AGM that they told us who the boys had decided they were going to nominate as the deputy chair and we both nearly fell off our chair when we heard because we thought it was not the most suitable candidate. That is just boys being boys. I think they were actually just deciding that the boys were definitely more competent than the women on the board. (f3)

I have a daughter who is an engineer. She works for a large engineering consultancy. They do things for their clients like take them to the rugby. She is not one of the boys and boys go to the rugby and she feels sort of excluded. She could go along but it is really strange, the things boards do to entertain clients are often things that exclude women or they have not got experience in or are not interested in. (f6)

One of the hardest things when I first became a director was that you sit around the table and you put forward a suggestion or an idea and it was lost as you have not spoken, it was like it disappeared and then five minutes later one of the other male directors would make the same suggestion and they would say god that is a really good idea. So on a couple of boards that I was on I actually trained a couple of male directors who were new to actually point that out and when that happened they said I think such and such are good ideas as X mentioned five minutes ago. (f6)

I want to say that a couple of years ago I went for a private sector board and they were all men and they sat there and said to me so how do you think you will get on working with a bunch of men? I thought it was a joke and I looked at them and thought they are pulling my leg, because it was a reasonably relaxed interview and then I looked around and they were not and I absolutely had no idea how to answer that. It was like where did this come from? Because even if people think that quite often they do not say it these days. These were guys who had daughters who are coming through and that blew me out of the water. In the end they took a very high profile person on their board who is doing a much better job than I would have done anyway, but it frightened me to think that there were still groups of people at that highest level who felt free to ask how would you get on with a bunch of guys. (f8)

The above comments provide evidence that negative assumptions about women and andocentric cultures still reside in our society and organisations. In accordance with the literature, such attitudes may constitute one of the reasons for women's lack of progress to the top.

4.3.1.8. Discrimination

A female interviewee considered exclusion of women from the top as an act of discrimination by a group of people at the top who prefer to appoint individuals who mirror them and who are in their circle of friends.

I think it is discrimination. Figures speak for themselves. Women are 50% of the population, they are equally good, I do not think the arguments that women are not qualified, and they are not available, hold any water. I think it is preference, that means birds of a feather stick together ... Because it is “shoulder tapping” you look for people who are like you. There is not a big move to diversity. (f4)

4.3.1.9. Women do not fit the role

Where interviewee f4 associated women’s lack of representation on corporate boards with discrimination, another female interviewee indicated that women are not appointed on corporate boards since usually more men fit these roles than women. She stated:

My term finishes this year...I suspect there won’t be a female appointment. I mean they are not looking for male or female, they are looking for people who fit the role and it is normally more men who fit the role than women. (f5)

4.3.1.10. Directorship responsibilities and lower return levels

According to one interviewee a major reason for the lower representation of women on boards is the lower levels of returns received from the board service. She explained that returns received from the board service are inconsiderable relative to returns achieved from owning a business. She added that owning a business not only provides women with greater financial returns but also higher levels of control. She states:

I think capable women can often earn more money doing something else. Capable women may wish to develop their own businesses. I am not talking about [professional accounting and law firm] partners; I am talking about having their own business that they actually got a stake in for their future. With a board you are appointed for a certain amount of time and I have had this experience, you give it hell and all of a sudden your term comes to an end and you have had two re-appointments and that is it, you have to leave and leave all the work that you put in you just have to walk away and leave it with someone else. Whereas, if you have your own business, you get to see it develop and grow and you have equity in it. So you are getting more return for your investment of time... On some boards you can stay indefinitely, but you do not have the control that you have in your own business. If you have your own company you have much greater say or control on an ongoing basis, but as a board member you are one of the six or eight members, you may be able to influence the board, you may not. You have some wins and some losses. The power is more direct and more ongoing in your own business. All the women that I know who are heavily involved in governance do other things as well. If you need a reasonable income then it is not something that you could rely on.

(f8)

Another interviewee indicated that serving on the boards exposes directors to immense levels of responsibility and risk and only the thought of such considerable amounts of risk and responsibilities may discourage some women to take on directorships. Thus, massive responsibility levels, lower financial returns and lower control levels of directorships are perhaps linked with women's choices of careers that do not lead them to directorships (refer to para 4.2.1.5).

4.3.2. What are the ideal characteristics of directors?

Findings of Singh and Vinnicombe (2006) showed that a professional qualification, business experience and knowledge of corporate governance are essential for board

appointments in the UK. Their interviewees also indicated that in some cases, a company may look for a specific set of experiences e.g. international experience. There was less emphasis on personal qualities and only two women mentioned their importance. One interviewee also mentioned that age and timing played a role in her board appointment.

Similarly Pajo et al. (1997)'s respondents suggested that sound commercial judgement, business acumen and a strong profile in one's occupation are the required characteristics of a director. Although leadership skills and previous governance experience were also considered important, they were ranked lower than the former three criteria.

Aligned with the Singh and Vinnicombe (2006) and Pajo et al. (1997) findings, interviewees in this study suggested that sound commercial skills, sector experience and empathy with what the organisation is about are important characteristics of a director. Interviewees also emphasised the importance of prior governance experience and expressed greater preference for the current or retired chief executive officers of other organisations for board appointments. They indicated that it is vital for any director to understand the distinction between management and governance and that such an understanding can be only obtained through prior governance or top management experience. Participants explained that while management is involved day to day operations of a business, governance is associated with the critical business decisions and strategic direction of a company. Thus, prior governance experience or top management level experience enable directors to be more effective. Some of their statements are presented below:

One of the hardest things I think for inexperienced board members is to recognise where the line between management and governance sits and they often infringe that line by getting too involved in management and know nothing about the direction of the company. It is easy to say boards should only be involved in governance, it should not be involved in management, but when you are in the thick of the day to day basis it is sometimes easy for a board member to drift into management issues. (m1)

Governance experience is important. They have done the job somewhere down the line. (f8)

Although governance experience is considered important, one interviewee indicated that unlike UK and Canada where women senior managers and CEOs are mentored by chairmen of the boards to become directors, it is legally forbidden in New Zealand to have trainee directors. Therefore, it is nearly impossible to attain governance experience. She stated:

The other thing that is important is that there is no training - you become a director by accident. Unlike a lawyer or an accountant, a dentist or a doctor where there is a whole professional training and you are allowed practical experience, there is none of that for directors. You get experienced by luck either through family or whatever connections you get... One problem is the legal side, that directors are liable for the decisions they make. So you cannot have trainee directors. The law does not allow for that category of directors who are not fully responsible for their actions, so there is a need for some legislative changes, then I think there is a need for some sort of mentoring program ... they are doing it in UK and in Canada where you have got the chairman of the company mentoring CEOs or women senior managers who will grow to become directors. (f4)

This interviewee also added that governance experience in smaller companies may not be very useful in achieving board appointments. What is more important is governance experience in larger, listed or state sector companies.

...obviously people want the A-team if they can get them, they are not going to hire inexperienced directors. The A-team are the experienced directors of major companies and the B-team will be somebody like me who has been director of a number of small companies. I have not been director of a listed company or state sector company, but I would like to be. (f4)

In line with Singh and Vinnicombe (2006), interviewees also indicated that some sort of professional qualification and technical skill is necessary for directorship appointments. Organisations sometimes may also look for a specific set of qualification, skills or experiences. In some cases they may have a gap in the mix of professional backgrounds on a board and thus they may look to fill that gap with the specific expertise. However, simply acquiring the qualification and expertise is not sufficient; it is of equal importance to be excellent in your area of expertise and in what you do.

I think that you probably have to develop some form of industry specialisation and be excellent in what you do. (m3)

One interviewee, on the other hand, believed that personal qualities and not qualifications play a major role in board appointments. While professional skills such as legal, accounting, marketing, finance can be outsourced, boards demand individuals who are clear and flexible thinkers.

It was also suggested that any aspiring director should possess an inquiring mind, critical thinking abilities and be able to absorb information effectively. Directors should also have a strong strategic thinking ability and be able to participate in strategic discussions. They should understand the role of a director towards the company and be able and willing to evaluate risk and to decide what might be an acceptable level of risk.

Moreover, boards also require individuals who have the confidence to ask questions. The literature has shown that women are good in asking questions (Huse & Solberg, 2006). A female interviewee explained that while most female directors do not hesitate to ask questions, male directors, especially older male directors, do not feel comfortable doing that. She stated

You need people who have got enough self confidence to ask questions. I have noticed great differences between male and female directors; especially, the older male directors are not that keen to ask questions. They think asking questions will make them look like they do not know something; there is this sort of protection. An example of that was at a meeting, engineers were talking about "X". I did not know "X" and there was no reason for me to know that since I was not an engineer. So I asked and the engineers in a very supportive way told me what it meant. The man who was about to become the chair of the committee leant over to me and said "I am really glad you asked that; I have always wanted to know". I do not think that some of the younger directors have the same approach, but it has been very clear to me that male directors who are now in their 50s, 60s, 70s do not ask questions in case they seem ignorant in front of other board members which I think women do not suffer that; if they want to know, they ask. (f6)

Interview comments also indicated that directors not only need to be able to ask questions, but they also need to have the ability and courage to go against others and express their concerns. They should be able to work in a team, but be able to think independently. They are required to actually express their concerns and, once a decision is made, to support the collective decision. However, according to one interviewee, women have lighter, sometimes quieter, voices and it is more difficult for them to enter into conversations. Therefore, it was suggested that women directors must also be prepared not to be shrinking flowers and to take part and make their views known, but avoid acting or becoming like men.

4.3.3. Should the number of women on corporate boards increase?

On asking this question, although interviewees responded positively, they indicated that women should not be appointed on the boards because of their gender per se. They stressed that board appointments should be based on the talent and skills of the candidates.

I think boards should have all the talent. Talent is not something that men only have. I am not somebody who moves away from decisions based on merit nor am I the one who tolerates that women do not have that merit. The closer you get to a consumer type business it is critical that all ranges of talent are represented on the board. (f7)

I do not think it [the number of women] should increase because they are women. I do not think gender is a specific reason for appointing anyone into anything. I do not personally believe that gender plays a big part in the decisions that boards make. I think if there were a lot of women on the board of a company I do not know if the decisions that were made were any different. I believe that the fact that companies have a certain percentage of women on them or not is reflective of the decisions that they make or the way the company operates. So, I do not think they should be there because they are women. (f1)

I think the board should have the most qualified people for the job. If it happens that they are all men so be it really. If it happens that females could do as good a job then so be it. I do think that if it is a bit skewed in terms of male/female make up then things are approached slightly differently, and I am not saying adversely, just that men and women do look at things differently. I am sure that an all female board with one male or two, probably the processes will be slightly different, because men and women deal differently with things. But I do not support token female appointments. I think that is destructive for females. It does not really get us the rewards that all of us want. We want to be there because we are the best at that job not because we are females. (f5)

One interviewee however indicated that boards should be reflective of the community in which they exist. They should not only have more women on them but diversity in all forms should be introduced to boards.

It is no good having six lawyers or five accountants. We need boards that better represent the community that is their community and that is their shareholder and also that better represents the world. I mean climate change, social responsibility and all those things are an important part of a company's work now. So we need to arrange around the board table a diversity of people that is healthy for a board and I think hopefully that will bring more women to boards, because the way the boards operate is changing, it is more a group of equals than it is a chair and then the board. (f6)

A board should reflect the community, but not in a token way. I do not ever want to be appointed to a board just because I am a woman or because I am a woman from the South Island. I want to get there, because I deserve to be there and because I have got the skills that I can bring there. (f6)

One interviewee expressed her concerns on women's appointments solely based on their gender. The interviewee viewed such appointments to be disastrous both for women and for the boards.

Some boards and the Crown appointments in the past where they have been very keen on gender balance have actually exposed women or Maori or Pacific Island people to roles which were inappropriate in my view, because they did not have the skills and then it becomes a horrible personal experience for those people. The people on the board look at them and make assumptions that being a woman or being a Maori or Pacific Islander has something related to it. I think that has to be avoided at all cost. (f8)

Interviewee f8 also indicated that although the number of women may increase with the new generations coming in, this increase may not come in the number of younger

women. She suggested that since usually a large proportion of board members are older, they may tend to gravitate towards people of their own age.

I think the number of women will definitely increase with the new generations coming. I do not think that the younger women will benefit from it. Number one because it is usually older people in those roles so they tend to gravitate towards people of their own age. We have a company that works in an area of governance and we say to people what about having the spread on your board, but a number of them are quite conservative. They have usually had a successful career themselves and they are risk adverse and they see having younger women on the board sometimes as a bit of a risk. Whereas, the older women, they have that clear path and they are perhaps better known, so they are perhaps a bit more comfortable with them. (f8)

The above comments indicate that although all interviewees considered women's representation on the boards important, they (both male and female) believed that board appointments should be based on candidates' talent and skills and not solely based on gender.

4.3.4. Are qualified women visible?

Pajo et al. (1997) respondents indicated that one reason for women's non-existence at the top is their invisibility to company authorities. This suggested that aspiring women directors needed to raise their profiles and make their interests known in order to get appointed on the boards. To investigate whether this factor still plays a role in women's appointments on the corporate boards in New Zealand, interviewees were asked whether they thought qualified aspiring women directors are visible and what factors may help them to raise their profile and visibility to organisations.

Although in some cases interviewees misunderstood what was meant by the term visibility, overall they indicated that it may be a factor in women's lower representation on the boards. Interviewees emphasised that to raise their profile, women should network with experienced women directors, they should attend seminars and conferences, make their interests known to others and expose themselves to people who might be looking for women to nominate to boards.

Some interviewees indicated that a large number of governmental and organisational databases are available on which women should register to increase their visibility and chances of selection. However, an interviewee indicated that registering on such databases are not of much help since they are searched on a keyword and if that keyword is not in your CV you will have no chance to be located.

... So they should take opportunities that will expose them to people who might be looking for women. If that means going to seminars or conferences, even if they are scary, they should do that. They should go out and network. If you are a woman and you want to be a woman director, or you are a new woman director, see if you can find a more experienced woman director who will occasionally meet with you and talk through issues that you have got or pointing the right direction. I think we need to support each other, because it is harder for women, it is harder to get recognised, it is harder to fit it in with family and with your partner's career unless you have got a very special partner who is willing to play the game and put you first when necessary. (f6)

Interviewees also indicated that although it is uncertain whether membership of the Institute of Directors may help qualified women improve their board appointment chances, they should try joining the Institute to increase their profile. One interviewee stated:

...I think it is part of your recipe. I think if you are keen to be on the boards then you should join Institute of Directors, but it is not sure whether or not an appointment will come. It is only one of a whole range of things that people should be doing. (f8)

They also indicated that aspiring women directors perhaps should attempt to join not for profit boards or regional sporting clubs and make themselves more visible to people who are looking for aspiring directors. One interviewee stated that she will turn to politics in an attempt to raise her profile.

Most importantly, two female interviewees indicated women should avoid behaving like men in an effort to fit the male dominated corporate board culture. They stated:

I do not think we should change the way we do things to fit in with the male model. I think we should continue to be independent and we should hold onto the way we look at things. (f5)

I think we need to support each other, because it is harder for women, it is harder to get recognised ...I am hopeful for my children's generation that things will be different. Those of us that are in my generation now have started to break that [glass ceiling], but break it in a way that says women can do these things too and still be womanly. I do not want to be a clone of a male, I want to be me. When I go for interviews to be on boards and, I have just been to two recently, I act like me, I do not act like what I think they would like a director to be like... (f6)

4.3.5. What do women bring to corporate boards?

The majority of interviewees indicated that women may add a new dimension to boards. These interviewees viewed women to be good communicators with a better sense of style and culture than their male counterparts. Interviewees also indicated that women normally study board issues in a wider perspective. In addition, they

indicated that women tend to be more considerate about social, environmental and triple bottom line issues. Their views are listed below:

I sometimes think personally that women have the ability to take a broader view of particular issues than men. Men will sometimes focus on details whereas women seem to focus on the bigger picture. (f1)

Women bring insights that men do not even think about. They often look more widely at issues like social responsibility and triple bottom line thing. But I cannot generalise, some men are really good directors and obviously have some of the same skills. But I think skills that directors need for the new world women have in terms of consensus decision making, and lack of hierarchy. (f6)

We do definitely have conversations on the boards where the men are tracking along in a particular direction. I distinctly remember there were three women on the board and we all would be looking at each other with these very critical looks and then one of us would pipe up and derail them because they have completely missed the bigger picture...There is a sort of story that people always say if you give men a target they will hit it. They do not care what for, they will just hit the target whereas women quite often stand back and say what is this target about and what for? If we do X then what are the implications for it? So I think women are good in making decisions in context. (f3)

They bring a much more understanding way of dealing with the people issues, they bring a heightened sense of perception about culture in the company and about style in the company and that also includes the values of the company. I think they have a much heightened sense of perception of those sorts of things as against men who will tend not to perceive the culture as strongly and not to perceive the people issues, the human resources issues, as strongly in the company and men might be driven by a single bottom line objective which is profit, I am not saying women aren't, women will often recognise there are other ways that you can measure performance. (m1)

Two female interviewees mentioned the undesirable effects of being the only women on the board. They indicated that although women may bring a new perspective to boards, it is impossible if they are the lone voice on the board. They stated:

Women bring a sense of humour, they add a slightly different outlook on things, but it is quite hard, if you are a lone voice, to do that. (f5)

And

One woman solo or token will not change the culture of the board; it will be a very masculine oriented culture... My personal feeling is that if you have a rough gender balance you get the best of both worlds and it creates a very nice work environment. (f4)

Four interviewees on the other hand did not consider women to introduce a new dimension to boards.

People say that women bring empathy or higher degrees of communication skills, but I am not sure about that. It may be true but not necessarily from my experience. (f8)

... in theory women bring a more collaborative and collateral approach in my view. But at the moment, I suspect that is not the case necessarily. They bring as much as the man and I think they do bring a slightly different approach, at least in theory, the reality is somewhat different perhaps. (f2)

4.3.6. Role models

Consistent with the findings of Singh and Vinnicombe (2006) only three woman had role models. The majority of female interviewees indicated that their first directorships were something that came to them out of the blue.

One interviewee indicated that she did not have any role models when she was first appointed to a board. However, during her time on her first board an experienced male board member became her mentor who since then has continuously helped and guided her. Similarly another interviewee explained that she did not have role models, but she has always been a person with goals and strong beliefs who has always planned her life. She added that the way she was brought up and family support has encouraged and enabled her to reach the top.

4.3.7. Efforts for gender equity on boards

Interviewees were asked to provide information about their efforts for gender equity on the boards. In line with the findings of Singh and Vinnicombe (2006), all interviewees indicated that while they have not consciously attempted to appoint women on their boards based on their gender per se, they have attempted to promote, encourage and mentor qualified aspiring women.

What we have done within our board is that we have made sure that when we have a new opportunity we do ask females to put their name forward so that we can at least interview them. If they prove the right person they will get the job. But they have got to prove that they are the right person. So efforts for gender equality in terms of creating the opportunity to get that first board, yes we have. In terms of preferring a female candidate because they are a female, no. We are trying to give opportunities to young females who have the right skill sets for boards and we are not going to do it just because they are females if they do not have the right skills. (m2)

I do a lot of mentoring for young people and women in particular. I take very seriously the responsibility to help others understand what they can aspire to... I help them think about their careers. (f7)

I always make sure that when we have vacancies on the boards we approach women's appointment files for appropriate women. If there are women around that I know who might be good for the vacancies I suggest them. I always ask the question from the organisations "have you had a look at the women's appointment files?"(f6)

A female interviewee, on the other hand, resembled promoting women on boards to a painful experience. She stated:

...I feel I am in a box. I feel I am fighting feminism all over again every time, but there is not a lot of consciousness about it and I think if you try and bring it into people's consciousness you become cast in a box and a lot of women are scared to go there. This is why I think it is good to have three or four women on the board then if they say we want another woman it will not be all down to one person. I think it is a problem and again I think it is one of those "queen bee" things. Where I think a lot of them [female directors] say I have done it on my own and I do not believe in promoting women, because they do not want that label. It is too much of a burden to bear. I sometimes feel very depressed when I come back from meetings. I just think it is so unfair sometimes. I think why am I doing this? I am not achieving anything; I am getting a lot of abuse about it. (f4)

4.4. Summary of the findings

Building on and extending Singh and Vinnicombe (2006), this research is aimed to identify the barriers to women's advancement to corporate boards and to investigate the proportion of female executive and non-executive directors and CEOs in NZX companies. This research was conducted through document analysis and semi-structured interviews with male and female New Zealand directors.

The findings of this research support prior New Zealand and international findings. The study indicated that women constitute only 6.44% of the total corporate

directorships in New Zealand. It also indicated that only 69 of a total of 240 or 29% of the NZX companies had a woman on their boards. The findings also illustrated a significant gap between the proportions of executive and non-executive directors which is possibly linked with the minuscule proportion of women in CEO roles i.e. there remain very few women in the “pipeline” (only five women CEOs).

In accordance with the interviewees, networks play an important role in board appointments in New Zealand. They also indicated that lack of networks, family commitments, career choices, risk adversity, male organisational cultures and discrimination are the influencing factors on women’s advancement to corporate boards. The interviewees indicated that it is crucial for the aspiring female directors to have a professional qualification, governance experience, an inquiring mind, confidence to ask questions and most importantly to understand the line between management and governance.

Contrary to demographic findings, interviewees optimistically believed that the proportion of women on corporate boards will gradually increase as more and more women get educated and increasingly participate in the workforce. Although the majority of interviewees believe that women add a new dimension to boards, they considered it disastrous to appoint women directors on the basis of their gender alone. They indicated that desirable characteristics for a director are: possession of a professional qualification, prior governance experience, an inquiring mind, sound commercial judgements, business acumen and an understanding of the differences between governance and management.

In addition, only three women directors had role models. Interviewees also indicated that while they have not consciously attempted to appoint women on their boards based on their gender per se, they have mentored and promoted women to attain corporate directorships.

These findings are discussed in more detail in chapter five.

Chapter five: Discussions

This research replicates and extends Singh and Vinnicombe (2006). The study was aimed to investigate the barriers to women's advancement to corporate boards and to examine the proportion of female executive and non-executive directors on NZX boards. In this manner, it not only represents the first attempt in New Zealand to compare the proportion of female executive and non-executive directors, but also updates the findings of Pajo et al. (1997) in identifying the possible factors that may influence women's representation on the New Zealand corporate boards.

In 1995, the former Prime Minister, Jenny Shipley, in an attempt to improve women's representation on the nation's boards pledged through the Ministry of Women's Affairs to increase the proportion of females on the statutory boards to 50% by the year 2000 (extended to 2010) (McGregor, 2000). Where the government's initiatives have proven successful in introducing women on statutory and Crown company boards, the findings of this study and prior research indicate no improvement in the proportion of women on corporate boards.

Although New Zealand is the first nation to grant women the right to vote, the recent New Zealand Census of Women's Participation 2006 (McGregor & Fountaine, 2006) illustrated that women constituted only 7.13% of the top 100 corporate directorships. In line with the findings of McGregor and Fountaine (2006), this research indicated that women constituted only 6.44% or 88 of a total of 1366 directorships in New Zealand. However, of greater concern, is the lower than 2% proportion of female executive directors and the limited number of female CEOs in New Zealand. Although interviewees portrayed optimism for the future proportions of women on the

corporate boards, dismal representations of women in CEO and executive roles defies such an increase in the near future. Similarly, given that executive directors are company employees who have advanced to boards progressing through the top management roles, the minuscule proportion of women executive directors and CEOs is perhaps an indication of barriers to women's progress in New Zealand organisations.

Research indicates that today women constitute nearly half of the workforce in New Zealand (McGregor & Fountaine, 2006). However, the findings of this research illustrated that only 6.44% reached the corporate boards. To understand the reasons behind this change-resistant phenomenon and to compare the perceptions of men and women on this issue, views of 11 male and female directors were acquired. Moreover, predictions of the social identity theory were utilised to understand women's under-representation on corporate boards in the context of social and psychological aspects of human behaviour.

As explained in chapter two, social identity theory by Tajfel and Turner (1986) is based on the concepts of social groups and their interactions. According to this theory individuals segment, classify and order the social environment around them into various groups or categories that enables them to define their selves and others and undertake social action. Tajfel and Turner (1986) explain that the mere perception of belonging to a group and the existence of an out-group is sufficient to create favouritism for in-groups and feelings of discrimination for the out-groups. They add that in the relevant intergroup situations, individuals will not interact as individuals,

on the basis of their individual characteristics, but as members of their groups standing in certain defined relationships to members of other groups.

The in-group favouritism discussed above probably explains the dominance and use of networks as an important director recruitment tool in New Zealand. Contrary to the UK findings (Singh & Vinnicombe, 2006), this study illustrates that interviewees considered networks to play a significant role in board appointments. They also indicated that women's lower representation than men on corporate boards is associated with the women's lack of networks. In accordance with social identity theory, since corporate boards are mainly dominated by male directors, they may identify themselves as members of a single group i.e. "male directors". Reinforcing their group boundaries they will gain a collective sense of themselves, trusting and liking the in-group they will strive to achieve common goals. They will also perceive their in-group members to be superior and stereotypical and discriminate those who are not male, who are not directors and who are not in their networks. Establishing favouritism for their in-group members, in other words, male directors, they may preferably "shoulder tap" and appoint individuals who are similar to them i.e. who are already a director on another board, who are male and who are in their networks.

The characteristics of favouritism for the in-groups and antagonism for the out-groups predicted by social identity theory were clearly portrayed in the comments of male and female interviewees. While no women interviewees linked their under-representation on corporate boards to a difference in the women's aspirations, a male director believed that women's non-representation at the top is perhaps associated with their lack of desire for power (discussed in 4.3.1.4). Similarly, female directors

expressed concerns on the attitudes of some male directors on their boards. They indicated that not only women were given the feelings of incompetence and inferiority but also often their male colleagues would exclude them from informal interactions of the boards (discussed in 4.3.1.8). They also expressed their concerns on the male centred culture of the boards where all extra curricula activities were designed to fit men's interests. Therefore, despite the majority of male interviewees' *responses* to the effect that there should be more women on corporate boards, the *attitudes* of male directors on those boards did not support such an intention.

In accordance with the social identity theory, beliefs such as women's lack of aspiration for power and their exclusion from the informal board interactions indicate that male directors perceived themselves as the members of a separate and superior group i.e. of the "male directors". These directors perceived women directors to be inferior and less skilled than them. This sense of superiority may explain female directors' experiences of exclusion from informal interactions on the boards.

Although the use of networks as a director recruitment tool disadvantages both male and female aspiring directors, women are greatly disadvantaged as a result of their gender as well as their lower levels of networks as compared to their male counterparts. It is interesting that, unlike these interviewees, respondents in Singh and Vinnicombe (2006) did not consider networks, but personal connections, to have played an important role in their board appointments. The heightened role of the networks here may be associated with New Zealand being a small community where directors constitute a small group of individuals who know each other.

Social identity theory also indicates that where there are dominant and subordinate groups, members of the later group who are dissatisfied with their group identity will derogate from in-group and display positive attitudes towards the dominant out-group. They may also attempt to leave their existing group and join the dominant group. In accordance with the above predications, since men constitute the dominant group on corporate boards, some women directors as the subordinate group may attempt to behave like men or display positive attitudes towards the dominant out-group of “male directors”. They may also discriminate and look negatively at other women in an attempt to fit the male dominated corporate board culture. This perhaps explains the comments made by a female director who surprisingly suggested that more men fit directorship roles than women (presented in 4.3.1.9). This may also imply that since men are the dominant group on the corporate boards, some women directors may join men in aggravating the “glass ceiling” for women’s advancement to corporate boards.

The findings of this study therefore reveal the andocentric nature of the New Zealand boardrooms. It illustrates that women are not only discouraged to prepare themselves for the positions of power as a result of the negative societal perceptions about them (discussed in 2.3.3 and 2.4) but also the andocentric nature of organisations and executive roles attempts to frustrate even those women who have managed to break the “glass ceiling” and reach the top.

In line with the literature arguments, Tajfel and Turner (1986) indicate that women as the subordinate group may internalise a wider social evaluation of themselves as “inferior” and develop a negative self image. These negative feelings shape women’s

choices of career and their aspirations. This may not only encourage women to restrict their involvement into less challenging jobs i.e. “female jobs” but also to exclude power and leadership as the potential objectives in their lives.

In summary, social identity theory indicates that male directors as the dominant group on corporate boards play a role in creating barriers to women’s advancement to corporate boards. Women may be perceived to be less skilled and less competent as compared to their in-groups. The impacts of these negative perceptions about women may further enhance the negative societal attitudes towards women where usually women are seen in a nurturing role. The theory suggests that as the subordinate group, women may internalise these societal evaluations of their selves and consequently shape their aspirations and goals accordingly which will, over time, result into their low representation in the positions of power i.e. directorships.

Chapter six: Conclusions and recommendations

Replicating and extending Singh and Vinnicombe (2006) this study was comprised of a series of semi-structured interviews and an analysis of the proportion of women executive and non-executive directors and CEOs in New Zealand companies.

Updating and extending the findings of Pajo et al. (1997) and McGregor and Fountaine (2006), the findings of this study once again provided evidence for women's under-representation on New Zealand corporate boards. While literature indicated that women constitute nearly half of the New Zealand workforce and 41% of the statutory board directorships (McGregor & Fountaine, 2006), demographic findings of this study indicated that women constituted merely 6.44% of the total NZX directorships. In addition women constituted 4.69% of the total non-executive and less than 2% of the total executive directorships on corporate boards illustrating even more dismal representation of women on executive directorships in New Zealand than the 4% in the UK.

However, of greater concern is the minuscule number of women CEOs in New Zealand. The findings indicated that in a total of 240 NZX companies only five companies had a woman CEO. Therefore, given that normally CEOs are the potential pool of talent for director appointments, the dismal number of women CEOs perhaps provides an indication that the number of women non-executive directors may not increase in the near future.

To understand the reasons for women's under-representation on corporate boards, 11 male and female directors were interviewed. Unlike research findings in the UK

(Singh & Vinnicombe, 2006), the findings of this study indicated the importance of informal networks in director appointments in New Zealand. Networks were not only considered as an important director recruitment tool, but were also considered to be a desirable attribute for aspiring directors. Interviewees also suggested other factors such as family commitments, timing issues, different sets of aspirations and career choices, risk adversity, male organisational cultures, directorship responsibilities and lower return levels and discrimination as the factors influencing women's representation on corporate boards. Surprisingly, one female interviewee also associated women's non-representation on corporate boards to their lower suitability for directorship roles.

Social identity theory was used to provide potential explanations for the persistent exclusion of women from corporate boards. The theory explains that male directors as the dominant group on corporate boards may tend to prefer to appoint candidates who are male, similar to themselves and who are present in their networks and circle of friends discriminating and negatively perceiving women who are out-groups. The theory further adds that women as the underprivileged group may internalise negative perceptions about themselves and structure their careers and aspirations accordingly which will perhaps result into restriction of women in the less challenging "female jobs" that may not lead to directorships.

A glance at the findings of this study enables the researcher to conclude that to improve the proportion of women directors on corporate boards it is necessary to have a fair and open mechanism for director appointments. The findings of this study indicate that as long as "shoulder tapping" and networks are considered the main

director recruitment tools, women will continue to remain under-represented on corporate boards. Such informal mechanisms not only disadvantage women due to their lower network levels, but also limit the pool of talent from which directors are selected to only individuals in the networks of the current board members and CEOs.

In addition, although New Zealand lags behind many comparable countries in the proportion of women directors on corporate boards (McGregor & Fountaine, 2006), there appears to be less awareness on this issue. The findings of this study indicated a less than one percent increase in the proportion of women directors in the top 77 NZSX companies since 2005, which indicates a lack of effort in the corporate sector towards gender equality on the boards. To increase awareness on this issue not only greater research is required but also efforts should be undertaken by the Institute of Directors as an influential source on the boards and directors.

It is also important to understand that change does not occur in a social vacuum. Perceptions and attitudes of male directors, as the dominant group on boards, are the product of societal attitudes towards, and their perceptions about, women. Therefore, awareness of the problems arising from sex-stereotyping at an early age, particularly at school, is needed to improve social perceptions about women in the long run. It is of equal importance to continue increasing awareness in the business schools where New Zealand's future corporate directors and employees get educated. The "Advancing women leaders" course in the Management Department of the University of Canterbury is one such step towards achieving the required level of social awareness about the negative role of sex-stereotyping in New Zealand.

The researcher also believes that experienced women directors who have achieved to break the “glass ceiling” are socially responsible to promote, mentor and to help aspiring women climb the corporate ladder.

Research on women on corporate boards in New Zealand is very limited. Since networks are considered to be the main director recruitment tool in New Zealand, further research is required to investigate the extent of women’s networks on corporate boards. In addition, since CEO and top management roles are a pathway to board directorships, further research is required to investigate the proportion of women in various management levels and see if similar factors influence women’s access to CEO and top management positions. It is, however, important to mention that the small sample size of interviewees in this study highlights the difficulties that a new researcher may face in entering the closed circle of elites and looking for willing interviewees for a similar research project.

References

- Adair, C. K. (1999). *Cracking the glass ceiling: Factors influencing women's attainment of senior executive positions*: Dissertation.com USA.
- Blake, A. E., & Mael, F. (1989). Social identity theory and the organization. *Academy of Management Review*, 14(1), 20-39.
- Bradley, H. (1994). Gendered jobs and social inequality. In P. Press (Ed.), *The Polity Reader in gender studies* (1 ed.). Oxford: Blackwells Publishers.
- Brazelton, J. K. (1998). Implications for women in accounting: Some preliminary evidence regarding gender communication. *Issues in Accounting Education*, 13(2), 509-530.
- Bryant, A. (1998, October 18). Few signs of advances for women on boards. *The New York Times*, p. 3.6.
- Bryman, A., & Bell, E. (2003). *Business research methods*. New York: Oxford University Press Inc.
- Burgess, Z. M., & Fallon, B. (2003). A longitudinal study of women directors in Australia. *Women in Management Review*, 18(7), 359-368.
- Burgess, Z. M., & Tharenou, P. (2000). What distinguishes women nonexecutive directors from executive directors? In R. J. Burke & M. C. Mattis (Eds.), *Women on Corporate Boards of Directors* (Vol. 14). Dordrecht: Kluwer Academic Publishers.
- Burke, R. J. (1994a). Women on corporate boards of directors - forces for change? *Women in Management Review*, 9(1), 27-31.
- Burke, R. J. (1994b). Women on corporate boards of directors – views of canadian chief executive officers. *Women in Management Review*, 9(5), 3-10.
- Carter, D. A., Simkins, B. J., & Simpson, W. G. (2003). Corporate governance, board diversity, and firmvalue. *The Financial Review*, 38(1), 33-69.
- Ciancanelli, P., Gallhofer, S., Humphrey, C., & Kirkham, L. (1990). Gender and accountancy: Some evidence from the UK. *Critical Perspectives on Accounting*, 1, 117-144.
- Cooper, D., & Schindler, P. S. (2006). *Business research methods* (9 ed.). New York: McGraw-Hill Irwin.
- Fawcett, R., & Pringle, J. K. (2000). Women CEOs in New Zealand: Where are you? *Women in Management Review*, 15(5/6), 253-260.
- Fondas, N. (2000). Women on boards of directors: Gender bias or power threat? In R. J. Burke & M. C. Mattis (Eds.), *Women on Corporate Boards of Directors-International Challenges and Opportunities* (Vol. 14, pp. 171-177). Dordrecht: Kluwer Academic Publishers.
- Forbes, J. B., Piercy, J. E., & Hayes, T. L. (1988). Women executives: Breaking down barriers? *Business Horizons*, November-December, 6-9.
- Fox, C. (2007, 24 October). Diversity on boards lifts bottom line. *The Independent*, p. 21.
- Francis, C. (2007). Women on boards: The number may be shrinking *Directorship*, Feb/March, 34.
- Gammie, E., Gammie, B., Matson, M., & Duncan, F. (2007). *Women of ICAS reaching the top: The demise of the glass ceiling*. Edinburgh: The Institute of Chartered Accountants of Scotland.
- Heilman, M. E. (1997). Sex discrimination and the affirmative action remedy: The role of sex stereotypes. *Journal of Business Ethics*, 16(9), 877-889.

- Huse, M., & Solberg, A. G. (2006). Gender-related boardroom dynamics - How Scandinavian women make and can make contributions on corporate boards. *Women in Management Review*, 21(2), 113-130.
- Hyland, M. M., & Marcellino, P. A. (2002). Examining gender on corporate boards: a regional study. *Corporate governance*, 2(4), 24-31.
- Jacobs, J. E., & Eccles, J. S. (1992). The impact of mothers' gender-role stereotypic beliefs on mothers' and children's ability perceptions. *Journal of Personality and Social Psychology*, 63(6), 932-944.
- Jacqui, S., McGregor, J., & Tremaine, M. (1996). Feminizing the boardroom: a study of the effects of corporatization on the number and status of women directors in New Zealand companies. *Women in Management Review*, 11(3), 20-26.
- Kanter, R. M. (1977). *Men and women of the corporation*. New York: BasicBooks.
- Kimball, M. M. (1989). A new perspective on women's math achievement. *Psychological Bulletin*, 105(2), 198-214.
- Lahtinen, H. K., & Wilson, F. M. (1994). Women and power in organizations. *Executive Development*, 7(3), 16-23.
- Lamsa, A.-M., & Sintonen, T. (2001). A discursive approach to understanding women leaders in working life. *Business Ethics*, 34(3/4), 255-267.
- Lear, R. W. (1994). Here come the women directors. *Chief Executive*, 93(April), 10.
- Levin, L. A., & Mattis, M. (2006). Corporate and academic responses to gender diversity. *Equal Opportunities International*, 25(1), 60-70.
- Liu, J., & Wilson, D. (2001). The unchanging perception of women as managers. *Women in Management Review*, 16(4), 163-173.
- Lublin, J. S. (2007, Dec 10). Behind the rush to add women to Norway's boards *Wall Street Journal*, p. B.1.
- Mavin, S. (2000). Approaches to careers in management: why UK organisations should consider gender. *Career Development International* 5(1), 13-20.
- Mavin, S. (2001). Women's career in theory and practice: Time for change? *Women in Management Review*, 16(4), 183-192.
- McGregor, J. (2000). The New Zealand experience-training to be on board as a director. In R. J. Burke & M. C. Mattis (Eds.), *Women On Corporate Boards of Directors-International Challenges and Opportunities* (Vol. 14, pp. 129-144). Dordrecht: Kluwer Academic Publishers.
- McGregor, J., & Fountaine, S. (2006). *New Zealand Census of Women's Participation 2006*: Human Rights Commission and Massey University.
- Miner, J. B. (1977). Motivational potential for upgrading among minority and female managers. *Journal of Applied Psychology*, 62(6), 691-697.
- Moore, H. (1994). The cultural constitution of gender. In P. Press (Ed.), *The Polity Reader In Gender Studies* (1 ed.). Oxford: BlackWell Publishers.
- Murray, G. (2006). *Capitalist Networks and Social Power in Australia and New Zealand*. Aldershot, Hants: Ashgate Pub. Co.
- Murray, G. (2006). *Capitalist networks and social power in Australia and New Zealand*. Aldershot, Hants: Ashgate Pub. Co.
- Oxford University. (2005). *Oxford Dictionary of Accounting* (New ed.). New York: Oxford University Press Inc.
- Pacey, P. (1994). Homemaking. In P. Press (Ed.), *The Polity Reader in Gender Studies* (1 ed.). Oxford: BlackWell Publishers.
- Pajo, K., McGregor, J., & Cleland, J. (1997). Profiling the pioneers: women directors on New Zealand's corporate boards. *Women in Management review*, 12(5), 174-181.

- Richard, D. (1999). Pay is catching up, but numbers are not: Women on board by Richard Donkin: Identifying the reasons why so few women have made it to the boardroom remains as elusive as ever. *Financial Times*, p. 12.
- Rosener, J. B. (2005). Women on corporate boards make good business sense. Retrieved 21 February 2007
- Ryan, M., & Haslam, A. (2007). *Women in the boardroom: The risks of being at the top*. London: Chartered Institute of Personnel and Development (CIPD).
- Schein, V. E. (2007). Women in management: reflections and projections. *Women in Management Review*, 22(1), 6-18.
- Seldon, A., & Pappworth, J. (1983). *By words of mouth elite oral history*. London: Methuen and Co. Ltd.
- Sheridan, A., & Milgate, G. (2003). "She says, he says": Women's and men's views of the composition of boards. *Women in Management Review*, 18(3), 147-154.
- Shilton, J., McGregor, J., & Tremaine, M. (1996). Feminizing the boardroom: a study of the effects of corporatization on the number and status of women directors in New Zealand companies. *Women in Management Review*, 11(3), 20-26.
- Sinclair, A. (2006). Critical diversity management practice in Australia. In A. M. Konard, P. Prasad & J. K. Pringle (Eds.), *Handbook of workplace diversity* (pp. 511-530). London: SAGE Publication Ltd.
- Singh, V., & Vinnicombe, S. (2004). Why so few women directors in top UK boardrooms? Evidence and theoretical explanations. *Corporate governance: an international review*, 12(4), 479-489.
- Singh, V., & Vinnicombe, S. (2006). *Identifying the new generation of women directors - The Female FTSE Report 2006*: International Centre for Women Business Leaders - Cranfield University School of Management.
- Smith, N., Smith, V., Verner, M. (2006). Do women in top management affect firm performance? A panel study of 2,500 Danish firms. *International Journal of Productivity and Performance Management*, 55(7), 569-593.
- Still, L. V. (2006). Where are the women in leadership in Australia? *Women in Management Review*, 21(3), 180-194.
- Tajfel, H., & Turner, J. C. (1986). The social identity theory of intergroup behavior. In S. Worchel & W. G. Austin (Eds.), *Psychology of intergroup relations* (2 ed.). Chicago: Nelson-Hall Publishers.
- Westphal, D. J., & Zajac, E. J. (1997). Defections from the inner circle: Social exchange, reciprocity, and the diffusion of board independence in U.S. corporations. *Administrative Science Quarterly*, 42(1), 161-181.
- Zimmer, L. (1988). Tokenism and women in the workplace: The limits of gender-neutral theory. *Social Problems*, 35(1), 64-77.

Appendices

Appendix one: Human Ethics Committee Approval

Human Ethics Committee

Secretary

Tel: +64 3 364 2241, Fax: +64 3 364 2856, Email: human-ethics@canterbury.ac.nz



Ref: HEC 2007/162

11 December 2007


Ms Roya Najib
Department of Accountancy, Finance & Information Systems
UNIVERSITY OF CANTERBURY

Dear Roya

The Human Ethics Committee advises that your research proposal "Gender diversity on New Zealand corporate boards." has been considered and given retrospective approval.

Yours sincerely

A handwritten signature in black ink, appearing to read 'M Grimshaw'.

 Dr Michael Grimshaw
Chair, Human Ethics Committee

Appendix two: Singh and Vinnicombe (2006) questionnaire**Questions for Women Directors**

- Q1 What particular personal qualities and/or experiences have you had which helped you get a FTSE 100 board directorship?
- Q2 Do you have any personal connections, in terms of club memberships, mentors and friends that have helped you get a FTSE 100 board directorship?
- Q3 What is your experience of using a search consultancy to get a board directorship?
- Q4 Did you have any role models when you were young? (In your family, at work, in society in general)
- Q5 Do you engage in any gender equity activities in the company(ies) where you hold a directorship? If so, what are they?
- Q6 How do you feel about getting actively involved in promoting women directors in the UK?

If positive, what do you think you could do to help?

Appendix three: Interview demographic questionnaire

Section one:

Demographics (Optional)

Number of directorships.....

Occupation (Full-time/part-time).....

Qualifications.....

Age.....

Marital Status.....

Children.....

Appendix four: Interview questionnaire

Section 2:

- Size of the board
- How were you appointed?
- In your view, what are the crucial characteristics for selection on the boards?
 - Business contacts? Networks?
 - Understanding business?
 - Commercial experience and strong track records?
- (Male directors) Is there any woman on your board? If not, what might be the reasons?
- (Female directors) Are you the only woman on your board? If yes, what might be the reason for women's absence?
- What kind of women would your company look for to appoint on its board?
- Are you satisfied with the current mix of professional experiences and backgrounds on your board?
- In your view why are there not many women on corporate boards (only 7.13%)?
 - Is it because of the lack of qualifications?
 - Business experience?
 - Personal characteristics e.g (leadership skills, listening and communication styles etc)?
 - Women are not interested?
 - Qualified women are not visible?
- Should the number of women on corporate boards increase?
- What can women bring to the boards?

- What may increase visibility of the qualified women for board nomination and selection?
 - Membership of clubs and networks of executives?
 - Prior board positions?
- (Women directors) Did you have any role models?
- Have you done anything for gender equality on your board?

Appendix five: Document analysis findings

Directors, Chairpersons of the boards and Chief Executive Officers of NZX companies (As at 28 February 2008)

Key

(1) Information was not available for the categories that are blank.

(2) N/A stands for not applicable. The company is managed by another company, it is part of another company or it is a vehicle for a particular purpose and does not have any employees.

(3) Abbreviations of the names of directors are available. Information was not available about their full names or gender.

	Name of Companies – NZSX	Alternate directors (female)	Female executive directors	Female non-executive directors	Total female directors	Total male directors	Board size	CEOs female(f) male(m)	Chairpersons female(f) male(m)
1	Abano Healthcare Group Limited	0	0	2	2	4	6	m	f
2	ABN AMRO Equity Derivatives New Zealand Limited ⁽¹⁾	0	0	0	0	5	5	m	
3	AFFCO Holdings Limited	0	0	0	0	7	7	m	m
4	Air New Zealand Limited	0	0	1	1	6	7	m	m
5	Allied Farmers Limited	0	0	0	0	6	6	m	m
6	Allied Work Force Group Limited	0	0	0	0	3	3	m	m
7	AMP Investments' World Index Fund	0	1	0	1	3	4	m	m
8	AMP Limited	0	2	0	2	5	7	m	m
9	AMP NZ Office Trust	0	0	0	0	6	6	m	m
10	APN News & Media Limited	0	0	1	1	12	13	m	m
11	Apple Fields Limited	0	0	0	0	3	3	m	m
12	ASB Capital Limited	0	0	0	0	3	3	N/A	m
13	Auckland International Airport Limited	0	0	1	1	5	6	m	m

14	Austral Pacific Energy Ltd	0	0	0	0	6	6	m	m
15	Australia and New Zealand Banking Group Limited	0	0	1	1	8	9	m	m
16	Australian Foundation Investment Company Limited	0	0	1	1	7	8	m	m
17	Babcock & Brown Infrastructure	0	0	0	0	5	5	m	m
18	Barramundi Limited (2)	0	1	1	2	2	4	N/A	m
19	BLIS Technologies Limited	0	0	0	0	3	3	m	m
20	Botry-Zen Limited	0	0	0	0	3	3	m	m
21	Briscoe Group Limited	0	0	1	1	4	5	m	f
22	Broadway Industries Limited	0	0	0	0	4	4	m	m
23	Cabletalk Group Limited	0	0	0	0	4	4	m	m
24	Cadmus Technology Limited	0	0	0	0	5	5	m	m
25	Caledonia Investment plc	0	0	0	0	11	11	m	m
26	Cavalier Corporation Limited	0	0	0	0	8	8	m	m
27	Cavotec MSL Holdings Limited	0	0	0	0	8	8	m	m
28	CDL Investments New Zealand Limited	0	0	0	0	6	6	m	m
29	CER Group Limited	0	0	0	0	6	6	m	m
30	Charlie's Group Limited	0	0	0	0	5	5	m	m
31	Comvita Limited	0	0	0	0	6	6	m	m
32	Contact Energy Limited	0	1	0	1	5	6	m	m
33	Cynotech Holdings Limited	0	0	0	0	4	4	m	m
34	Dairy Equity Limited	0	0	0	0	4	4	m	m
35	Delegat's Group Limited	0	1	1	2	4	6	m	m
36	Diligent Board Member Services INC	0	1	0	1	8	9	m	m
37	Dominion Finance Holdings Limited	0	0	1	1	6	7	m	m
38	Dorchester Pacific Limited	0	0	0	0	4	4	m	m
39	Downer EDI Limited	0	0	0	0	9	9	m	m
40	Ebos Group Limited	0	1	1	2	4	6	m	m
41	Energy World Corporation Limited	0	0	0	0	7	7	m	m
42	F&C Global Smaller Companies PLC (2)	0	0	1	1	4	5	N/A	m
43	Feltex Carpets Limited (1)								
44	Finzsoft Solutions Limited	0	0	0	0	6	6	m	m

45	Fisher & Paykel Appliances Holdings Limited	0	0	0	0	7	7	m	m
46	Fisher & Paykel Healthcare Corporation Limited	0	0	1	1	6	7	m	m
47	Fletcher Building Limited	0	0	1	1	7	8	m	m
48	Foreign & Colonial Eurotrust Plc	0	0	0	0	6	6	m	m
49	Foreign & Colonial Investment Trust Plc (2)	0	0	0	0	10	10	N/A	m
50	Freightways Limited	0	0	1	1	4	5	m	m
51	Genesis Research & Development Corporation Limited	0	0	0	0	5	5	m	m
52	Goodman Fielder Limited	0	0	0	0	5	5	m	m
53	Goodman Property Trust	0	0	0	0	7	7	m	m
54	Guinness Peat Group Plc (1)	0	0	0	0	5	5		m
55	GuocoLeisure Limited	0	0	0	0	5	5	N/A	m
56	Hallenstein Glasson Holdings Limited	0	1	0	1	8	9	f	m
57	Hellaby Holdings Limited	0	0	0	0	6	6	m	m
58	Henderson Far East Income Limited (2)	0	0	0	0	5	5	N/A	m
59	Henderson TR Pacific Investment Trust Plc (2)	0	0	1	1	5	6	N/A	m
60	Heritage Gold NZ Limited	0	0	0	0	6	6	m	m
61	Horizon Energy Distribution Limited	0	0	0	0	4	4	m	m
62	ICP Biotechnology Limited	0	0	0	0	3	3	m	m
63	Independent News & Media PLC	0	0	1	1	21	22	m	m
64	Infratil Limited	0	0	0	0	6	6	m	m
65	ING Medical Properties Trust	0	0	0	0	4	4	m	m
66	ING Property Trust	0	0	0	0	6	6	m	m
67	JPMorgan Fleming Japanese Investment Trust Plc (1)	0	0	0	0	5	5		m
68	JPMorgan Overseas Investment Trust plc (1)	0	0	0	0	5	5		m
69	Kermadec Property Fund Limited	0	0	0	0	3	3	m	m
70	Kingfish Limited	0	1	1	2	2	4	f	m
71	Kirkcaldie & Stains Limited	0	0	1	1	5	6	m	m
72	Kiwi Income Property Trust	0	0	1	1	6	7	m	m
73	L & M Petroleum Limited (1)	0	0	0	0	6	6	m	
74	Lend Lease Corporation Limited	0	0	1	1	7	8	m	m
75	Life Pharmacy Limited	0	0	1	1	6	7	m	f

76	Lion Nathan Limited	0	0	1	1	12	13	m	m
77	Lombard Group Limited	0	0	0	0	5	5	m	m
78	Lyttelton Port Company Limited (NS)	0	0	0	0	6	6	m	m
79	Mainfreight Limited	0	0	0	0	8	8	m	m
80	Marlin Global Limited	0	1	1	2	2	4	N/A	m
81	MediaWorks NZ Limited ⁽¹⁾	0	0	1	1	8	9	m	
82	Methven Limited	0	0	0	0	5	5	m	m
83	Metlifecare Limited	0	0	0	0	6	6	m	m
84	MFS Living and Leisure Group	0	1	0	1	4	5	m	f
85	MFS New Zealand Limited	0	0	0	0	3	3	m	m
86	Michael Hill International Limited	0	0	2	2	4	6	m	m
87	Millennium & Copthorne Hotels NZ Limited	0	0	0	0	5	5	m	m
88	Mowbray Collectables Limited	0	0	0	0	4	4	m	m
89	Mr Chips Holdings Limited	0	0	0	0	5	5	m	m
90	National Australia Bank Limited	0	0	2	2	12	14	m	m
91	New Image Group Limited	0	0	0	0	3	3	m	m
92	New Zealand Exchange Limited	0	0	0	0	6	6	m	m
93	New Zealand Experience Limited	0	0	0	0	3	3	m	m
94	New Zealand Finance Holdings Limited	0	0	0	0	6	6	m	m
95	New Zealand Oil & Gas Limited	0	0	0	0	7	7	m	m
96	Northland Port Corporation (NZ) Limited	0	0	0	0	6	6	m	m
97	Nuplex Industries Limited	0	0	0	0	6	6	m	m
98	NZ Farming Systems Uruguay Limited ⁽²⁾	0	0	0	0	6	6	N/A	m
99	The New Zealand Investment Trust Plc ^{(1) (3)}						5		m
100	NZ Windfarms Limited	0	2	0	2	3	5	m	m
101	OceanaGold Corporation	0	0	0	0	6	6	m	m
102	Opus International Consultants Limited	0	0	0	0	8	8	m	m
103	Pacific Brands Limited	0	2	0	2	4	6	f	m
104	Pacific Edge Biotechnology Limited	0	0	0	0	7	7	m	m
105	Pacific Edge Biotechnology Limited	0	0	0	0	6	6	m	m
106	Pan Pacific Petroleum NL	0	0	0	0	3	3	m	m

107	People Telecom Limited	0	0	0	0	6	6	m	m
108	PGG Wrightson Limited	0	0	0	0	8	8	m	m
109	Pike River Coal Limited	0	0	0	0	7	7	m	m
110	Port of Tauranga Limited (NS)	0	0	0	0	8	8	m	m
111	Postie Plus Group Limited	0	0	1	1	5	6	m	m
112	Property For Industry Limited	0	0	0	0	4	4	m	m
113	Provenco Group Limited	0	0	0	0	3	3	m	m
114	Pumpkin Patch Limited	0	0	2	2	4	6	m	m
115	Pyne Gould Corporation Limited	0	0	0	0	7	7	m	m
116	Rakon Limited	0	0	0	0	6	6	m	m
117	Renaissance Corporation Limited	0	0	0	0	6	6	m	m
118	Restaurant Brands NZ Limited	0	0	1	1	4	5	m	m
119	Richina Pacific Limited	0	0	2	2	2	4	m	m
120	Rio Tinto Limited	0	0	1	1	11	12	m	m
121	Rubicon Limited	0	0	0	0	4	4	m	m
122	Ryman Healthcare Limited	0	0	0	0	6	6	m	m
123	Salvus Strategic Investments Limited	0	0	0	0	4	4	m	m
124	Sanford Limited	0	0	0	0	7	7	m	m
125	Savoy Equities Limited (1)	0	0	0	0	4	4		m
126	Scott Technology Limited	0	0	0	0	6	6	m	m
127	Sealegs Corporation Limited	0	0	0	0	6	6	m	m
128	Seeka Kiwifruit Industries Limited	0	0	0	0	6	6	m	m
129	Skellerup Holdings Limited	0	0	1	1	6	7	m	m
130	Sky City Entertainment Group Limited (NS)	0	0	1	1	4	5	m	m
131	Sky Network Television Limited	0	0	0	0	6	6	m	m
132	SmartFONZ	0	0	0	0	3	3	m	m
133	SmartMIDZ	0	0	0	0	3	3	m	m
134	SmartMOZY	0	0	0	0	3	3	m	m
135	SmartOZZY	0	0	0	0	3	3	m	m
136	Smartpay Limited	0	0	0	0	3	3	m	m
137	SmartTENZ	0	0	0	0	3	3	m	m

138	Smiths City Group Limited	0	0	1	1	4	5	m	m
139	South Port New Zealand Limited	0	0	0	0	6	6	m	m
140	Software of Excellence International Limited	0	0	0	0	5	5	m	m
141	South Port New Zealand Limited (NS)	0	0	0	0	6	6	m	m
142	Steel & Tube Holdings Limited	0	1	0	1	6	7	m	m
143	Tag Pacific Limited	0	0	0	0	6	6	m	m
144	Taylors Group Limited	0	0	0	0	6	6	m	m
145	TeamTalk Limited	0	0	0	0	6	6	m	m
146	Telecom Corporation of New Zealand Limited (NS)	0	0	1	1	6	7	m	m
147	Telstra Corporation Limited	0	0	1	1	8	9	m	m
148	Templeton Emerging Markets Investment Trust Plc	0	0	0	0	8	8	m	m
149	Tenon Limited	0	0	0	0	5	5	m	m
150	The Bankers Investment Trust Plc ⁽²⁾	0	0	0	0	6	6	N/A	m
151	The City of London Investment Trust Plc ⁽²⁾	0	0	1	1	4	5	N/A	m
152	The Colonial Motor Company Limited	0	0	0	0	7	7	m	m
153	The National Property Trust	0	0	0	0	4	4	m	m
154	The New Zealand Refining Company Limited	0	1	0	1	11	12	m	m
155	The Warehouse Group Limited	0	0	1	1	6	7	m	m
156	Tourism Holdings Limited	0	0	0	0	4	4	m	m
157	Tower Limited	0	0	1	1	6	7	m	m
158	Transpacific Industries Group Ltd	0	0	0	0	7	7	m	m
159	TRS Investments Limited	0	0	0	0	3	3	m	m
160	TrustPower Limited	0	0	0	0	6	6	m	m
161	Turners & Growers Limited	0	0	0	0	8	8	m	m
162	Turners Auctions Limited	0	0	0	0	4	4	m	m
163	UBS Securities New Zealand	0	1	0	1	2	3	m	m
164	Utilico International Limited ⁽¹⁾	0	0	0	0	4	4		m
165	Vector Limited	0	0	1	1	7	8	m	m
166	VTL Group Limited	0	0	0	0	3	3	m	m
167	Wakefield Health Limited	0	0	1	1	7	8	m	m
168	Wellington Drive Technologies Limited	0	0	0	0	6	6	m	m

169	Westpac Banking Corporation	0	0	2	2	3	5	f	m
170	Widespread Portfolios Limited	0	0	3	3	2	5	m	f
171	Witan Investment Trust plc	0	0	0	0	7	7	m	m
172	Xero Live Limited	0	0	0	0	6	6	m	m
Name of Companies - NZDX							0		
173	A&R Whitcoulls Group Holdings Bonds (1)	0	0	0	0	4	4		m
174	ANZ National Bank Limited	0	0	0	0	7	7	m	m
175	Australasian Hotel Holdings Ltd (1)	0	0	0	0	3	3		
176	Bank of New Zealand	0	0	2	2	6	9	m	m
177	Babcock & Brown Ltd	0	0	1	1	8	9	m	m
178	BBI Networks (New Zealand) Limited	0	0	0	0	5	5	m	m
179	Blue Star Print Group Limited	0	0	0	0	7	7	m	m
180	Burns Philp Finance NZ Limited	0	1	0	1	4	5	m	m
181	Cadmus Developments Limited	0	0	0	0	2	2	m	m
182	Capital Properties New Zealand Limited	0	0	0	0	3	3	N/A	m
183	CBA Capital Australia Limited (2)	0	0	0	0	3	3	N/A	N/A
184	Credit Agricole S.A.	0	1	0	1	19	20	m	m
185	Credit Sail Limited (1)	0	0	0	0	1	1		
186	Fairfax New Zealand Finance Limited (2)	0	1	0	1	2	3	N/A	N/A
187	Fidelity Capital Guaranteed Bond Limited	0	0	0	0	3	3	m	m
188	Fletcher Building Finance Limited	0	0	1	1	7	8	m	m
189	Fonterra Co-operative Group Limited	0	0	0	0	15	15	m	m
190	Generator Bonds Limited	0	0	0	0	5	5	m	m
191	Global Corporate Credit Limited	0	0	0	0	3	3	N/A	m
192	GPG Finance plc	0	0	0	0	4	4	N/A	m
193	HY-FI Securities Ltd (1)	0	0	0	0	3	3		
194	Macquarie Fortress Investments Limited (1)	0	0	0	0	3	3		
195	Motor Trade Finances Limited	0	0	0	0	7	7	m	m
196	New Zealand Finance Holdings Limited	0	0	0	0	6	6	m	m
197	New Zealand Government Stock (1)								
198	Nufarm Finance (NZ) Limited	0	0	0	0	6	6	m	m

199	Origin Energy Contact Finance No.2 Limited	0	0	0	0	3	3	m	m
200	PGG Wrightson Finance Limited	0	0	0	0	11	11	m	m
201	PINs Securities NZ Limited ⁽¹⁾	0	0	0	0	3	3		
202	Powerco Limited	0	0	0	0	7	7	m	m
203	PPCS Limited	0	0	0	0	12	12	m	m
204	Rabobank Nederland ⁽¹⁾	0	0	0	0	6	6		m
205	RMB Trustee Limited	0	0	0	0	4	4	m	m
206	Rural Portfolio Capital Limited	0	0	0	0	2	2	m	m
207	Rural Portfolio Investments Securities Limited	0	0	0	0	2	2	m	m
208	South Canterbury Finance Ltd	0	0	0	0	4	4	m	m
209	Speirs Group Limited	0	0	1	1	6	7	m	m
210	St Laurence Property & Finance Limited	0	0	0	0	3	3	m	m
211	Strategic Finance Limited	0	0	0	0	4	4	m	m
212	TCNZ Finance Limited ⁽²⁾	0	0	0	0	4	4	N/A	N/A
213	Works Finance (NZ) Limited ⁽²⁾	0	1	0	1	2	3	N/A	N/A
Name of Companies - NZAX							0		
214	A2 Corporation Limited	0	0	0	0	6	6	m	m
215	Burger Fuel Worldwide Limited	0	0	0	0	5	5	m	m
216	Canterbury Building Society (NS)	0	0	0	0	8	8	m	m
217	Connexionz Limited	0	0	0	0	5	5	m	m
218	Eastern Hi Fi Group Limited	0	0	0	0	3	3	m	m
219	Glass Earth Limited	0	0	0	0	7	7	m	m
220	Holly Springs Investments Limited	0	0	0	0	3	3	m	m
221	Jasons Travel Media Limited	0	0	0	0	4	4	m	m
222	Just Water International Limited	0	0	0	0	5	5	m	m
223	Livestock Improvement Corporation Ltd (NS)	0	0	0	0	10	10	m	m
224	Media Technology Group Limited	0	0	0	0	3	3	m	m
225	New Zealand Wool Services International Limited	0	0	0	0	6	6	m	m
226	Oyster Bay Marlborough Vineyards Limited ⁽²⁾	1	0	2	3	3	6	N/A	m
227	Plus SMS Holdings Limited	0	0	0	0	5	5	m	m
228	propertyfinance group limited	0	0	0	0	3	3	m	m

229	Pulse Utilities New Zealand Limited	0	0	0	0	3	3	m	m
230	RLV No. 3 Limited (2)	0	0	1	1	3	4	N/A	m
231	Satara Co-operative Group (NS)	0	0	1	1	6	7	m	m
232	Solution Dynamics Limited	0	0	0	0	4	4	m	m
233	Southern Travel Holdings	0	0	0	0	4	4	m	m
234	SunSeeker Energy (Australasia) Limited	0	0	1	1	2	3	m	m
235	The New Zealand Wine Company Limited	0	0	0	0	6	6	m	m
236	Viking Capital Limited	0	0	0	0	3	3	m	m
237	Widespread Energy Limited	0	0	1	1	2	3	m	m
238	Windflow Technology Limited	0	0	1	1	4	5	m	m
239	Wool Equities Limited	0	0	0	0	5	5	f	m
240	Zintel Group Limited	0	0	0	0	3	3	m	m
Total		1	23	64	88	1272	1366		

