

A Direct Line:
Why So Few Women on Listed Company Boards?
Male Directors Explain

Heidi Kirsten Rosser

A thesis submitted to Auckland University of Technology in partial fulfilment of
the requirements for the degree of Master of Business

2020

Faculty of Business, Economics and Law
Te Ara Pakihi, Te Ōhanga me Te Ture

Primary supervisor: Dr Irene Ryan

Abstract

The purpose of this research was to find out how, as primary ‘gate-keepers’, male directors explain the low number of female directors on listed company boards in Aotearoa New Zealand. There has been glacial progress toward achieving more gender balance on listed company boards, and whether justified by the business case or social justice case, this state of affairs needs to change. The qualitative methodology employed 10 in-depth semi-structured interviews and a descriptive interpretive research design, to provide insights that augment the quantitative data already available.

The study illustrates that there is support amongst male directors for more gender balance on listed company boards, but this is based almost exclusively on the business case, and only a limited segment of it. It goes on to demonstrate how male directors identify a myriad of often inter-linked reasons for the low number of women around their board tables. The reasons can be categorised into: *supply-side explanation themes*, at the micro-level, to do with the women themselves; and *demand-side explanation themes* at both the meso-level, to do with the board environment, as well as those at the macro-level, to do with the wider business landscape. Nineteen explanation themes were identified, with the most commonly raised and widely agreed upon being the ‘pool problem’, centred around the perception that there are not enough women with the right type of experience for governance in the listed company arena.

Unlike quantitative and survey data, this investigation provides a *direct line* to the primary gate-keepers of listed company boards, the male directors, and gives them an opportunity to voice in their own words, why they believe there are so few women serving on those boards. It fills a gap in knowledge about women on boards, offering a unique New Zealand perspective as a point of comparison to other countries, but more importantly providing a rare local resource for large domestic businesses.

The findings have the potential to be used as a practical means to address a current business issue. Directors can reflect on the findings and consider how they might improve their own and their board’s practices to increase the proportion of women on

boards at a faster pace. Change agents can leverage the explanation themes to inform the development of local material and programmes tailored to chairs and directors of listed companies, and other key audiences to achieve the same end.

And finally, the findings offer a springboard to many future research opportunities.

Table of Contents

Abstract	i
Table of Contents	iii
List of Figures	viii
List of Tables.....	ix
Attestation of Authorship	x
Dedication	xi
Acknowledgements.....	xii
Intellectual property rights	xiii
Ethics approval	xiv
Chapter 1 Introduction.....	1
1.1 Background.....	1
1.2 Research topic and approach	3
1.3 Key terms and definitions.....	4
1.4 Organisation of the thesis	5
Chapter 2 Literature review	7
2.1 Why have female directors on listed company boards?.....	7
2.1.1 The theoretical framework	7
2.1.2 The social justice case for more women on company boards.....	8
2.1.3 The business case for more women on company boards	9
2.1.4 A different viewpoint	12
2.1.5 Moving right along... ..	13
2.2 Women on listed company boards: A macro level examination	13
2.2.1 New Zealand.....	13
2.2.2 A limited comparison with other Western countries	21
2.3 Potential reasons for the low number of women on listed company boards ..	28
2.3.1 Macro-level reasons	28
2.3.2 Meso-level reasons	29
2.3.3 Micro-level reasons.....	36
2.4 Summary of the literature	43
Chapter 3 Methodology	45
3.1 Introduction.....	45
3.2 The issue and research question	45
3.3 Research paradigm	46
3.3.1 Ontological position	46
3.3.2 Epistemological position	47
3.3.3 Philosophical position	47
3.3.4 Research approach.....	48

3.4	Research design.....	48
3.5	Advisory group.....	50
3.6	Research method	50
3.6.1	Sampling.....	50
3.6.2	Research instruments	56
3.6.3	Time and location.....	58
3.6.4	Recruitment	60
3.6.5	Data Collection	64
3.6.6	Data Analysis	66
3.6.7	Narrative development.....	70
3.7	Matters of rigour	71
3.7.1	Validity.....	71
3.7.2	Reliability.....	71
3.7.3	Generalizability	73
3.8	Ethical considerations	73
3.8.1	Research adequacy	74
3.8.2	Recruitment of participants	74
3.8.3	Principles of Partnership, Participation, and Protection	74
3.8.4	Informed consent.....	78
3.9	Critical reflection	79
3.9.1	Legitimacy of the ‘cases’	79
3.9.2	Bias	79
3.9.3	Power	80
3.9.4	Pragmatism	81
3.10	Summary.....	81
	Chapter 4 Findings and discussion - Context	83
4.1	Diversity on boards is a good thing	83
4.2	Gender diversity on boards is a good thing	84
4.3	Diversity is more than gender	84
4.4	Diversity of thought is the endgame	84
4.5	Context – Summary and discussion	85
	Chapter 5 Micro-level findings and discussion	86
5.1	Introduction.....	86
5.2	The supply-side struggle.....	87
5.2.1	The supply-side struggle – Summary and discussion.....	87
5.3	The pool problem	87
5.3.1	Experience.....	88
5.3.2	Personal attributes.....	93
5.3.3	The pool problem – Summary and discussion	95
5.4	The specific disinterest problem	96
5.4.1	General disinterest.....	96

5.4.2	Specific disinterest	98
5.4.3	The specific disinterest problem – Summary and discussion	100
5.5	The capacity problem	101
5.5.1	The capacity problem – Summary and discussion	101
5.6	The pipeline problem	102
5.6.1	The pipeline problem – Summary and discussion	102
5.7	The network problem	103
5.7.1	The network problem – Summary and discussion	105
5.8	Sufficient female role models	106
5.8.1	Sufficient female role models – Summary and discussion	107
5.9	Summary of micro-level findings	108
Chapter 6	Meso-level findings and discussion	110
6.1	Introduction	110
6.2	Influential major shareholders	110
6.2.1	Risk aversion	110
6.2.2	Network reliance	111
6.2.3	Low prioritisation	111
6.2.4	Influential major shareholders – Summary and discussion	111
6.3	Ambivalent chairs	112
6.3.1	The sliding scale of commitment	113
6.3.2	Accelerators and brakes	114
6.3.3	The chair – Summary and discussion	115
6.4	Search and selection hurdles	116
6.4.1	Degrees of proper process	116
6.4.2	Ineffective executive search firms	120
6.4.3	The narrowly defined ‘bundle’ of experience	120
6.4.4	Search and selection hurdles – Summary and discussion	122
6.5	An unreceptive board culture	123
6.5.1	‘Lad’ culture	123
6.5.2	Bias around the boardroom table	124
6.5.3	Low prioritisation	125
6.5.4	An unreceptive board culture – Summary and discussion	125
6.6	The tenure blockage	126
6.6.1	Loyalty	126
6.6.2	Constraints on board size	127
6.6.3	Resistance to moving on	127
6.6.4	Absence of regulating mechanism	127
6.6.5	The tenure blockage – Summary and discussion	128
6.7	Observations on size	128
6.7.1	Observations on size – Discussion	129
6.8	The generational premise	130

6.8.1	The generational premise – Summary and discussion	131
6.9	The androgynous assertion	131
6.9.1	The androgynous assertion – Summary and discussion	132
6.10	Summary of meso-level findings	133
Chapter 7	Macro-level findings and discussion	135
7.1	Introduction.....	135
7.2	Limited external pressure.....	135
7.2.1	Regulators have more bark than bite	136
7.2.2	Institutional shareholders only starting to flex muscles.....	139
7.2.3	Membership lobby groups vocal but powerless.....	140
7.2.4	A populist movement rather than a driver of change	140
7.2.5	Limited external pressure – Summary and discussion	141
7.3	Lack of a mandatory quota.....	143
7.3.1	Anti-quota arguments have the upper hand	143
7.3.2	Little and marginal acceptance of quotas.....	146
7.3.3	Lack of mandatory quota – Summary and discussion	147
7.4	Mixed acceptance of gender targets.....	148
7.4.1	Anti-target arguments.....	149
7.4.2	Pro-target arguments.....	150
7.4.3	Mixed acceptance of gender targets – Summary and discussion	151
7.5	The state sector’s different approach	152
7.5.1	Supply reflects head start	152
7.5.2	Demand reflects shareholder priorities, standards, and processes	153
7.5.3	The state sector’s different approach – Summary and discussion.....	155
7.6	The power/action disconnect.....	156
7.6.1	The power/action disconnect – Summary and discussion	157
7.7	Summary of macro-level findings.....	157
Chapter 8	Concluding commentary	159
8.1	The issue and approach.....	159
8.2	Key themes	160
8.2.1	The business case context.....	161
8.2.2	The explanation themes.....	162
8.3	Limitations	165
8.3.1	One dimensional diversity.....	165
8.3.2	Restricted inter-country comparison.....	166
8.3.3	Depth.....	166
8.3.4	Number of interviews	167
8.3.5	Shifting sands	167
8.4	Future research	167
8.4.1	Buy-in to the ‘cases’ for women on boards	168
8.4.2	Women’s corresponding thoughts	168

8.4.3	Missing facts.....	168
8.4.4	More depth	168
8.4.5	Questions raised by interviewees	169
8.4.6	Additional categories of diversity	170
8.5	Contribution and practical application.....	170
8.6	Concluding thoughts.....	171
References.....		173
Appendices.....		189
Appendix A:	Female directors on NZSX-listed company boards.....	189
Appendix B:	Interview schedule.....	191
Appendix C:	Documentation sheet	196
Appendix D:	Template letter	198
Appendix E:	Biography	199
Appendix F:	Interview Guide	200
Appendix G:	Participant information sheet.....	201
Appendix H:	Consent form	204
Appendix I:	Initial coding spreadsheet.....	205
Appendix J:	Ethics approval.....	206
Appendix K:	Data recording and storage protocol	207
Appendix L:	Third-party confidentiality agreement	209

List of Figures

Figure 2.1: Gender diversity of directors on NZSX-listed company boards.....	14
Figure 3.1: Location of interviews	60
Figure 3.2: Outcome of approach to potential participants	62
Figure 3.3: Graphical representation of freehand coding chart	70
Figure 5.1: The supply-side struggle - Language used to describe search for female directors	86
Figure 5.2: Descriptions of the inadequate pool	88
Figure 6.1: The sliding scale of chairs' commitment to increase gender diversity	113
Figure 8.1: The importance of gender diversity to the board in the business case context	161
Figure 8.2: Explanation themes for the low number of female directors on listed company boards.....	162

List of Tables

Table 2.1: Distribution of female directors among the top 100 NZSX companies by market capitalisation – 2018.....	15
Table 2.2: Percentage of female directors among NZSX companies by indexed size – 2018.....	15
Table 2.3: Potential reasons for the low number of women on listed company boards	44
Table 3.1: Variables in the listed company database	51
Table 3.2: Variables in the directors' database.....	53
Table 3.3: Interview schedule	58
Table 3.4: Measures to ensure validity	72
Table 3.5: Measures to ensure reliability.....	72
Table 3.6: Measures to ensure generalizability	73
Table 5.1: Types of experience required for listed company directorship consideration	93
Table 5.2: Types of personal attributes required for listed company directorship consideration	94
Table 5.3: Supply-side explanations for the low number of women on listed company boards in New Zealand.....	109
Table 6.1: Chair attitudes and actions functioning as an accelerator to increasing female directors on listed company boards	114
Table 6.2: Chair attitudes and actions functioning as a brake to increasing female directors on listed company boards	115
Table 6.3: Observations on size (by market capitalisation)	129
Table 6.4: Demand-side explanations for the low number of women on listed company boards in New Zealand.....	134
Table 7.1: Types of external influence on listed company boards	136
Table 7.2: Demand-side explanations for the low number of women on listed company boards in New Zealand.....	158

Attestation of Authorship

I hereby declare that this submission is my own work and that, to the best of my knowledge and belief, it contains no material previously published or written by another person (except where explicitly defined in the acknowledgements), nor material which to a substantial extent has been submitted for the award of any other degree or diploma of a university or other institution of higher learning.

Heidi Rosser

October 2019

Dedication

This thesis is dedicated to my mother, Barbara Rosser (née Ryan) who was denied both of her original career choices due to the undisguised misogyny of prospective employers. Instead, she became a talented sportswoman, an intrepid traveller, a valuable employee, an outstanding volunteer and carer, and the best mother possible.

Acknowledgements

To Dr Irene Ryan, my primary supervisor at AUT, who provided prompt and helpful feedback, and challenged me to think hard in new ways about diversity-related issues.

To Professor Judith Pringle, initially my secondary supervisor at AUT, now retired, whose academic contribution to private sector projects was a source of inspiration.

To the ten men, all chairs or directors of listed company boards in Aotearoa New Zealand, who agreed to be interviewed for this study. Without their willingness to share their time and opinions with me, it would have been an impossible undertaking. I owe them a debt of gratitude.

To Craig Donaldson, Hamish Macdonald, Henri Elliot, Kirsten Patterson, Janine Smith, John Williamson, Mai Chen, Margaret Devlin, Maurice Ellett, and Siobhan McKenna who showed interest in my research, and between them provided me with useful information, advice, perspectives, and contacts.

To Bev Cassidy-Mackenzie and Rachel Hopkins, both former chief executives of Diversity Works New Zealand, for their professional support and flexibility.

To Debbie Oram, who asked me during a New Year camping holiday what dreams I had for the following year. The prospect of having the same conversation about the same dream again next summer finally spurred my university enrolment.

To my dad, Ted Rosser; super sleuth, the soul of generosity, and a patient listener who was always curious about my study. To my mum, Barbara Rosser; her energy, media monitoring services, and many kindnesses are boundless.

To my lovely kids, Hazel and Tom, who cheered me on as we faced educational challenges together, the difference being I volunteered for it!

And finally, to my husband and biggest supporter, Peter Escott, who had more faith in me than I had in myself to undertake this academic and personal journey. His enthusiasm was endless, and the encouragement I needed to get over the line.

My heartfelt thanks.

Intellectual property rights

Copyright is owned by the author of this thesis. Permission is given for a copy to be downloaded by an individual for the purpose of research and private study only, and due acknowledgement must be made to the author where appropriate. You must obtain the author's permission before reproducing or publishing any material from the thesis elsewhere or making it available to any other person.

Ethics approval

This research was approved by the Auckland University of Technology Ethics Committee (AUTEC) on 22 November 2017.

AUTEC reference number: 17/393

Chapter 1 Introduction

1.1 Background

The dearth of female directors serving on corporate boards has been a subject of interest internationally amongst researchers, governments, practitioners, and the business media for the last decade, or more. In addition to journal articles, numerous edited academic volumes have been dedicated to the topic (e.g. Vinnicombe, Singh, Burke, Bilimoria & Huse, 2008; Fagan, González Menéndez, & Gómez Ansón, 2012; Aluchna & Aras, 2018; Devnew, Janzen Le Ber, Torchia, & Burke, 2018). Government departments have drafted or commissioned reports into the matter (e.g. Ministry for Women, 2016; McKinsey, 2017; Davies, 2011, 2015; Sutherland, Macdougall, & Glass, 2015; United States Government Accountability Office, 2019). Leading practitioners based domestically and offshore have undertaken studies and reviewed statistical data, publishing papers on their findings (e.g. McKinsey, n.d.; EY, 2013; Deloitte, 2017; MacLennan et al., 2018).

There are two broad arguments for increasing the number of women on corporate boards; the business case, and the social justice case (Pringle & Strachan, 2015; Merelo, 2018). The business case for more women on company boards links to shareholder primacy and the associated drive for shareholder value. This has been the focus of the business community to date in Aotearoa New Zealand. The social justice case for women on boards is bound in concepts related to fairness and ethics.

In New Zealand and overseas, the specific target of interest is frequently the boards of companies listed on the stock exchange. They attract attention due to their relative size and subsequent impact on the economy and employment, and statistics for these boards are more readily available (González Menéndez & Martínez González, 2012). The directors serving on these boards represent the elite in their field (Singh & Vinnicombe, 2004) and directorships are regarded as prestigious and an affirmation of a successful career.

NZX Limited (NZX) is the licensed operator and regulator of the securities market in New Zealand (NZX, n.d.-a). In July 2012, NZX announced the introduction of a 'Diversity Rule' (NZX, 2012a) requiring companies listed on the Main Board of the New

Zealand Stock Exchange (NZSX) to disclose the gender composition of their board in their annual report (NZX, 2012b). NZX's rationale drew on the 'business case' and research showing that gender diversity at board level contributed to better performance (NZX, 2012a). The mandatory measures were strengthened in May 2017, when NZX announced the introduction of a new Corporate Governance Code (NZX, 2017a), including new 'comply or explain' requirements for disclosing and reporting against a gender diversity policy and measurable objectives (NZX, 2017b).

Professional membership bodies such as the Institute of Directors (IoD) and Global Women have also taken up the charge, by leading the public debate about the low number of female directors on listed company boards and by developing programmes and resources to address the issue (IoD, n.d.-a, n.d.-b; Global Women, n.d.-a, n.d.-b). The business media in New Zealand has embraced the topic too; citing research, and quoting special interest groups and directors themselves (Smylie, 2017; Davis, 2018; Mau, 2019; Parker, 2019a, 2019b; Stock, 2019).

Despite published research, a well-established business case, the introduction of NZX requirements, action from professional membership bodies, and the business media spotlight, the proportion of male directorships on the boards of New Zealand's publicly-listed companies has proven to be remarkably 'sticky'.

In 2013, the first year of reporting, women represented 12 percent of directors on publicly-listed company boards (NZX, 2015a). Over the six years since the introduction of the initial NZX 'Diversity Rule' the percentage of women on boards has increased at an average increase of just under 2 percentage points a year to sit at 22.5 percent (NZX, 2019a); progress that has been described as 'glacial' (Withers, 2017). This is in stark contrast to state sector boards where historically there has been more emphasis on the social justice case (State Sector Act, 1988) and women hold 47.4 percent of directorships (Genter, 2019).

While statistical data about the number and proportion of women on listed company boards in New Zealand is readily available (NZX, n.d.-b; MacLennan et al., 2018), only limited local research related to the topic has been undertaken. In the last decade, that research has focused on company performance (Bathula, 2008; Dunstan, Keeper, Truong & van Zijl, 2011; Boyle, Foley, & Hong, 2019), macro-level influences

(Hawarden & Stablein, 2008; Casey, Skibnes, & Pringle, 2011), and network analyses (Hawarden & Marsland, 2011; Hawarden, 2018). There have been some practitioner-led surveys that have included pertinent responses from New Zealand directors (Groysberg, Cheng, & Bell, 2016; Deloitte, 2017; Chen, 2018).

1.2 Research topic and approach

The aim of this study is to find out how male directors on New Zealand's listed company boards explain the low proportion of female directors on those boards.

At present, male directors are effectively the 'gate-keepers' to listed company boards in New Zealand. Their opinions about why there are so few women serving on their boards have not been heard in any depth. This research will provide a direct line to a group of the 'gate-keepers', giving them an opportunity to voice in their own words why they believe this phenomenon exists and persists. Hearing what they have to say may hold a key to opening the boardroom door wider and faster for women to take seats at the boardroom table of New Zealand's largest companies. Directors can reflect on the findings and consider how they might improve their own and their board's practices to increase the proportion of women on boards at a faster pace. Change agents can leverage the explanation themes to inform the development of local material and programmes tailored to chairs and directors of listed companies and other key audiences, to achieve the same end.

The study will also fill a gap in knowledge. It offers a unique New Zealand perspective as a point of comparison with other countries, but more importantly provides a relatively rare local resource for large domestic businesses. Finally, the findings can act as a springboard to future research opportunities.

A pragmatic approach (Rorty, 1991; Gray, 2014) was adopted to serve both the academic and practical applications of this research. Semi-structured interviews were undertaken to enable systematic and comprehensive discussion on the topic while still allowing for some flexibility (Rowley, 2012; Gray, 2014; Eriksson & Kovalainen, 2016). The ten interviewees comprised male, non-executive chairs and directors of companies ranked in the top 100 of the NZX Main Board (NZSX) by market capitalisation. The interviews were held in a range of locations and by telephone, but all the interviewees

were New Zealand-based. Each interview was recorded and then transcribed by either the researcher or a third-party transcriptions service. Employing a descriptive interpretive research design, a thematic analysis of the transcripts was conducted to draw out themes and describe them before taking a 'light' interpretive role (Smythe, 2012). This qualitative methodology adds insights that augment the quantitative data already available.

1.3 Key terms and definitions

The following list clarifies terminology used in this study:

Listed company refers to a company that is listed on a stock exchange, also known as a public company.

NZX denotes both the company that operates New Zealand's stock exchange, and the exchange itself.

NZSX is the main board, or equity market, of the NZX.

NZX 50 is the main index for the NZX, representing the top 50 companies by market capitalisation.

ASX denotes both the company that operates Australia's security exchange, and the exchange itself.

ASX 200 is the main index for the ASX, representing the top 200 companies by market capitalisation.

Board refers to the board of directors of an organisation.

Non-executive director refers to a director who is not part of the company's management team.

Independent director refers to a non-executive director who has no close links to the company in terms of a major shareholding or recent former management role or significant supplier/customer contract etc.

Mixed board refers to a board with both male and female directors, in a binary sense.

Male-only board refers to a board with exclusively male directors.

Gender diversity of the board refers to the degree that both male and female directors are represented, in a binary sense. While the term is widely associated with that meaning by business researchers, practitioners, and media alike, the researcher readily acknowledges that in other contexts gender diversity refers to a spectrum of gender identities.

Chair refers to the chairperson of the board, male or female.

CEO is an abbreviation for Chief Executive Officer.

1.4 Organisation of the thesis

This chapter started by giving context to the research; introducing the broad topic of women on corporate boards and outlining the case in support of increasing their number. It then specified the research topic about the low number of women on listed company boards in New Zealand, and the lack of progress made to date. An overview of existing research demonstrated that there was an opportunity to provide a direct line to the 'gate-keepers' and ask for their explanation about the phenomenon. A qualitative study would add insights to augment the quantitative data already available and make a practical contribution to change. A list of key terms and definitions was provided.

Chapter 2 presents a review of a selection of academic, practitioner and media-generated literature reflecting the populist nature and positioning of interested parties in the discussion of female directors on listed company boards. It begins with the arguments for having more women serving on those boards. The next section examines the status of women on boards in New Zealand over the past decade and currently. This is followed by a comparison with three other Western economies. The review then focuses on the potential reasons for the low number of women serving as directors that are suggested in the extant research. In line with the pragmatic approach of this research into a business matter, the literature review primarily targets New Zealand's *business* landscape.

The research methodology is discussed in Chapter 3. In sequence, the topics covered in this chapter are an overview of the issue and resulting research question; the research paradigm and approach; the research design; the research method including instruments, sampling, data collection, data analysis, and narrative approach; then finally, the issues of rigour, ethics, and reflexivity.

Chapter 4 gives context for the following three chapters and introduces the multi-level framework used to organise the findings and discussion. Chapter 5 first details and then discusses the themes identified from amongst the participants' explanations to do with the women themselves. These are findings focused at the *micro*-level. Following the same format, Chapter 6 concentrates on explanation themes about the board environment, at the *meso*-level. In a similar manner again, Chapter 7 gives attention to explanation themes at the *macro*-level, to do with the wider business landscape.

Chapter 8 is the concluding commentary for this study into how male directors of listed companies explain the low number women on those boards. There is a re-cap of the issue under investigation and the methodological approach. This is followed by a summary of the key explanation themes identified throughout the research, including graphical representations. The limitations of the study are acknowledged and areas for future research are outlined. A summary highlights the contribution and practical application of the research to governance practice. Finally, the chapter closes with some concluding thoughts.

Chapter 2 Literature review

This research sought to ascertain how male directors of NZSX-listed companies explain the low proportion of female directors on those boards. This chapter will present a review of a selection of academic, practitioner and business media-generated literature reflecting the populist nature and positioning of interested parties in the discussion of female directors on listed company boards. It begins with the arguments for having more women serving on those boards. The next section examines the status of women on boards in Aotearoa New Zealand over the past decade and currently. This is followed by a comparison with three other Western economies including Australia, the United States, and Norway. The review then focuses on the potential reasons for the low number of women serving as directors that are suggested in the extant research.

In line with the pragmatic approach of this research into a business matter, the literature review primarily targets New Zealand's business landscape, with limited forays into the political and legal landscapes and socio-cultural environment.

2.1 Why have female directors on listed company boards?

The first section of this chapter details the arguments for having women serve on listed company boards. Understanding these reasons serves to highlight why an investigation into the low number of women is important.

2.1.1 The theoretical framework

Aluchna and Szapiro (2018) presented a detailed theoretical framework outlining the rationales for female participation on boards from various perspectives. These included social justice theory, feminist theory, principal-agent theory, resource dependency theory, stakeholder theory, and the concept of diversity management. While I acknowledge the various theoretical perspectives outlined by Aluchna and Szapiro (2018), I will categorise the reasons for the low number of women on boards into just two; as many researchers before me have done. For example, Teigan (2012) used the terminology *competence and utility arguments* and *justice arguments*, Huse (2018) used the terminology *utility arguments* and *justice arguments*, while Gómez Ansón (2012) used *economic arguments* and *moral arguments*. I will refer to these

dual categories as *the business case* and *social justice case* as both terms are common parlance in New Zealand (Pringle & Strachan, 2015; Merelo, 2019).

There have been historical tensions between the two ‘cases’ (Pringle & Strachan, 2015; Merelo, 2019), but I recognise the legitimacy of both, as have others. To illustrate, New Zealand’s Minister for Women, Julie Anne Genter (2019) has said “We’re encouraging organisations across New Zealand to challenge current workplace cultures and support women into leadership roles, not just because that’s the fair thing to do, but also because diversity helps organisations function more effectively”. Seierstad (2016) points out in her research on women appointed to boards under the Norwegian quota system, the importance of encompassing the social justice aspect to avoid “the narrow understanding of the business case that has until now dominated public, political, and academic debates” (p. 390).

2.1.2 The social justice case for more women on company boards

The social justice case for women on company boards is bound in concepts related to the balance of power, equitable distribution of resources, fair representation, and equal opportunity (Teigen, 2012; Pringle & Strachan, 2015). This was succinctly expressed by Lani Evans (2019), a director of social enterprises and not-for-profit organisations in New Zealand, when she blogged “Governance is important. The people setting the strategic direction of our businesses, our charities and our public sector organisations have incredible influence on what our jobs, our lives and our country looks like in the future. Let’s make sure that direction reflects all of us, not just the privileged few” (para. 14). The significance of power inequality was highlighted by Seierstad (2016) who shows how the introduction of quotas in Norway gave women a place at the boardroom table, previously denied them by (male) gendered concepts of merit.

It is only recently that the social justice case for women on boards has begun to gain more traction amongst the wider business community, and there are global indications of that sentiment. The Business Roundtable represents a formidable line-up of CEOs representing the United States’ (and some of the world’s) largest corporations. Since 1997 their formal document *Principles of Corporate Governance* has validated shareholder primacy. However, in August 2019 that radically changed with the

endorsement of a new *Statement on the Purpose of a Corporation*, outlining CEO commitment to benefiting five stakeholders: customers, employees, suppliers, communities, and shareholders (Business Roundtable, 2019). Rob Everett, Chief Executive of the Financial Markets Authority (FMA) in New Zealand, which oversees the NZX, has also questioned the primacy of shareholders in a recent speech, emphasising that “regulators and the law should reflect the expectations and needs of society. And those goalposts are moving” (as cited in Financial Markets Authority, 2019, para. 70).

Against this backdrop, wider issues such as the presence of women on boards, for reasons other than just ‘the mighty dollar’, come into the fray. A specific corporate example is the former CEO of Vodafone globally, Vittorio Colao, who is reported as having expressed, both internally and publicly, his frustration at having to make a business case for diversity and his belief that it is just the right thing to do (K. Govindji, personal communication, October 6, 2017).

2.1.3 The business case for more women on company boards

The business case for more women on company boards links to the concept of shareholder primacy and the associated drive for shareholder value. There are several aspects to the business case for more women on boards. These are gender-related inputs that, subject to board processes and context, result in more favourable corporate outputs (Huse, 2018).

The inputs

Some of the gender-related inputs include a broader talent pool, a different perspective, a diverse approach, and atypical role models. These inputs are detailed below.

A broader talent pool

Women represent approximately half the population, and if a similar level of talent resides in each half, male-dominated boards represent an under-utilisation of talent (Singh & Vinnicombe, 2004; Huber & O’Rourke, 2017; Teigen, 2012). Sam Stubbs is the founder and managing director of Simplicity, a New Zealand not-for-profit retirement fund investment company. In discussing female representation on listed company boards, he shared the opinion that if boards are not drawing from the deepest and

widest well of talent they can find, they are simply not doing a good enough job (as cited in Mau, 2019).

A different perspective

Due to their different life experience, women contribute a different perspective to the boardroom table (Singh & Vinnicombe, 2004; Davies, 2011; Teigen, 2012).

A diverse approach

Women bring a more collaborative leadership style and open discussion to the board but are also more likely to ask more and harder questions, and to pursue direct and detailed answers than their male counterparts (Fondas & Sassalos, 2000; Kramer, Konrad, & Erkut, 2006).

Atypical role models

Board members of listed companies are at the pinnacle of their careers, representing the elite in their field (Singh & Vinnicombe, 2004). Statistics from all over the western world show that these 'elites' are typically older white men. Therefore, female directors are atypical role models (Perrault, 2015) and can serve as a catalyst for women to move up through management ranks (Gómez Ansón, 2012).

The outputs

Empirical research shows that the inputs of female directors described above result in benefits for companies. While not an exhaustive list by any means, some of these benefits relate to effective corporate governance, boardroom dynamics, navigation in a 'VUCA' environment, innovation, customer representation, expanding the employee base and GDP. These benefits are detailed below.

Effective corporate governance

In conversations with directors who collectively sit on the boards of more than 100 of the Fortune 250 companies in the United States, Russell Reynolds Associates (2009) established that mixed boards take better account of risks, consequences, and implications associated with different paths when decision-making. Also, mixed boards tend to consider a broader range of stakeholders including customers and employees, who are critical to eventual shareholder success. Adams and Ferreira (2009) assert that women on boards have a higher propensity than men to be outside directors and thus bring the assurance of independent governance.

Boardroom dynamics

Kramer et al. (2006) found in over 70 discussions with directors, CEOs and company secretaries from Fortune 1000 companies in the United States, that women on boards benefit boardroom dynamics with more listening, social support and focus on mutually beneficial outcomes.

Navigation in a VUCA environment

Cathy Parker, the publisher of New Zealand Management magazine, says that businesses are facing an increasingly volatile, ambiguous, complex and uncertain (VUCA) environment and that diversity in “governance can also be a huge help – different voices, experiences and viewpoints around the table are more likely to identify some of the potential pitfalls” (Parker, 2018, para. 13). This assertion is verified by research. For example, Russell Reynolds Associates (2009) describe how boards value the different experience and views that female directors bring, in helping to navigate globalisation, blurred delineation between industries, accelerated technological impacts, new presentation of risk, and multiple paths forward.

Innovation

Miller and del Carmen Triana (2009) found a positive correlation between mixed gender boards and expenditure on research and development, a recognised measure of innovation. Torchia, Calabrò, and Huse (2011) identified a positive relationship between a critical mass (three or more) women on boards and organisational innovation; development or uptake of a new idea or behaviour.

Customer representation

Miranda Burdon is the former Chief Executive of Global Women, a New Zealand organisation promoting women in leadership roles. She pointed out that “from a purchasing perspective, on most consumer goods, 85 percent of the decisions are made by women. The market is 51 percent female” (as cited in Stock, 2019). These figures illustrate that depending on the sector the company operates within, boards with female directors can have a deeper understanding of the customer base, and Huber and O’Rourke (2017) correlate this with better intuition.

Expand the employee base and GDP

Bilimoria (2000) explained how female directors play a part in inspiring younger female employees and attracting prospective employees. Deloitte (2017) found that having women in leadership positions, including in governance, increased labour force participation of women due to motivational factors associated with role models and the support of flexible work practices. In turn, economic modelling demonstrates that this could have a significant knock-on effect on New Zealand's GDP; a phenomenon known as the 'diversity dividend' (Deloitte, 2017).

2.1.4 A different viewpoint

While most theoretical and empirical research points to the benefits of more women on boards, it would be remiss to omit a different viewpoint found in the literature. To illustrate, two meta-analyses have been completed that indicate while there is a weak correlation there is no causative relationship between board gender balance and firm's financial performance (Post & Byron, 2015; Pletzer, Nikolova, Kedzior, & Voelpel, 2015). This research was seized upon by some elements of the media including Davis (2018) in The New Zealand Herald's Business Section who stated that "there is no empirical evidence that supports this thesis [that gender diverse boards outperform male-only boards] at all" (para.3). Interestingly, Klein (2015), a management professor at the prestigious Wharton School, who also reviewed the research noted moderating factors (process and contextual) that could have contributed to the outcome. One significant moderating factor could be that the women who have been appointed to boards may not differ very much from the men already serving on the boards, or if they did, they may not speak up or have the influence to change the boards decisions.

There is also New Zealand research that corroborates this finding. Boyle et al. (2019) undertook quantitative research based on six measures of operating and financial performance. They found that the companies who responded most strongly in appointing female directors during the four years following the introduction of a regulatory requirement to report board gender diversity, performed on average no better or worse than those whose response was milder. I note that potential limitations of their research may include failure of those companies to reach a critical mass of female directors over enough of a time period to make an impact.

2.1.5 Moving right along...

There is another position on the business case for more women on boards: it is passé. In the second of his seminal reviews on the state of gender balance on the boards of listed companies in the United Kingdom, Lord Davies (2015) explained, “few British business leaders now ask why we need more women at the top, the business case is raised less and less as energies are now focused on how to achieve women in leadership positions and how to sustain the change” (p. 9).

2.2 Women on listed company boards: A macro level examination

The number of female directors serving on listed company boards in New Zealand has historically been, and still is, significantly lower than their male counterparts. This is the same in all Western economies except for Norway where a 40 percent quota was introduced over a decade ago. Hawarden and Stablein (2008) stated that “New Zealand’s small corporate sector is a microcosm of Western business thought and practice” (p. 57) and elaborated that “New Zealand mirrors the rest of the Western world with few women directors” (p. 58). A decade later, and despite some advancement, the overall picture remains similar both domestically and internationally.

This section first examines the situation in New Zealand; the sorry story in numbers, contextual detail behind the numbers, key initiatives that have been introduced to address the issue, and an overview of recent media coverage on it. Then the section moves on to make a limited comparison with some other Western countries.

2.2.1 New Zealand

The sorry story in numbers

The slow progress of women being appointed to listed company directorships was described by McGregor and Fountaine in 2006 as “glacial” (p. 1), the same terminology used by prominent New Zealand board chair and director Joan Withers (2017, p. 108) over ten years later. She went on to say:

When it comes to getting women onto boards (...) the progress hasn't been as fast as I would have hoped or expected. We still don't have 50 percent female representation, or anywhere near it (...) in governance roles. When I took up my first board appointment in

1997, I thought by now, 20 years later, we would be doing a lot better.
(pp. 107-108)

NZX, the New Zealand organisation that operates and regulates the stock exchange, has been collecting and reporting the male-female composition of boards governing the companies listed on the Main Board since 2013 (NZX, n.d.-b). The percentage of female directors serving on those boards over the past six years is illustrated in Figure 2.1 and has increased from 12 percent in 2013 to 23 percent in 2018, an increase of 11 percentage points at an average increase of just under 2 percentage points a year (NZX, 2015a, 2019a).

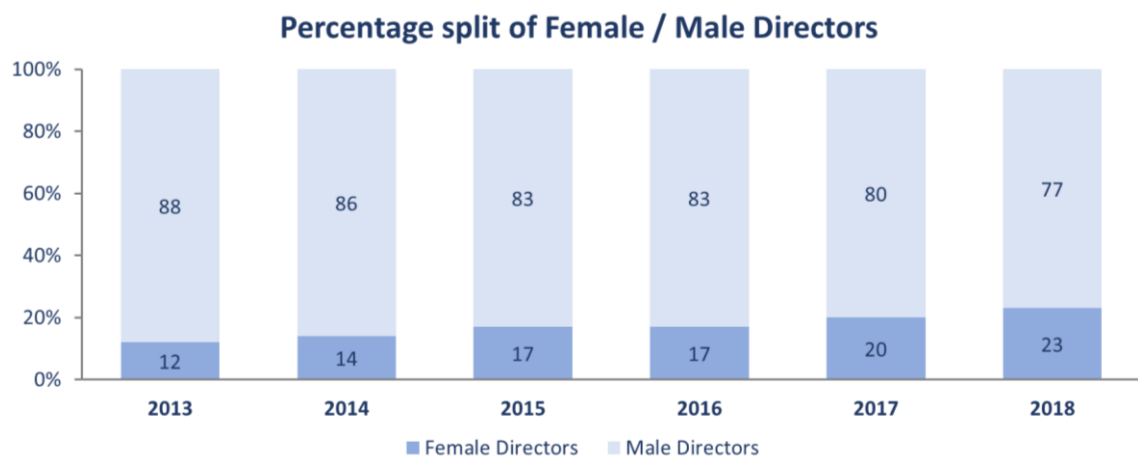


Figure 2.1: Gender diversity of directors on NZSX-listed company boards (NZX, 2015a, 2017c, 2019a)

Focusing on the top 100 NZSX-listed companies by market capitalisation, Table 2.1 demonstrates the distribution of female directors (MacLennan et al., 2018). This is important information to consider in the light of Critical Mass Theory which states that about 30 percent or a minimum of two female directors are required in order for them to avoid the pitfalls of tokenism and for the company to begin to reap rewards such as increased levels of innovation (Kanter, 1977; Wiley & Monllor-Tormos, 2018; McKinsey, 2019). Twenty boards did not have a single female director, and 50 or half had less than two directors, and therefore did not meet the minimum requirements for critical mass. Justine Smyth, a prominent director and chair, has said, “I have a mantra that I will not be the only female on a board (...) it is because one token female doesn’t make a difference” (as cited in Earley, n.d.).

Table 2.1: Distribution of female directors among the top 100 NZSX-listed companies by market capitalisation – 2018

Number of female directors	Number of boards
0	20
1	30
2 = minimum for critical mass	35
3	11
4	4
5+	0

(MacLennan et al., 2018)

Another key point to note is that the further down the NZSX one looks, the less female directors there are (NZX, 2019b). Table 2.2 illustrates that the smaller the size of the company by market capitalisation, the lower the percentage of female directors.

Table 2.2: Percentage of female directors among NZSX-listed companies by indexed size – 2018

NZX index	% of female directors
NZX All index (all companies listed on the NZSX)	23%
NZX 10 index (top 10 ranked by market capitalisation)	33%
NZX 50 index (top 50 ranked by market capitalisation)	28%
NZX MidCap index (ranked 11-50 by market capitalisation)	26%
NZX SmallCap index (ranked >50 by market capitalisation)	17%

(NZX, 2019b)

Concentrating on board leadership, in 2018 only 11 of the top 100 companies by market capitalisation had female board chairs (MacLennan et al., 2018). Narrowing it down again to the NZX 50, New Zealand's main stock market index, a brief analysis of the relevant company data on the NZX website in April 2019 showed there were six female board chairs; equivalent to the number of male board chairs named David (NZX, n.d.-d).

On the surface, the story in numbers would seem at odds with prevailing discourse about the progress of women's status in New Zealand. In 1893 New Zealand was the

first country in the world to enshrine women's suffrage. Just over a century later during the early 2000's women concurrently served as prime minister, governor general, Māori monarch and chief justice. Forward to 2017 and New Zealand was home to the world's youngest female head of government, unmarried upon taking office and giving birth less than a year later; the second woman ever to do so. But these leadership roles are in the realm of the state.

Closer inspection of female representation at leadership level in New Zealand reveals a difference in listed company boards compared to state sector boards. In 2018 there was a significant gap between the proportion of women serving as directors on listed company boards at 22.5 percent (NZX, 2019a) and state sector boards at 47.4 percent (Genter, 2019).

Contextual detail

Shilton, McGregor, and Tremaine (1996) wrote about this phenomenon over two decades ago when women represented 20 percent of crown company directors but only four percent of private company directors. They implied that the number of women serving as state sector directors negated any excuse that female talent wasn't available. Then a decade ago, Hawarden and Stablein (2008) commented on the "interesting 'bi-polar' situation" (p. 58) that existed in New Zealand; and still exists to this day with less than a quarter of listed company board directors but nearly half of state sector board directors, being women (NZX, 2019a; Genter, 2019). They too believed those figures demonstrated that the 'pool problem' was a myth, declaring, "The ease with which women of calibre were found to populate the state sector boards has starkly highlighted the fatuous nature of this argument" (Hawarden & Stablein, 2008, p. 60). Forward another 10 years and Mau (2019) made comment on the gap in the media when she said, "The public sector has big energy indeed, when compared to the private sector which is simply doing a woeful job" (para. 5).

How did the gap between state sector and listed company boards come about? A backdrop to the statistics reveals a dichotomy between what happened and when in the state sector governance environment, compared to the corporate sector. This subsection will examine each in turn.

State sector makes the first move

One consideration is the State Sector Act 1988, introduced thirty years ago (Shilton et al., 1996). Sections 56 and 58 of the Act required that each government department must have an equal employment opportunities policy aimed at eliminating institutional barriers to equality, and report on their compliance with it in their annual report (State Sector Act 1988). In addition, Hawarden and Stablein (2008) point to the New Zealand government's strong commitment to meet its responsibilities under the Convention on the Elimination of All Forms of Discrimination against Women, and the implementation of the Action Plan for New Zealand Women 2004. The Ministry of Women was the first organisation to implement an initiative to encourage more women into governance roles, specifically in the state sector, with its *Nominations Service*. There were nearly 2500 women on its database by 2005 (Hawarden & Stablein, 2008).

This state sector commitment was "in stark contrast to the lack of action in the corporate sector" (Hawarden & Stablein, 2008, p. 59).

The corporate sector follows

In contrast, the first signs of action in the corporate sector were not until July 2012, when NZX announced the introduction of a new rule - 10.4.5(j) - requiring that from 2013 companies listed on the NZSX would be required to report the gender split of their directors and officers in their annual reports including a year-on-year comparison, and to evaluate the company's performance with respect to any diversity policy if it had one in place (NZX, 2012a). The rationale given by NZX for the ruling was related to the provision of information that was considered material to investors' decisions. The supporting documentation stated:

"There is credible research-based evidence which suggests that diversity, and gender diversity in particular, contribute to improved performance at both Board and senior management level. The policy rationale behind the implementation of a Diversity Listing Rule is to ensure that information as to the diversity (and specifically gender diversity) of an Issuer's board and senior management team is disclosed so that shareholders and other market participants can reach an informed view of the Issuer's diversity policy and practice as a factor relevant to performance."
(NZX, 2012b)

In a seemingly inexplicable scenario, NZX, itself a listed company, was directed by a male-only board for the next five years until February 2018 (NZX, 2019c). This did not go unnoticed, attracting strong censure in *The New Zealand Census of Women on Boards 2018* report:

“NZX Ltd must immediately address its own gender governance gap to restore its credibility as the monitor of diversity for listed companies in New Zealand. One female out of seven board members is a woeful example by the organisation charged with setting standards for listed companies.”

(MacLennan et al., 2018)

In the two years following the 2012 NZX ruling, the proportion of women on listed company boards climbed by an average of 2.5 percentage points each year. Then... nothing. After the initial flurry of female board appointments, their representation flat-lined over 2015 and 2016 (NZX, 2017c).

In 2015, the ruling underwent a minor update requiring that boards report the gender split numerically as well as proportionately (NZX, 2015b). Then in May 2017, NZX announced the introduction of a new *Corporate Governance Code* to come into effect from 1 October 2017, aimed at improving corporate governance standards among NZSX-listed companies (NZX, 2017a). Under the new Corporate Governance Code, listed companies' obligations relating to the gender diversity of directors and officers were ratcheted up a notch. *Principle 2: Board Composition and Performance, Recommendation 2.5*, required boards to have a gender diversity policy and measurable objectives in place, and to disclose and report progress against them in their annual report or on their website (NZX, 2017b). In line with the new 'comply or explain' regime, companies could elect to ignore this recommendation but would need to publish an explanation of that decision in their annual report or on their website (NZX, 2017b).

In the two years following the introduction of the new Corporate Governance Code, the proportion of women on listed company boards began to climb again, by an average of three percentage points each year (NZX, 2019b). Women reached 39 percent of new listed company director appointments in the 12 months to March 2019 (NZX, 2019b), compared to an average of 17 percent in the previous four years.

An initial impact analysis of NZX's measures would seem to indicate that an increase in pressure from the regulator to publicly report on the gender diversity of directors and associated measures motivated companies to increase their efforts to appoint female directors. That progress was not sustained in the case of the first set of measures, and it is yet to be seen whether the second set of measures will result in a different pattern.

Key private sector initiatives to address the issue

At about the same time that NZX was going through the consultation process to introduce gender reporting requirements for listed company boards, other key initiatives began to be undertaken in the private sector by the 25 Percent Group, Global Women, and the IoD respectively.

The 25 Percent Group

The *25 Percent Group* was launched in 2012 and comprised chairs and CEOs from a selection of private, publicly-listed and multi-national companies with the aim of achieving 25 percent female participation on boards by 2015 (25 Percent Group, 2012). The finite initiative ended three years later claiming 20 percent female participation on large listed company boards (25 Percent Group, 2015), and handed over the reins to the Champions for Change initiative described below.

Global Women

Global Women is a not-for-profit membership organisation that has been aiming to increase diversity in leadership in New Zealand for over ten years by promoting, encouraging, and facilitating the development of women (Global Women, n.d.-a). The organisation convenes *Champions for Change*, a group of over 50 New Zealand CEOs and chairs from across the public and private sector who are committed to raising the value of diversity and inclusiveness and achieving a target of 40:40:20 balance (40 percent male, 40 percent female, 20 percent either) at all levels of employment including governance (Global Women, n.d.-b, n.d.-c). Member organisations report 37 percent of their board members are women (Parker, 2019a) in comparison to the NZSX average of 23 percent (NZX, 2019b). Global Women also runs *Breakthrough Leaders*, a ten-month intensive programme aimed at developing women who already have a significant track record to the highest levels of leadership in New Zealand (Global Women, n.d.-a).

The Institute of Directors

The IoD in New Zealand is a membership organisation with a stated purpose of “Driving excellence in governance”, purporting to provide thought leadership, professional governance courses, networking events, and resources (IoD, n.d.-b). In years gone by the IoD was criticised in some quarters for their failure to even model gender balance on their own board let alone tackle the comparatively low number of women in governance roles nationwide (McGregor & Fountaine, 2006; Hawarden & Stablein; 2008). Over the last seven years the IoD has established two programmes aimed at developing the diversity of boards, initially targeted at women and then expanded to encompass all forms of diversity (IoD, n.d.-a). The *Mentoring for Diversity* programme was introduced in 2012 and, so far, has provided over 100 prospective directors with an opportunity to be mentored by an experienced chair or director for a year. The *Future Directors* scheme offers prospective directors first-hand experience of the boardroom, attending and participating in board meetings and discussions for 12 or 18 months without decision making or voting rights (IoD, n.d.-c). Furthermore, Kirsten Patterson, the IoD’s chief executive, has been an outspoken proponent of increasing the number of women on listed company boards (IoD, 2019).

Media portrayal of the issue

Based on informal observations, the media in New Zealand has highlighted the low number of women on listed company boards, on a relatively frequent basis over the last few years. A selection of recent headlines in mainstream media portrays a consistently negative sentiment:

Lack of women on boards is 'embarrassing' for NZ (Parker, 2019b)

New Zealand's shame: The lack of women on boards (Stock, 2019)

The 'token woman' approach to our boardrooms doesn't cut it (Mau, 2019)

Interestingly, while the headlines leaned towards emphasising the social justice case for more women on boards, the content of the articles reverted to the business case but still contained emotive descriptors including *appalling*, *shocking*, *a scandal*, and *woeful*.

2.2.2 A limited comparison with other Western countries

There are three regulatory frameworks aimed at increasing the proportion of women on company boards (González Menéndez, Fagan, & Gómez Ansón, 2012) and this section will briefly examine one comparator country within each type. Australia represents an instance of a country taking a *soft law* position, when the government or industry regulators introduce measures to nudge voluntary compliance, often towards targets. The United States has been an example of a country taking a *liberal* stance where until very recently there has been no intervention and companies voluntarily decide what action they will take. Finally, Norway illustrates the imposition of *hard law* when quotas for women on boards are legislated.

Australia

NZX uses data from the NZX 50 index and compares it with data from the Australian Stock Exchange's ASX 200 index (NZX, 2019a). While the reasoning is not specified, one assumes this is due to the difference in the size of the markets and the listed companies, New Zealand's being much smaller. The Australian Institute of Company Directors (AICD, 2019) note that between 2015 and 2018, the percentage of female directorships on the ASX 200 grew from 19.4 percent to 29.7 percent or a 10-percentage point gain. This compares with NZX 50 growth from a higher start point at 21.6 percent, to a lower end point at 27.6 percent, or a six-percentage point gain over the same period (NZX, 2019a).

In keeping with the 'soft law' approach, there have been several key levers in Australia with an emphasis on setting and achieving targets. Each of these will be briefly examined in turn: The Australian Government, the AICD, the 30% Club, large investor funds, and the ASX.

The Australian Government

Like the New Zealand Government, the Australian Government aims for 50 percent female representation on state sector boards, however they are also putting pressure on private sector organisations through the Workplace Gender Equality Agency and the Workplace Gender Equality Act (Workplace Gender Equality Agency, n.d.; Australian Government, n.d.). The Act required that from 2015, non-public sector employers with 100 or more employees submit an annual report on gender related

data, including the number and percentage of board and senior executives (Australian Government, 2012). While the current Minister for Women in New Zealand, Julie Anne Genter, has made comments including, controversially, that older white men “should move on and make room for new talent and diversity” (as cited in Redmond, 2018) that is the extent of government pressure.

The Australian Institute of Company Directors

In Australia the AICD is leading the charge in reporting, with a single-minded focus on gender diversity. Each quarter for the past five years they have issued a comprehensive document outlining progress, or the lack of (AICD, 2019). In New Zealand however, the IoD provides supportive programmes focused on diversity in general, and it is left up to the regulator (NZX) to do the reporting.

The 30% Club

The 30% Club is an Australian chapter of a worldwide movement started by Dame Helena Morrissey in the United Kingdom, with voluntary membership of listed company chairs and directors who aimed to achieve a minimum target of 30 percent female representation on listed company boards within a finite time period; in Australia’s case by the end of 2018 (AICD, 2015a). This initiative was coordinated by the AICD who published a progress report each quarter including a list celebrating those companies and chairs who were leading the table or making clear progress, while ‘naming and shaming’ those who were not (AICD, 2019). Key differences between Australia and New Zealand are that the 30% Club had a target focused on women to achieve by a deadline, while Champions for Change has only recently introduced its stated 40:40:20 target, but with no deadline. Targets in New Zealand are left up to individual companies.

Large investor funds

Large investor funds in Australia have become vocal in their demands for listed companies to increase the representation of women on boards and in senior executive roles. An example of this is the Australian Council of Superannuation Investors (ACSI, 2019) who issued a voting policy recommending that their members vote against the boards of listed companies with poor gender diversity. While one individual New Zealand superannuation fund investor, Simplicity, has made overtures in a similar

direction (Mau, 2019) I could not find evidence of stands at an industry level in New Zealand.

The Australian Stock Exchange (ASX)

The ASX first introduced the ‘comply or explain’ requirement for listed companies to disclose their diversity policy with gender objectives and progress against those, plus the gender split of their board, in 2010 under *Principle 3 - Promote ethical and responsible decision-making* (ASX Corporate Governance Council, 2010) which reflected the social justice case. This was later moved under *Principle 1 – Lay foundations for management and oversight* (KPMG, 2016) reflecting the business case. In comparison, it took another two years for the NZX to introduce the gender split reporting requirement at the end of 2012 (NZX, 2012b), and seven years for them to introduce the requirement for setting and reporting against objectives in October 2017 (NZX, 2017b).

Australia vs New Zealand – A summary

In terms of Trans-Tasman rivalry, it seems that Australia is nosing ahead of New Zealand in the ‘women on listed company boards’ stakes and that New Zealand is more at the liberal end of the ‘soft law’ position.

The United States

The United States stock exchanges are on a larger scale again, so data from the S&P 500 index will be used as a comparator to the NZX 50 index. Consistent with a relatively liberal stance toward listed company boards, to date there have been no federal diversity reporting requirements of listed company directors by gender in the United States (Kramer & Butler, 2018). Data is gleaned by interested third parties from the companies’ annual proxy statements (Equilar, 2016). Women held 21.3 percent of S&P 500 company directorships in 2016 and 27 percent in 2019 (Equilar, 2016; Equilar, as cited in Umoh, 2019), similar in percentage and growth to the NZX 50 at 21.7 percent and 28.4 percent respectively (NZX, 2019b).

Umoh (2019) reported in Forbes during July 2019 that, “there is now a woman on the board of every S&P 500 company” (para. 1). This milestone was close to being achieved in August 2019 by the NZX 50 when Pushpay Holdings Limited and Argosy

appointed their first female directors (Pushpay, n.d.; Argosy, n.d.) but has not been sustained with subsequent changes to the composition of the index.

Pressure to increase the number of women on boards in the United States has reportedly come from a few different quarters. Kramer and Butler (2018) mention academics and women's organisations "making the business case for gender diversity and reporting on the numbers" (p. 214). Umoh (2019) covers pressure from investor groups, and more recently individual state interventions, as well as changing public sentiment in the light of the #MeToo movement, and listed companies buying into the business case. Perhaps most surprisingly, given the traditionally liberal stance of the federal government towards listed company boards, pressure has just begun to build from this quarter too (GovTrack, 2019). Some of the key influences will be examined in turn: women's organisations, investor groups, and government.

Women's organisations

Catalyst is an example of a powerful women's organisation based in the United States, but with global influence. Founded in 1962, it focuses on advancing women into leadership through the provision of "pioneering research, practical tools, and proven solutions" (Catalyst, n.d.). There are some similarities with New Zealand's Global Women organisation, although on an exponentially bigger scale.

Investor groups

In instances of shareholder activism, institutional investor groups have demanded access to company diversity policies and data, and - like Australia - they have implemented voting guidelines to pressure boards (ISS, 2018). An example of investor influence is BlackRock, the world's largest asset manager, who included in their proxy voting guidelines the expectation that the companies in its portfolio include at least two female directors on their board (Krouse, 2018). As previously stated, investor pressure on this matter is not really on the radar to any extent in New Zealand.

State and federal governments

In a very recent departure from the long-time liberal stance, a small number of state governments have recently introduced legislation affecting listed companies domiciled there; California for instance:

California is now leading the way as the first state in the nation to require all publicly-held domestic or foreign corporations whose principal executive offices are located in California to have at least one female director on their boards by December 31, 2019, either by filling an open seat or by adding a seat. One or two more women directors would be required, depending upon the size of the public company's board by December 31, 2021.

(Padilla, n.d.)

California was followed in quick order by New Jersey where a bill proposing similar requirements was introduced to the Senate at the end of 2018 (Bill Track 50, 2019) and is currently sitting in committee.

Pressure is also building from within some sections of the federal government for the U.S. Securities and Exchange Commission (SEC) to require that boards of listed companies disclose the gender of their board members, and a Democrat bill to that effect was sent from Congress to the Senate for consideration in July 2019 (GovTrack, 2019).

The United States vs New Zealand – A summary

In comparing the United States to New Zealand, the statistics about women on boards appear similar although in the United States the impetus for change has been driven to a greater extent and for a longer time by powerful women's organisations and shareholder activism. At the other end of the spectrum is a very recent foray into 'hard law' territory with the introduction of quotas by some individual states, and even action from within the federal government with a bill that would require the SEC to require disclosure of gender diversity on listed company boards. This degree of government involvement has not been seen in New Zealand.

Norway

Casey et al. (2011) point out that New Zealand and Norway make for an interesting comparison when it comes to female directors. The countries have many parallels including population size, a democratically elected government, a welfare state, and prominent primary production sector. In addition, they share a similar representation of women on state sector boards, gender pay gap and World Economic Forum comprehensive gender gap index ranking. However, they do diverge significantly on mechanisms to increase the number of women on listed company boards. New

Zealand relies on “a soft regulation approach in the form of advocacy and encouragement of equal employment opportunity policies, awareness raising and benchmarking” and Norway on “legislation in the form of quotas and affirmative action programmes” (Casey et al., 2011, p. 613).

Legislated quotas

Teigan (2012) explained that after the private sector failed to make the same progress in representation of women on boards as the state sector, Norway passed quota legislation in 2003 stipulating that directors on listed company boards must represent a minimum of 40 percent of each gender by 2008, or 2006 for newly-listed companies. Data shows that when the legislation was passed, women comprised about 7 percent of listed company directors but by 2009 that figure had reached 40 percent (Teigen, 2012). This is not surprising given the penalty for failure to comply was for the company to be dissolved (Gómez Ansón, 2012). Meanwhile, in New Zealand the percentage of women on listed company boards still languished at around 9 percent by 2009 (MacLennan et al., 2018).

Acceptance of quotas

Interviews with women in Norway and New Zealand showed a divergence of opinion when it came to quotas (Casey et al., 2011). The Norwegian women were supportive of them, expressing the belief that men would only change if they were forced to. Whereas New Zealand women all disagreed with the imposition of quotas citing the importance of retaining merit-based appointments and consequently, the respect of men. Why this divergence?

The women amongst the first wave of female directors appointed under Norway’s gender quota explained that they felt vindicated. They had proven that they deserved a place around the boardroom table, and male directors were ‘converted’ having seen the benefits of their contribution first hand (Seierstad, 2016).

In contrast, the discourse surrounding quotas in New Zealand has been unfavourable for many years. Joan Withers, a prominent New Zealand chair and board member, along with other women like her, have often rejected quotas on the basis they are a box-ticking exercise and cast existing female directors under a cloud:

I am opposed to the concept of quotas because these imply the 'diverse' appointment has been made only to bring the numbers up to the required level. That is demeaning to any appointee selected on the basis of fulfilling an imperative to get to a prescribed metric.
(Withers, 2017, p. 113)

In fact, the same general sentiment about strategies to close gender gaps has been embedded in the halls of government, as a *Briefing to the Incoming Minister of Women's Affairs* a decade ago states under the sub-title "Legislation is not the answer" (Ministry of Women's Affairs, 2008, p. 9). A decade later in 2018, Julie Anne Genter, Minister for Women, was quoted as saying that the government would not impose quotas because they are not considered "culturally acceptable" in New Zealand (as cited in Mau, 2019). Pringle and Ryan (2015) outline the neo-liberal backdrop to this state of affairs which had replaced socialism during the 1980's, "The approach to fairness and equity shifted accordingly with a mood of voluntarism and lenient regulation embraced by the private sector" (p. 472).

Of recent times, due to impatience with the 'glacial' progress in New Zealand, the intransigent position against quotas seems to be wavering in some quarters, but when it does, it makes the news headlines. Dr Jo Cribb, former Chief Executive of the Ministry for Women has said:

Quotas do not need to diminish the achievement of women, nor undermine our competence (...) Quotas will only level the playing field. We will still have to be talented, competent, and work exceptionally hard.
(Cribb, 2019, para. 14-18)

Furthermore, Dame Jenny Shipley, former Prime Minister and now businesswoman, has revised her position against quotas and thinks they will be the way to tackle the lack of women on boards, should targets fail:

I'm not a compulsive or compulsory [type] person - but for the first time in my career, I think it's so important for the New Zealand economy to fill that gap out.
(Shipley as cited in Newstalk ZB, 2017, para. 5)

Norway vs New Zealand – A summary

Despite many similarities between New Zealand and Norway, there is a significant cultural divergence when it comes to accepting quotas. The 2003 implementation of

quotas in Norway led to women holding a minimum of 40 percent of directorships on listed companies by 2009. A decade later, and still under the ‘soft law’ regime, New Zealand is yet to hit the 25 percent mark, and a building frustration with the slow pace of change seems to be thawing some attitudes towards the prospect of quotas.

2.3 Potential reasons for the low number of women on listed company boards

This section is split into three types of potential reasons for the low number of women on listed company boards: those related to the *societal* level, the *organisational* level, and the *individual* level (González Menéndez, Fagan, & Gómez Ansón, 2012; Devnew et al., 2018). Pringle and Ryan (2015) use the directly related terminology *macro*, *meso* and *micro*, and point out that this multi-level analytical framework developed by Syed and Ozbilgin “provides a useful tool to understand advances and lack of progress for diversity groups within specific organizations” (p. 70).

2.3.1 Macro-level reasons

The previous section reviewed the status of women on the boards of listed companies in New Zealand; the sorry story in numbers, the contextual detail behind the numbers, key initiatives that have been introduced to address the issue, and an overview of recent media coverage on it. This was followed by a limited comparison with some other Western countries. Goyal, Korac Kakabadse, Morais, and Kakabadse (2018) assert that the adoption of different strategies to achieve greater gender diversity on boards, and their relative success in different countries, can be explained by the *path dependency perspective* in that the outcome is reliant not only on the chosen path, but also on the context in which it is implemented.

Australia operates under a ‘soft law’ regime that has similarities to New Zealand except with an earlier start, more insistent levers and clear targets. The United States has historically taken a more liberal stance than New Zealand and the main push for change has come from different quarters such as powerful long-established women’s organisations and investor groups, but with very recent legislated quotas in isolated states and pressure building from within federal government. Norway is like New Zealand on many counts except for a critical cultural divergence on the acceptance of a

'hard law' position taken by the state with the introduction of mandatory quotas 15 years ago.

An analysis of this macro-level review points to factors that could be influencing the number of female directors on listed company boards in New Zealand that warrant further investigation in the course of this research:

- The extent of pressure from regulatory bodies, interest groups, investors, and the media spot light
- The emphasis on voluntary targets
- The lack of mandatory quotas
- Differences in approach between the state sector and listed companies

2.3.2 Meso-level reasons

The body of literature about women in governance focused at the meso-level examines several topics that point to potential reasons for the low proportion of women compared to men in New Zealand. This subsection outlines those reasons including search and selection practices, the board chair, and aspects of the board itself.

Search and selection practices

It is logical that search and selection practices will come under scrutiny when seeking potential reasons for the low number of female directors. The influence of search and selection practices on the number of female directors was recognised in the first and seminal *Women on Boards* report, more commonly known as *The Davies Review*, led by Lord Davies in the United Kingdom in 2011. Search and selection practices are generally overseen by the chair and run by the nominations committee, providing a gateway to the board. Proper search and selection practices can help mitigate unconscious bias and networks. Conversely, the lack of proper search and selection practices can serve to exacerbate those barriers. The consultation phase of the review identified several search and selection practices acting as barriers to women seeking governance roles, and consequently a number of related recommendations were made. Three of the practices were the search and selection process, reliance on gendered concepts of merit, and the use of executive search firms (Davies, 2011).

The search and selection process

The outcome of any director search and selection process is heavily influenced by the way a board nomination committee typically operates. Bias was perceived as the top-ranked factor contributing to women's under-representation in the boardroom (Davies, 2011). This is concerning if nomination committees are not employing proper recruitment processes that could serve to mitigate bias. Aligned with that perspective, Kirsten Patterson, Chief Executive of the IoD in New Zealand, was reported as saying, "You hear a lot, 'I would love to have a more diverse board but the talent's not there.' We know that's not true. You've got to go looking for it – you've got to address your unconscious bias and improve your recruitment processes" (as cited in Smylie, 2017, para. 16). Research in New Zealand shows there is indeed cause for concern about the lack of a formal and robust recruitment process. "Compared to the rigorous process to appoint CEOs, recruitment and selection processes for directors are often casual to non-existent, with 'shoulder-tapping', or peer referral, being the norm" (Hawarden, 2008, p. 62). Somewhat alarmingly, evidence of the same issue was found ten years later amongst directors *and* executive search specialists who both shared the opinion that "shoulder tapping still happens *de facto* if not *de jure*" (Chen, 2018, p. 24). Specific issues in the recruitment process that can affect the number of women expressing their interest in a directorship or being appointed include homogeneous nomination committees, the role description, unclear selection criteria, and unconscious bias (Sutherland et al., 2015).

Reliance on gendered concepts of merit

Russell Reynolds Associates (2009) interviewed directors who collectively sit on the boards of over 100 Fortune 250 companies. They concluded that board nomination committees were directing too much focus on candidates' experiential attributes alone, to the exclusion of other important attributes, and also that the required experiential attributes were narrowly defined. These practices were seen to marginalise female candidates. Siobhan McKenna, Chief Executive of Global Women, concurred with that view, pointing out that board nomination committees traditionally valued deep experience in Finance and Operations rather than the people-centric expertise associated with Marketing and Human Resources functions which were often the domain of women (S. McKenna, personal communication, June 4, 2019). Aligned with that thinking, Lisa Annese, Chief Executive of Diversity Council Australia, pointed

out that merit-based appointments can mask biases because "Merit is perceived to be in the eyes of the beholder" (in Court, 2019, para. 11). This means if male directors are deciding the combination of factors that are meritorious enough to warrant a board appointment, then it will likely look just like their own. Julie McKay (2016), former Gender Advisor to the Chief of the Australian Defence Force, calls this phenomenon "the merit myth" (para. 4).

There are additional hurdles for women's advancement in the workplace unless robust recruitment processes are in place to mitigate them. Research from McKinsey (2011) shows that women are evaluated for advancement based on proven performance, while potential enters the equation for men. Goldin and Rouse (2000) found that even if women meet the same performance standard as men they are overlooked for the role.

Executive search firms (ESFs)

Joan Withers, a prominent New Zealand chair and director has said that "The search firms, too, have a lot to answer for. As a Chair who is regularly looking for new directors, I have been given long-lists of candidates from recruiters with no women on them" (Withers, 2017, p. 122). ESFs in the United Kingdom have themselves recognised their past contribution to the low number of female directors and implemented a voluntary code of conduct following *The Davies Review* in 2011. The code of conduct includes such unambiguous measures as: ensuring that at least 30 percent of the long-list candidates are women; further developing candidate networks; broadening the focus from traditional career experience; and undergoing unconscious bias training (Department for Business, Innovation and Skills, 2017). There is no equivalent code of conduct targeted at the ESF level in New Zealand. Some do claim they utilise the United Kingdom's code of conduct and others the less prescriptive Association of Executive Search and Leadership Consultants (AESC) Code of Professional Practice.

Maurice Ellett (2019) is a director of Signium, a well-established and AESC-certified ESF in New Zealand, who has placed a number of listed company directors including women. He explained that there are only a handful of ESFs who specialise at the top end of the market and fill listed company director seats. Although it is becoming more

common for nomination committees to engage an ESF, especially amongst the largest listed companies, not all seek their services. Some nomination committees will undertake the search function themselves, and some will engage regular recruitment agencies with whom they may already have a relationship, at a slightly lower rate. One of the challenges ESFs can face when putting forward a candidate list is that their clients (nomination committees) are attracted to people they already know or have heard of; that is to say, in their network or with a high profile. If one combines that with a rigid list of requirements; the options become limited especially when aiming for gender balance (M. Ellett, personal communication, May 20, 2019).

In summary, the literature and other investigation highlights that search and selection practices employed by some nomination committees and ESFs in New Zealand have likely impacted the representation of women on listed company boards.

The Chair

The scarce literature and opinion that does exist about whether board chairs have contributed to the low number of women on boards, together with their inherently influential position, would suggest that they have.

Following interviews with FTSE 100 company chairs about what makes an effective board, Russell Reynolds Associates (2002) flagged a concern that the chairs generally did not believe gender representation was an important factor. Still in the United Kingdom, and over a decade later, Davies (2015) found that not all FTSE chairs were convinced about taking voluntary measures to increase the number of women on boards because they still hadn't bought into the business case.

In New Zealand, when considering how to break through the director network constraining the appointment of more female directors, Hawarden (2018) concluded that the board chair had a critical role to play in ensuring best practice and close attention to the process. Miranda Burdon, former Chief Executive of Global Women, went one step further and squarely attributed the low number of women on New Zealand's listed company boards to poor leadership (Stock, 2019). This view seems to be shared by the AICD who, in their Gender Diversity Quarterly Report ranking Australian listed companies by the percentage of women on their boards, name the

chair of every board directly adjacent to the company name and the number of female directors (AICD, 2019).

The Board itself

In reviewing the literature for potential reasons behind the imbalance of male and female directors, several inter-related reasons could be categorised as characteristics of the board itself. These include: gendering and bias; comfort and risk aversion; long tenure combined with constraints on board size; and low prioritisation of gender diversity combined with company size.

Gendering and bias

Some of the gendered concepts that Joan Acker (2012) identified as “hidden in plain sight” (p. 216) within organisations and their “sub-units” (p. 216) may be present in boardrooms. These concepts include *gendered substructures* that on the surface seem the same for everyone, but in reality, disadvantage many women. A board recruitment process that relies on gendered networks for identification of prospective directors and a gendered definition of merit, are two potential examples of this.

A further inter-related concept is *gendered subtexts* (Acker, 2012); a straightforward example being the terminology ‘chairman’ which to this day in New Zealand is not infrequently used in reference to the role of chair in general and even to specific women in the role. A case in point is a recent market announcement by Genesis Energy (2018) referring to two of its female chairs; Dame Jenny Shipley and her successor, Barbara Chapman, as ‘chairman’. Sutherland et al. (2015) point out that the way governance positions are outlined can lead to fewer women applying or being appointed to boards.

And finally, *gendered logic* (Acker, 2012), which refers to implicit understanding within the organisation about ‘the way things are done around here’. This is illustrated in the boardroom by the reasoning that governance roles are taken on by people aged in their late 50’s and early 60’s as a flexible role in semi-retirement after years in high-flying business jobs. This profile is reflective of a traditionally linear male career path. Hawarden and Stablein (2008) refer to the phenomenon as a “sunset career” (p. 64). When discussing a need to reduce the average age on boards, Withers (2017) said, “In the past, some directors viewed board positions as a reward for their executive careers

and stayed there for as long as they possibly could” (p. 112). The issue of long tenure is often linked with the issue of age and is taken up again below.

Some qualitative research indicates that gender stereotyping is becoming increasingly rare at boardroom level (Russell Reynolds Associates, 2009). However, other qualitative research points to unconscious bias when boards seek and appoint new directors who are just like themselves. Kanter (1977) referred to this phenomenon as *homosociality*, while Vasiliou and Adams (2018) talked about the *mirror effect*. In addition, social identity theory maintains that there is a tendency for members of the in-group to highly rate the performance of others in the in-group; more so than those in the out-group performing at a similar level (Singh & Vinnicombe, 2004). That means that aspiring female directors, even those with the same type and level of experience, will be judged more harshly than their male counterparts and will have to do more to prove they are worthy of a seat in the boardroom.

Comfort and risk aversion

Mau (2019) argued that male dominant boards are content with the status quo. She said, “The white men are comfortable in their boardrooms and they do not favour disrupting that comfort - not even for the jump in profitability it could bring” (para. 23). This opinion is backed by key writers. For example, Kanter (1987) outlined how in turbulent times, when perceived risks in business activities are greater, “there is an accompanying tendency to make ‘safer’ choices of people – to pick out the known over the unknown” (p. 16).

Long tenure and constrained board size

Sutherland et al. (2015) found that the most common barrier for Scottish companies to achieving gender balance on their board was the low turnover of board membership. The AICD (2015b) also asserted that extended tenure may be viewed as an adverse influence on board diversity. Nicola Wakefield Evans, chair of the 30% Club in Australia, (as cited in AICD, 2019) said that the tenure of directors limits the number of vacant board seats in any year. The inference here is that the length of tenure curbs subsequent opportunities for women to be appointed where previously there was a man. She goes on to point out that opportunities cannot easily be found by simply expanding the size of the board. To do so would often involve convincing shareholders

to agree to a change in the constitution and an increase in the remuneration pool (Wakefield Evans, as cited in AICD, 2019).

The NZX Listing Rules do not restrict a director's tenure on listed company boards in New Zealand to a particular number of terms or years (NZX, 2019d). The most directors are required to do is stand for re-election after each three-year term, if they wish to continue in the role. Each board is required to have at least two independent directors but while tenure can influence independence, it is only on the Australian Stock Exchange that there is a 10-year guideline (ASX Corporate Governance Council, 2019).

In their global survey, Groysberg et al. (2016) found that 49 percent of responding companies from New Zealand and Australia limited the number of terms a director could serve on any particular board. The average tenure of directors was eight years; the highest globally. However, sixty-three percent of directors surveyed supported a limit on the number of terms, at an average of eight years (Groysberg et al., 2016).

Low prioritisation and company size

Deloitte (2017) surveyed 500 New Zealand managers and directors and found that less than half thought diversity was very important or extremely important for achieving business outcomes. If this research is an indicator of the sentiment at board level and is combined with a chair who has not accepted the business case, one can see that working towards male-female balance on the board may not be high on the list of priorities. Groysberg et al. (2016) asked directors why the number of women on boards was not increasing. The most often cited reason by female directors, at 36 percent, was low prioritisation, compared to only 16 percent of male directors.

As shown earlier, in New Zealand and Australia, the smaller the size of the company by market capitalisation, the lower the percentage of female directors (NZX, 2019b; Australia Institute of Company Directors, 2019). Statistics would seem to indicate a relationship between company size by market capitalisation and the level of prioritisation given to gender diversity by the board. One explanation could be the board composition of start-up companies, who tend to occupy the lower end of the market upon listing. Nearly three quarters of start-up companies founded by men have no women on their boards, relying predominantly on personal networks to

recruit board members, and giving little consideration to diversity on their boards (KPMG, as cited in Caplin, 2019).

2.3.3 Micro-level reasons

The first two subsections have reviewed a selection of academic and practitioner literature on the potential macro and meso-level rationales for women's under-representation on listed company boards. These have also been referred to as demand-related issues (Davies, 2011; Teasdale, Fagan, & Shepherd, 2012), and are often focused on ascertaining what is wrong with the system (Devnew et al., 2018). The next subsection examines micro-level issues that are supply-related (Davies, 2011; Teasdale et al., 2012). These reasons emphasise concerns about female directors as individuals (Devnew et al., 2018) as contributing to why women do not have anywhere near the presence on listed company boards as their male counterparts. The specific micro-level reasons examined include women's professional experience and skills, personal attributes, interest in governance, networks, and role models. A deeper level of examination shows that many of the micro-level reasons may have underlying macro and meso-level roots and these are also touched upon.

Women's professional experience and skills

The *Westpac Diversity Dividend Report* interviewed 500 New Zealand business leaders asking for their opinion about the primary barrier to achieving gender parity in leadership. Forty-nine percent of respondents said there was not enough female talent in the organisation, industry or workforce in general (Deloitte, 2017). According to Sam Stubbs (as cited in Mau, 2019) founder of New Zealand fund manager Simplicity, he met with representatives from 20 listed company boards and asked a similar question. The most common reason he was given for the lack of female directors was that the boards could not find qualified women (Stubbs, as cited in Mau, 2019). However, there certainly seems to be a difference of opinion along gender lines. Ragins, Townsend, and Mattis (1998) asked male CEOs and female senior executives for their views regarding the barriers to women's progression to governance. Eighty-two percent of the male CEOs believed a lack of significant general management or line experience was holding women back as opposed to only 47 percent of the female senior executives. Nearly 20 years later a global survey of more than 4000 directors found that 36 percent of male directors believe there is a lack of

qualified women for governance roles, but only 7 percent of women hold that view (Groysberg et al., 2016).

Gendered substructures

As previously noted in the subsection on meso-level reasons, the existence of gendered substructures (Acker, 2012) could mean there is a reliance on a narrow definition of experience required for governance. The most commonly cited qualifications for women who joined an S&P 1500 board in 2013 were: “industry expertise, financial/accounting; executive leadership; experience serving on other sector boards; operational leadership; and strategic planning” (EY, 2013, p9).

McKinsey (2015) point to women essentially languishing in female gendered functions such as Human Resources and Marketing which are less likely lead to the C-suite, or if they do make it that far, they are less likely to be viewed as eventual contenders for the top CEO role.

Gendered substructures can also lead to judgements about other aspects of career experience, disadvantaging prospective female directors. McKinsey (2013) found that demonstrable “anywhere, anytime availability” (p. 23) which could include experience such as offshore assignments, were part of the accepted performance model. In New Zealand, the Ministry for Women (2016) identified employer attitudes towards non-traditional career paths including career breaks and part-time work as a barrier to women advancing their career as fast or as far as men.

Low-flow through the pipeline

Governance is generally viewed as a role requiring extensive career experience and expertise, for “the elites” (Singh & Vinnicombe, 2004, p. 479). The career path to an eventual governance role is often referred to as a pipeline. Worryingly, if CEO experience is highly prized as a pre-requisite for governance, the pipeline is far from full. There are only a handful of female CEOs at the helm of the Top 100 NZX companies (MacLennan et al., 2018) and there is not a lot of movement. Teresa Gattung, former CEO of New Zealand listed company Spark, said:

I did a business degree in the 80s and at that time decided I wanted to be a CEO of a public company. If you told me then, that by 2018, in my mid-50s – 35 years later – that those stats would be like that I

would have been horrified.
(Gattung, as cited in Shaw, 2018, para. 50)

Furthermore, if the path to the CEO role is through senior executive roles, there is little cause for optimism. The proportion of female officers (senior executives) in listed companies sits at 23.5 percent, less than one percentage point higher than that of female directors and crawling up at less than one percentage point per year since 2015 (NZX, 2019b).

The leaking pipeline

The low number of women on boards is symptomatic, not only of how few women are in the pipeline but also of how few of those women are making it out of the pipeline into the governance pool (Davies, 2011). This is often referred to as the *leaking pipeline* (Davies, 2011; McKinsey, 2011; Ministry for Women, 2016).

McKinsey (2016) discussed the “double burden” (p. 22) phenomenon, of executing work and home responsibilities that particularly penalises women’s careers. Related to this, the Ministry for Women (2016) highlighted that there were few options for flexible working, especially in senior roles. Withers (2017) was more specific saying “If [women] do decide to have a family the interruption comes just as they are poised to move into higher roles” (p. 110). She also mentions another potential drain from the pipeline and that is women in senior corporate roles who leave to become entrepreneurs. Data reflective of this phenomenon shows 44 percent of small to medium sized business owners in New Zealand were women compared to 30 percent just three years earlier (MYOB, 2015). The top reasons survey respondents gave for starting up their own business were: control of their destiny, an opportunity to follow their passion, and... flexibility.

Women’s personal attributes

A personal attribute claimed by a media commentator to be in short supply amongst women and consequently hampering their progress into governance roles, was a willingness to take on responsibility and risk (Grant, 2018).

Singh and Vinnicombe (2004) found that women do not prioritise impression management; they do not promote their attributes such as competence and commitment. The authors linked that to women’s typical modesty. However, Joan

Withers (2017), a prominent New Zealand director and chair, believes women experience self-doubt; “a lack of confidence in their ability to fulfil every aspect of their role to an exemplary level” (p. 124). These types of behaviours may contribute to a perception that women simply do not possess the personal attributes to succeed in obtaining a directorship.

Role congruity theory and the double bind

Pertinent to the debate about whether women are being held back from directorships of listed companies due to a lack of the necessary attributes, are the concepts of role congruity theory and the double bind.

Heilman (2012) explains that *descriptive gender stereotypes* outline how women and men are, while *prescriptive gender stereotypes* outline how women and men should be. On the one hand typical gender stereotypes designate women as being *communal*; caring, affiliative, deferent and empathetic. On the other hand, men are considered *agentic*; or inherently achievement-focused, inclined to take charge, autonomous and rational (Heilman, 2012).

Role congruity theory outlines two issues that arise for female leaders when there is a perceived incongruity between the gender stereotype for women and the typically agentic behaviours that are expected of leaders. Firstly, given their descriptive gender stereotype, women are perceived less favourably than men for leadership roles. Secondly, if women do fulfil the expectations of a leader, then they are violating their prescriptive gender stereotype (Eagly & Karau, 2002). This no-win situation is known as the *double-bind* (Jamieson, 1995).

Women’s interest in governance

Singh and Vinnicombe (2004) noted that, although disproved, a lack of ambition was perceived as contributing to the low number of women on boards. One of the arguments against the introduction of gender quotas in Norway was a perceived social reality that women had less interest in or vocation for some roles (González Menéndez & Martínez González, 2012). But Joan Withers (2017) declared of the situation in New Zealand, “It’s a myth that most women don’t want top executive roles” (p. 110).

Kirsten Patterson (2018), Chief Executive of the IoD, concurred saying there is plenty of evidence that women are interested in governance given their numbers on iwi, school,

SME, not-for-profit, and state sector boards. She surmised that it must be something else that is preventing that same level of representation on listed company boards.

Conversely, Grant (2018) surmises that given the statistics it follows that women must have a lower appetite for the boardroom. “The optimal level of women on a board will mirror the number of competent women willing to serve on a board” (para. 13).

Sheryl Sandberg (2013), listed company director and COO of Facebook in the United States, also blames a “leadership ambition gap” (p. 13) for fewer women higher up the leadership ladder. She attributes this lack of ambition to socialisation from an early age.

Women’s networks

Overseas research supports the view that networks are important for board appointments. For example, one global study discovered that upon appointment to the board, about one third of directors are known to the board or at least one of the directors (Groysberg et al., 2016). Another study in the United Kingdom found that the second most common reason for under-representation of women on listed company boards was informal male networks (Davies, 2011).

In her blog, Lani Evans (2019), a director of social enterprises and not-for-profit organisations in New Zealand, implied that networks do ease the path to governance. She said, “getting board roles can be challenging, especially for those of us who don’t have personal connections” (para. 13). During interviews with over 50 New Zealand directors, Chen (2018) found that “small elite networks” (p. 24) persisted. Anecdotally at least, private sector networking does still occur in traditionally male domains such as the golf course and corporate boxes at large sports events. However, Withers (2017) doesn’t believe networks are as prevalent as in times gone by, declaring “There has been a virtual eradication of the old boys’ club that once dominated the corporate boardrooms of New Zealand. Almost no vestiges of it remain, certainly not in big companies at any rate” (p. 108). Interestingly, this comment aligns with the proportion of women on listed company boards in New Zealand which sits at 32 percent for the ten largest listed companies but only 19 percent for SmallCap indexed companies (NZX, 2019b).

Golden skirts

Hawarden (2018) completed an analysis of New Zealand listed company boards and found that there are a small number of *connector directors*; those who are well connected through holding multiple directorships. The women are also known as *golden skirts* (Huse, 2012) and the men as *golden suits* (Tutcher & Edmonds, as cited in Hawarden, 2018). Following the introduction of the NZX reporting requirements in 2012, the percentage of female directors who are golden skirts jumped from 10 percent to 28 percent. This compares to the percentage of male directors who are golden suits which remained at 13 percent. One interpretation of these statistics could be that the slow growth in female directorships is attributable in large part to a small number of women who are well-connected in listed company circles (Hawarden, 2018). Meanwhile other less well-connected women miss out.

The Queen Bee Effect

Kanter (1977) describes another phenomenon; the *Queen Bee Effect*, when women who have power are seen to block rather than facilitate access to power for other women. Other commonly used terminology is to 'pull the ladder up' behind oneself. This behaviour contrasts with that traditionally expected from a network, and is poorly regarded. As Madeline Albright's famous line indicates, "There is a special place in hell for women who don't help each other!" (Albright, 2016, para. 2).

Social cohesion theory

And finally, social cohesion theory has been another way to explain the power of networks. Social cohesion theory holds that members of the network will bring benefits to each other in the spirit of reciprocity (Singh & Vinnicombe, 2004); perhaps summarised as 'you scratch my back and I'll scratch yours'. One of these is benefits is social capital; 'who you know'. Prospective female directors have not previously had the social capital to be well regarded as a potential member of the network (Singh & Vinnicombe, 2004).

The availability of role models

Using somewhat circular reasoning, if there are few women on boards, there will be few role models for aspiring female directors, which in turn curbs women's expressions of interest in and appointment to directorships (Davies, 2011). But do role

models have to be the same gender, and are they important for women looking at senior leadership roles like directorships?

Gibson (2004) defines a role model as “a cognitive construction based on the attributes of people in social roles an individual perceives to be similar to himself or herself to some extent and desires to increase perceived similarity by emulating those attributes” (p. 137). In my research, those attributes would be ‘women displaying leadership qualities’. Sometimes the perceived affiliation between a role model and follower can also be based upon being different from the norm (Sealy, 2009). In regard to my research, different from the norm can be taken to mean ‘not male’.

Victoria Carter, former Auckland City Councillor, current businesswoman and director has said in relation to younger women and senior roles in management, governance, and government, “If you can't see it, how can you be it, or believe it is possible?” (Carter, 2018, para. 1). This opinion is backed up by Ibarra (2003) in her research on professional businesswomen making career transitions into more senior roles. She found that a successful transition required three tasks, of which observing role models was one.

Empirical research undertaken by Sealy (2009) shows that female role models help prospective female leaders to see what is involved in the role and how best someone like them can respond to given situations. Role models also demonstrate that a particular organisation values and supports women in leadership, and most importantly they inspire hope by demonstrating what is possible for women (Sealy, 2009). Singh and Vinnicombe (2004) explain that in addition to being aspirational for the out-group (in this instance, prospective female directors), role models can help to break down stereotypes held by the in-group (in this instance, existing male directors). Davies (2011) concurred, explaining how relatively few female role models around the boardroom table often reinforces stereotypes and the perceived difficulties in rising up the corporate ladder.

From the research, it appears that role models for aspiring female directors ideally would be women, and that role models do have an important role to play both in encouraging women to become directors and demonstrating suitability for the role to male directors.

2.4 Summary of the literature

The literature review began by looking at the arguments for having more women serving on listed company boards. There were two strands of argument; the social justice case and the business case. The business case rests on gender-related inputs achieving desired outputs, primarily for shareholders. Some of the gender-related inputs comprised a broader talent pool, a different perspective, a diverse approach, and atypical role models. The outputs or benefits included improvements in corporate governance, boardroom dynamics, navigating a VUCA environment, innovation, customer representation, expanding the employee base and GDP. However, some research finds little or no evidence that more women on boards has a positive effect on a company's financial performance. Still others believe that focusing on the business case is simply passé.

To develop some context around the issue at hand, the next section examined the status of women on boards at a macro-level in New Zealand. It found a sorry story in the numbers for listed company boards which have historically been, and still are, significantly lower than their male counterparts; a situation at odds with the state sector. This is despite several key initiatives to address the issue including increasing pressure from regulatory reporting requirements and interest groups, as well as business media coverage. A comparison with three other Western economies followed. Australia, operating under a 'soft law' regime with similarities to New Zealand, the US with a more liberal stance, and Norway's 'hard law' position having introduced mandatory quotas 15 years ago.

The final section used a multi-level analytical framework outlined by Pringle and Ryan (2015) to review the literature, and revealed a tsunami of potential reasons for the low number of women on listed company boards. These sometimes interlinked macro, meso, and micro-level reasons are outlined in Table 2.3 and form the basis of the research investigation.

Table 2.3: Potential reasons for the low number of women on listed company boards

Reason categories	Analytical framework	Reasons
DEMAND-SIDE REASONS	Macro	Level of external pressure - <i>Regulatory bodies</i> - <i>Interest groups</i> - <i>Investors</i> - <i>The media spotlight</i>
		Level of emphasis on targets
		Lack of mandatory quotas
		Different approach from state sector
	Meso	Search and selection practices - <i>Search and selection process</i> - <i>Gendered concepts of merit</i> - <i>Executive search firms</i>
		The chair
		The board itself - <i>Gendering and bias</i> - <i>Comfort and risk aversion</i> - <i>Long tenure and constrained board size</i> - <i>Low prioritization and company size</i>
SUPPLY-SIDE REASONS	Micro	Women's experience and skills - <i>Gendered substructures</i> - <i>Low-flow pipeline</i> - <i>Leaking pipeline</i>
		Women's personal attributes - <i>Role congruity theory and the double bind</i>
		Women's interest
		Women's networks - <i>Golden skirts</i> - <i>Queen Bee Effect</i> - <i>Social cohesion theory</i>
		Availability of role models

Chapter 3 Methodology

3.1 Introduction

This chapter will detail the research methodology and explain how it is well-suited to addressing the research question. In sequence, the topics covered in this methodology chapter are an overview of the issue and resulting research question; the research paradigm and approach; the research design; the advisory group; the research method; then finally, matters of rigour, ethics, and reflexivity.

3.2 The issue and research question

The literature review signalled that at 23 percent there are substantially fewer female directors of listed companies in Aotearoa New Zealand than male directors (NZX, 2019b). Not only that, despite sustained efforts over the last five years from increasingly rigorous NZX gender-related reporting requirements, campaigning by influential organisations such as the IoD and Global Women, and significant media coverage of the phenomenon, headway has been gradual and even plateaued at times. The proportion of women on listed company boards has moved at an average increase of just under 2 percentage points a year for the past six years (NZX, 2015a, 2019a). This progress, or lack of, has been variously described by Joan Withers the chair of NZSX-listed company Mercury Energy, as “glacial” (Withers, 2017, p. 108) and by Miranda Burdon the former CEO of Global Women, as “embarrassing” (as cited in Parker, 2019b, para. 10).

This research addressed the question:

How do male directors explain the low proportion of female directors on the boards of New Zealand’s listed companies?

The male directors of listed companies are the primary ‘gate-keepers’ to the appointment of new board members given their predominance in terms of number coupled with their role in nominating prospective directors for election by shareholders (occasionally co-opting them on to the board in advance of the election process). In some cases, the male directors also have significant voting rights as major shareholders. Hearing what they have to say may hold a key to opening the

boardroom door wider and faster for women to take seats at the boardroom table of New Zealand's largest companies. To this end, the research aimed to describe the reasons male directors give for the situation and to uncover their perceptions on why this persists.

3.3 Research paradigm

The research paradigm is a world view that guides a researcher in their work (Guba & Lincoln, 1994). It is shaped by the researcher's ontological and epistemological position, guiding their decisions about everything from how to formulate the research question to the appropriate research approach and design to address that question.

3.3.1 Ontological position

The term *ontology* is rooted in the Greek words for 'being' and 'study' (WalesDTP, 2015). Crotty (1998) defines ontology as "concerned with 'what is', the nature of existence" (p. 10) and Gray (2014) further defines it as "what constitutes reality" (p. 19) for a particular individual. Killam (2013) describes a continuum of ontologies ranging from realism where there is one truth that does not change, to relativism where there are multiple realities shaped by the context of an individual's experience. There are aspects of the research issue that can be considered irrefutable facts, for example: there are far fewer female than male directors on New Zealand's listed company boards and this is more pronounced in the lower-ranked companies by market capitalisation, there have been numerous recent articles in the New Zealand business media about the situation, NZX has introduced a number of new reporting requirements over the past five years, the IoD and Global Women have developed resources and programmes to address the situation, and few company constitutions or charters specify a limit on tenure. In contrast to these known facts, the reasons why the phenomenon persists are a little murkier. There are numerous opinions on them, both between and within groups of stakeholders and commentators. Therefore, the ontology underlying this research lies somewhere in the middle of realism and relativism.

3.3.2 Epistemological position

The word *epistemology* is a derivative of the Greek words for ‘knowledge’ and ‘study’ (WalesDTP, 2015). Gray (2014) defines epistemology as “a branch of philosophy that considers the criteria for determining what constitutes and what does not constitute valid knowledge” (p. 683). Killam (2013) outlines two types of relationships that researchers have with their research at either end of a spectrum: an objectivist epistemology, where the truth can be found and measured; and a subjectivist epistemology, where the researcher interacts with people to find out their truth created by meanings and experiences. While this research is the subject of an academic thesis, the driver behind undertaking it is to inform a business audience and contribute to change. In my experience, business audiences are often empirically-focused. Therefore, having a grasp of the hard facts to the extent they are accessible is important and straying too far towards a subjectivist epistemology is unlikely to gain much traction. Conversely, even if it were possible to access and accept all the ‘facts’ of the many decisions and actions around every appointment on every listed company board, knowledge would be incomplete without gaining an insight into the ‘gate-keepers’ interpretation about their experience of the process. Eriksson and Kovalainen (2016) describe a third epistemological position: *substantialism* that acknowledges reality as material but also that people interpret it differently. Substantialism is an epistemological stance that reconciles with one objective of this research; that the findings resonate with a business audience, and thereby contribute to changing the status quo.

3.3.3 Philosophical position

Ontologies and epistemologies define a philosophical position on research. Eriksson and Kovalainen (2016) state that a substantialist epistemology is most often associated with *critical realism*, a philosophical position that emerged in response to the post-positivist movement. Critical realism is ontologically aligned with realism insofar as “much of reality exists and operates independently of our awareness or knowledge of it” but epistemologically aligned with relativism espousing that “knowledge about that reality is always historically, socially, and culturally situated” (Archer et al., 2016). In many ways it lies half-way between where an individual believes a realist truth does exist but at the same time acknowledges that accessing all the associated facts may

well be impossible. Even if it were possible, such facts would be more valuable with a level of interpretation from the players. This is especially so, given the players are considered an elite group (Singh & Vinnicombe, 2004) limited in size to just a few hundred members (NZX, 2019b) with considerable power and barriers to entry that they themselves, to a large extent, exercise control over. A prominent critical realist Bhaskar (2010) said, “We will only be able to understand – and so change – the social world if we identify the structures at work that generate those events” (p.2). The philosophical path of this thesis points to a post-positivist research paradigm with a flavour of critical realism.

3.3.4 Research approach

Given the philosophical stance outlined above, the research approach needs to recognise the value of both irrefutable facts and individual perspectives in order to assist in addressing the issue at hand. A *pragmatic approach* is not slavishly aligned with a particular ontological and epistemological platform. Rorty (1991), a leading pragmatist said he “does not have a theory of truth” (p. 24). Gray (2014) highlights that a pragmatic approach to research is concerned with finding solutions to practical problems to do with “equity, freedom and justice” (p.28). It is also particularly recognised for its links to management and organisation-related research and does not demand a particular methodology. This investigation sits comfortably in the arena of a pragmatic approach because it aims to contribute to addressing the issue of a lack of women at the highest levels of the corporate ladder.

3.4 Research design

Research on the topic of gender diversity on boards, both in New Zealand and internationally, runs the gamut of methodologies. It includes quantitative analysis of secondary data gleaned from sources including business reports and records plus supporting government laws and policy documents (Rimmel, Inwinkl, Lindstrand, & Ohlsson, 2018; Daidj, 2018; Hawarden, 2018). Research also features mixed methodology research set in a pragmatic approach (Shilton et al., 1996; Klettner, Clarke, & Boersma, 2016), narrative analysis set in an interpretive approach (Seierstad, 2016) and critical discourse analysis (Pesonen, Tienari, & Valhala, 2009).

For this investigation, a *qualitative* research methodology was seen as best suited to uncover the range of perceptions held by male directors who are 'gate-keepers' to the board appointment process. It allows a researcher to capture some of the language they used to describe and relate to that process, and to better understand the context and meaning behind the facts and figures surrounding the issue (QRCA, n.d.).

Specifically, this research has employed a *descriptive interpretive* research design. Smythe (2012) notes that this approach is "ideally suited to a master's study" (p.5). She outlines the descriptive interpretive research design, explaining that the researcher hears the voice of the participants through interviews and in analysing their responses draws out themes and describes them. The researcher then takes a 'light' interpretive role and makes links with the relevant literature. Sandelowski (2000) describes how this methodology goes one step further than qualitative descriptive studies by moving on from a straight description of phenomena, to a more conceptual rendering of the data.

This is a pragmatic choice of research design in numerous ways. First and foremost, because it will contribute to addressing a current business issue. There is little academic research that seeks to understand the range of factors that may be contributing to the New Zealand situation, so this study will help fill a gap in current knowledge. It will offer a unique New Zealand perspective as a point of comparison with other countries, but more importantly provide a rare local resource for large domestic businesses.

Secondly, by developing a better understanding of male directors' perspectives, it will allow directors to reflect on the findings and consider how they might improve their own and their board's practices to increase the proportion of women on boards at a faster pace. Change agents can leverage the findings too and use it to inform the development of local material and programmes to achieve the same end. And finally, the findings can also act as a springboard to future research opportunities.

Thus, the research will assist to 'push the envelope' of better male-female balance on listed company boards in a practical sense. In addition, after considering how the business sector is accustomed to digesting research, it was felt that a descriptive interpretive research design would lead to a report that was more palatable for that

audience's consumption than other more subjectivist methodologies. And finally, it is a descriptive interpretive research design allows for an achievable project given the timeframe and resources available to me as the researcher.

3.5 Advisory group

Throughout the preparatory stage of research, I sought the advice of six individuals ('the advisory group') who included in their number a senior representative of the IoD and NZX respectively, experienced governance consultants, and experienced directors. They generously gave their time to provide me with useful information, perspectives, contacts, and advice about research instruments, sampling, time and location, recruitment, and data collection methods. I am also grateful to another two individuals; a senior representative of Global Women (an organisation driving gender diversity in leadership in New Zealand) and the director of an international executive search agency based in New Zealand with whom I consulted during the analysis stage of research.

3.6 Research method

This section details all the aspects of the research method including sampling, the research instruments, time and location, data collection, data analysis, and the narrative development.

3.6.1 Sampling

For reasons elaborated on below, the criteria for research participants were that they be directors:

- Currently serving on at least one top 100 NZSX-listed company board
- Male
- Based in New Zealand
- Acting in a non-executive director capacity

To establish the research population from which research participants could be chosen, it was necessary to undertake an initial stage of secondary data collection and analysis. This task was completed in two interlinked stages: the development of a database and basic analysis of New Zealand's listed companies, and another of listed

company directors' profiles. An Excel spreadsheet served as the database for each stage. The spreadsheets were simplified versions of those developed by González Menéndez and Martínez González (2012) in a larger and more detailed pan-European research project. This subsection explains both stages before justifying the sampling techniques and participant numbers.

Stage one – Database of listed companies

The context for this investigation was confined to NZSX-listed companies for several reasons. These companies comprise many of New Zealand's largest companies and securing a directorship on one of these boards is considered prestigious and an affirmation of a successful career. A directorship on a listed company comes with substantial benefits and risks, and an associated public profile. González Menéndez and Martínez González (2012) point out that "data publicity obligations are greater" (p. 44) for listed companies. By virtue of their listing, a significant amount of information about those company boards and their directors is required to be accessible on the NZX website and on individual company websites. Apart from their size, this relative accessibility to data makes listed companies a particularly useful target for the purpose of this research.

Table 3.1: Variables in the listed company database

Variable	Description
Name	Name of the company as per NZX website
Market capitalisation	Market capitalisation in New Zealand dollars as at 1 March 2018 and stated in real time on the Main Board of the NZX website
Domicile	Location of head office as listed in the company overview on the NZX website
Directors	Total number of directors as listed in the company overview on the NZX website accessed between 1 March 2018 and 18 April 2018*
Female directors	Total number of female directors as listed in the company profile on the NZX website accessed between 1 March 2018 and 18 April 2018*

* Triangulated with information on the individual company website, and any resulting discrepancies resolved through other sources including official market announcements, LinkedIn, and Google searches.

As outlined in Table 3.1, the institutional-level database was developed using information on the NZX website about NZSX-listed companies and included the company name, market capitalisation, domicile, number of directors and female

directors. This is a subset of the data types collected by González Menéndez and Martínez González (2012) in their pan-European research project.

Eriksson and Kovalainen (2016) suggest using multiple sources of information such as “company directories, web pages, industrial associations, and business experts” (p. 54) to develop a list of potential research participants. In this investigation, the market capitalisation data for each company was captured in real time during trading hours on 1 March 2018 from the Main Board of the NZX website (NZX, n.d.-c). By accessing individual NZSX-listed company overviews within the NZX website and then cross-referencing to the ‘Investor Centre’ or ‘About Us’ pages within individual company websites, it was possible to obtain and check much of the information needed for useful analysis at both the institutional level. However, inconsistencies in the information arose with surprising frequency, so further data sources were consulted to reconcile any differences, including official market announcements stored on the NZX website, individual directors’ LinkedIn profiles and news reports accessed through Google’s search engine. Again, this is a similar process to that outlined by González Menéndez and Martínez González (2012) for the pan-European research project about women on listed company boards.

Analysis found that in the first quarter of 2018, there were 158 operational companies listed on the NZSX with market capitalisations ranging from just over NZD 100 billion down to a little under NZD 0.5 million (NZX, n.d.-c). There was a shade over 900 directorships, of which fewer than 200 or 22 percent were held by women. Twenty one percent of the boards had no female directors and were classified for the purposes of this research as ‘male-only’, and conversely 79 percent had at least one female director and were classified as ‘mixed’. Only 15 percent of the boards had at least 40 percent female directors, notable for its comparison with Norway’s quota requirement for listed company boards. Just six percent had at least half female directors, and a barely registering two percent had a majority of female directors (see Appendix A).

Following the “gold standard for international comparisons” (Hawarden, 2018, p. 205) and the annual *New Zealand Census of Women on Boards* report (e.g. MacLennan et al., 2018), and also from a practical perspective to curb the research population to a somewhat more manageable size, focus was narrowed to *only the top 100 companies*

by *market capitalisation*. This approach aligns with that of González Menéndez and Martínez González (2012) in their pan-European research project where, for example, the FTSE-100 for the United Kingdom and the SBF-120 for France were used, representing the top 100 and 120 firms respectively for those markets.

Stage two – Database of directors

The next tranche of secondary data collection and analysis focused at the individual director level and pinpointed for each of the top 100 organisations: directors' name, company, gender, location, type (executive or non-executive), and role (chair or director only) as outlined in Table 3.2. This is also a subset of the data collected by González Menéndez and Martínez González (2012) in their pan-European research project.

Table 3.2: Variables in the directors' database

Variable	Description
Name	Director's full name as per NZX website*
Company	Name of the company of which board he/she is a member as per NZX website
Gender	Director's gender as ascertained from name as per NZX website*
Location	Location (New Zealand or overseas) where director was best estimated to reside first given company's domicile as per NZX website*
Type of director	Type of appointment to the board (Independent, Non-executive, or Executive) as per NZX website*
Role on the board	Role on the board (Chair or director) as per NZX website*

* Triangulated with information on the individual company website, and any resulting discrepancies resolved through other sources including official market announcements, LinkedIn, and Google searches.

At the individual level, initial information about directors was again obtained from each NZSX company overview within the NZX website and then cross-referenced to the 'Investor Centre' or 'About Us' pages within the individual company websites. However, there were considerable gaps and inconsistencies in the information, so further secondary data sources were consulted to fill the gaps and reconcile any differences. These again included official market announcements stored on the NZX website, individual directors' LinkedIn profiles and news reports accessed through Google's search engine. This was a laborious process, accomplished over several weeks.

In the NZX top 100 companies, there were 618 directorships in total, and of those 150 or just under a quarter were held by women. The directorships were held by 491 directors because some directors hold more than one directorship. Of those 491 directors, all 113 female directors were eliminated from the research population because the focus was to ascertain male directors' views on the research question. Next, 218 of the remaining male directors who were either based overseas and/or identified as executive directors were removed from the research population. Excluding overseas-based directors made it more straightforward to meet and/or communicate with potential participants and to better ensure the research conversations were grounded in a New Zealand environment. Omitting men who were identified as executive directors (those who have a seat on the board in addition to their day-to-day management role in the company) was a simple way to further narrow the research population and to ensure focus on the issue of gender balance in governance rather than digress too far into similar issues in management. These criteria resulted in a research population of *160 male, New Zealand-based, non-executive current directors of the top 100 NZSX-listed companies*.

In this case, to attain some balance in experience and perspective, the research population of 160 directors was split into three groups: 130 directors serving on mixed boards only, 24 directors serving exclusively on male-only boards, and six directors serving on both mixed and male-only boards. A member of the advisory group had suggested that those directors who sat on both types of board might offer a particularly useful perspective.

Purposive sampling

The process described above is an example of *purposive sampling* (Silverman, 2010) in that the qualitative researcher uses their own judgement to select the research subjects who are best positioned to provide the key information that addresses the research question. Furthermore, in *stratified purposive sampling* (Gray, 2014) the researcher works to identify research subjects in strata that are fairly homogeneous and that can be compared across a dimension of interest, in this case sitting on boards either with or without female directors, or both.

Participant numbers

The next step was to decide how large the study would be in terms of participants.

Eriksson and Kovalainen (2016) point out that the concept of 'sample size' does not sit easily in qualitative research; it is more a matter of an appropriate number of interviews given the particular research design. Sandelowski (1995) clarifies that, "Numbers have a place in ensuring that a sample is fully adequate to support particular qualitative enterprises" (p.183), elaborating that it is important the researcher uses their judgement and experience to select a number of participants that is small enough to allow for the deeper analysis that is typical of qualitative research, but also large enough produce credible new understanding. Pragmatically speaking, Rowley (2012) notes it is important to consider the number of willing participants when planning the number of interviews. Given the seniority of the participants, who are known to have busy schedules, a realistic target also had to be settled upon.

With the advice of experienced academic researchers (I. Ryan & J. Pringle, personal communication, June 21, 2017), it was decided that 10 in-depth interviews would be sufficient on several fronts:

- Ensured representation from at least 10 percent of the top 100 NZSX boards, given that directors often sit on more than one board and participants were chosen from discrete sets of boards.
- Allowed for a solid insight into the perspectives held amongst a specific group of directors, and an indication of key variances amongst those perspectives.
- Regarded as acceptable to a business audience who epistemologically tend towards objectivism but are also cognisant of the challenge associated with accessing NZSX-listed company directors' time.
- Benchmarked favourably with a selection of extant research where semi-structured interviews were undertaken in the field of governance and gender diversity. The number of interviewees in that research ranged from four women holding multiple directorships on crown and private company boards (Shilton et al., 1996), five female listed company and not-for-profit organisation directors (Pesonen, Tienari, & Vanhala, 2009), six independent female chairs (Cikaliuk, Eraković, Jackson, Noonan, & Watson, 2018), nine female listed

company directors (Klettner et al., 2016), to 18 male and female independent directors (Vasiliou & Adams, 2018) and 19 female non-executive directors (Seierstad, 2016).

- Judged a manageable project in the available timeframe.

Convenience sampling

After settling on 10 as the sufficient number of participants, I decided who to approach and in what order, from the three groups in the final pool of 160 potential candidates. At this point an element of *convenience sampling* came into play. Convenience sampling is “a non-probability sampling strategy that uses the most conveniently accessible people to participate in the study” (Gray, 2014, p.681). I first liaised with mutual contacts including some members of the advisory group, to ascertain which directors from the final pool might be approached through them, and then started directly approaching the remaining directors in approximately alphabetical order. There were four factors to juggle when I was choosing which potential participants to contact:

1. No contact with any director currently serving on the same board as another director already contacted. This additional criterion was introduced post-planning stage both to ensure a broad base of board exposure and to further protect confidentiality of participants.
2. Balance between the number of potential candidates in each group
3. Restricted contact to no more than 10 potential participants at any one time so as to avoid the situation of having more participants than necessary for the investigation.
4. Ready accessibility through mutual personal contacts, an email address or the LinkedIn premium membership messaging service

3.6.2 Research instruments

This subsection outlines the research instruments employed in this study including semi-structured interviews, interview questions, recording implements, and a documentation sheet.

Semi-structured interviews

In line with the descriptive interpretive research design, one-on-one interviews were assessed as the best tool to address the research question. According to Rowley (2012), interviews have “the potential to generate a range of insights and understandings that might be useful” (p. 262) and are more likely to elicit a response than questionnaires sent out to potential respondents. Specifically, *semi-structured* interviews were employed because they have the key advantage of flexibility, allowing the interviewer to seek clarification, probe for further detail, and follow useful leads (Gray, 2014). Semi-structured interviews also help ensure systematic and comprehensive coverage of the topic (Eriksson & Kovalainen, 2016).

This format offered a direct line into the male directors’ domain, garnering their perspectives to analyse, interpret, and reflect upon before distributing the key findings back to them and others, to help achieve a better male-female balance on boards. Smith (2010) and Cikaliuk et al. (2018) also conducted semi-structured interviews with directors of listed companies in New Zealand to research other governance topics.

Interview questions

Interview questions were developed from a review of the literature and informally piloted with two of the advisory group (Rowley, 2012). This exercise resulted in useful feedback, including the need to clarify some wording and re-order some questions, which was addressed the final interview schedule (see Appendix B). In her New Zealand research into the opinions of listed company directors about another topic, Smith (2010) piloted the interview questions with six of her intended 35 interviewees and included their responses in her data analysis. While a similar ratio of pilot interviews was undertaken for this investigation, the resulting data was not analysed because the questions underwent subsequent development.

Rowley (2012) explains that semi-structured interviews are based on up to 12 questions delivered for the most part in a set order but “with some flexibility in the questions asked, the extent of probing, and question order” (p. 262). Sitting at 20, the number of questions in the interview schedule (see Appendix B) were more than recommended by Rowley, but this was mitigated by a set of short administrative questions at the outset and a set of structured questions in the middle, which could be

moved through quickly or omitted if the topic had been raised earlier in the interview. The interview schedule was organised into five sections as outlined in Table 3.3.

Table 3.3: Interview schedule

Section	Number of questions	Description
Administrative	2	Participants reminded about matters of consent, and asked to confirm their boards' details
Open (Broad topic)	3-4	Participants asked to give their own explanations in response to open questions about the broad research topic.
Structured (Micro + meso focus)	9	Participants asked to choose their response, from a limited set, to potential micro and meso-level explanations derived from the literature, and then to enlarge upon their choice.
Open (Macro focus)	4	Participants asked to give their opinion on a set of current macro-level issues related to the topic derived from the literature.
Concluding	1	Participants asked a final open question

Recording implements

I employed two means of recording the interviews: a digital recording device, and a recording application on a mobile phone. This was to ensure a back-up was available should one of the implements fail. Each recording was transcribed either by me or a professional transcription service, and the resulting transcripts formed the primary data for analysis. I also used a notebook with a page dedicated to field notes for each interview, to capture points of importance during the interview and key impressions immediately following the interview (Patton, 2002).

Documentation sheet

In addition, I developed a documentation sheet (see Appendix C) to be used for each participant, and populated with contact and administrative details, key demographics, and other useful information about the context of the interview (Flick, 2009).

3.6.3 Time and location

This subsection highlights the importance of time and location to the success of the recruitment and data collection phases, and gives an overview of how those aspects were planned for and played out.

Time

Rowley (2012) notes it is essential to consider how long participants are prepared to make available when planning the length of interviews. She goes on to suggest aiming for the *equivalent* of six to eight interviews of one hour in length, so six to eight hours of data in total. The advisory group gave varying advice on the length of interview that would be acceptable to directors, ranging from 45 minutes to 90 minutes. Their advice aligned to interviews undertaken with independent company directors in recent international research (Vasiliou & Adams, 2018).

The prospective participants have notoriously full calendars, so suspecting one hour was the maximum appointment time directors would afford an interviewer previously unknown to them, and wanting to make the request for an interview seem as accommodatable as possible while still allowing for an element of in-depth discussion, 10 interviews were scheduled for 45 minutes in length for a total of seven and a half hours. In the event, about half the interviews ran closer to an hour when some interviewees wished to expand further upon their opinions and did not have another pressing appointment. This resulted in nearly nine hours of recorded content, just over the targeted eight hours (Rowley, 2012).

Location

It is also important to ensure a location that is as convenient as possible to the participants, who are perceived as difficult to access (Rowley, 2012). The criteria had already excluded directors based offshore from the research pool. My specifications were for locations to be appropriately quiet and professional to ensure a successful recording of the interview, as well as the safety and privacy of both interviewer and interviewee. Recent international research of independent company directors has been conducted in person and also by telephone for participant convenience (Vasiliou & Adams, 2018), and this investigation followed the same protocol. Most participants preferred face-to-face interviews and fortuitously I was based in Auckland, New Zealand's main business hub, so the interviews were relatively easy to arrange.

As allowed for, the interviews were held at a variety of locations outlined in Figure 3.1. Those participants based nearby were interviewed in either a company office or their home office, while those participants based in other locations were interviewed either

in a meeting room while they were visiting Auckland, or by telephone. It was also a circumspect measure for the interviewer to ensure that a third party was aware of the time and location of each interview.

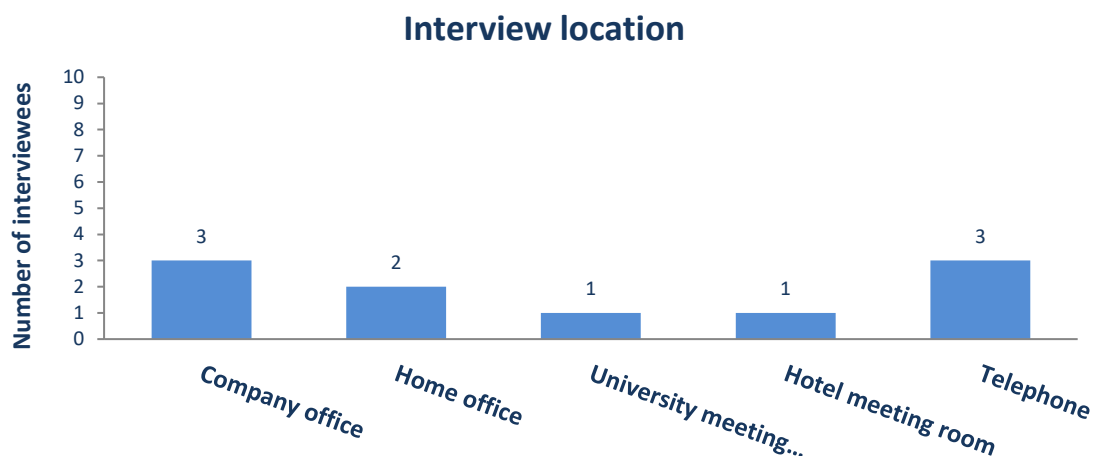


Figure 3.1: Location of interviews

3.6.4 Recruitment

This subsection describes the recruitment communications, approach to participants, and the finalised participant group profile.

Initial communications

I consulted with the advisory group about how best to recruit the potential participants in terms of process, and the style and content of communication, given the warning from Rowley (2012) that interviewees “will probably make a very fast decision on the basis of your initial approach regarding whether they are willing to talk to you or not” (p. 264).

The advisory group suggested I approach potential participants either through mutual contacts or by making direct requests through other channels including email and the LinkedIn premium membership messaging service. Recent international research has used LinkedIn to successfully recruit company directors for interviews (Sacks & Maatwk, 2018).

The advisory group also gave recommendations about the style and content of a template letter that would introduce me, outline my research project and the request to take part in it. Important advice included for the researcher to:

- Signal the request for an interview and the interview topic in the email subject line
- Outline the request at the outset of the email
- Be specific about matters of convenience such as time and location
- Be crystal clear about confidentiality
- Explain the opportunity to review a transcript of the interview and receive a summary of the research findings
- Keep the email succinct

The second recommendation was to develop a biography to accompany the template letter and establish my credibility, which the advisory group considered would be an advantage. They advised the biography should include information about my business background with emphasis on seniority, functional expertise, and sector exposure, plus previous governance experience and highest academic qualifications.

The template letter (see Appendix D) was sent by email where email addresses were obtainable either through mutual contacts or on individual directors' personal company website located by using Google search engine. Alternatively, if an email address proved elusive, the template letter was sent through the LinkedIn premium membership messaging service. The template letter was accompanied by my biography (see Appendix E). No time limit was set in place for potential participants to respond to the invitation.

Approaching participants

Ultimately five approaches were made through mutual contacts with four agreeing to participate, and seven were made directly with six agreeing to participate as illustrated in Figure 3.2. No one refused to participate, but two potential participants did not respond to the first approach and were followed up once after a couple of weeks. When still no response was received, those approaches were abandoned, and two additional potential participants approached instead, both of whom agreed to be interviewed. In this manner, 10 participants agreed to be interviewed.

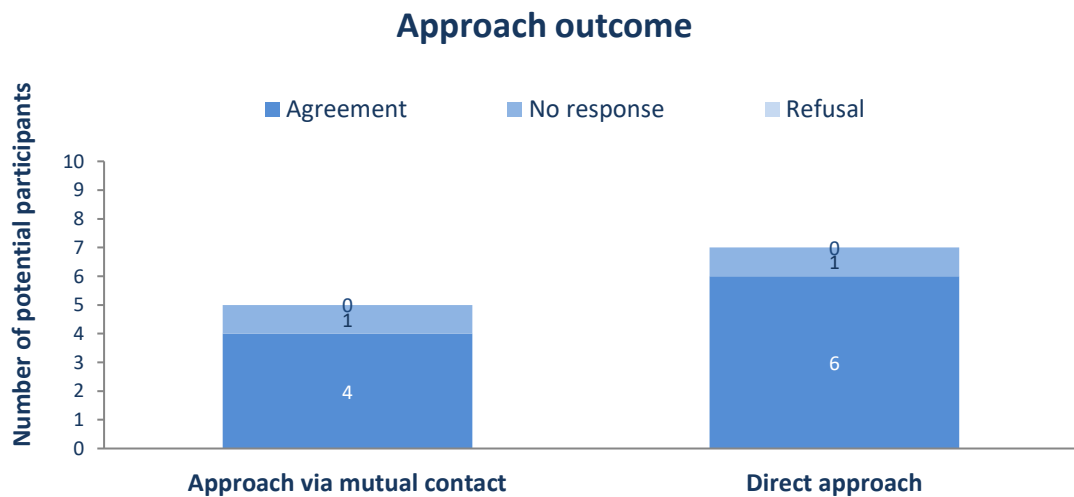


Figure 3.2: Outcome of approach to potential participants

Administrative communications

Members of the advisory group had suggested developing a concise interview guide (see Appendix F) outlining the question topics that would be covered to provide the sort of briefing participating directors would be accustomed to. It would serve the dual purpose of enabling them to consider the topic and their response in advance and allay any concerns they might have about the line of questioning on what could be considered a sensitive topic. An interview guide was developed in addition to a participant information sheet (see Appendix G) and consent form (see Appendix H) required under Auckland University of Technology (AUT) research protocols. Those three documents were emailed to the directors in a second email once they agreed to take part in the research, except for one director who indicated he was keen to review more information before he agreed to go ahead.

The second email also invited any questions or concerns from the directors, gave details about options for returning the consent form, and initiated a series of brief exchanges about the time and location of the interview.

Participant group profile

The 10 directors who agreed to take part in the research did with my assurance of confidentiality. Some recent New Zealand research of six female company chairs assigned pseudonyms to interviewees and then presented their demographic information in a table format (Cikaliuk et al., 2018). However, I felt most of the

participants could still be identifiable especially in a relatively small business community. To preserve the confidentiality of participants in this investigation, only a demographic group profile of the final participants will be shared. This demographic information was primarily ascertained from interview transcripts and other sources including directors' biographies on company websites and their own LinkedIn profiles. The information was entered into a documentation sheet (see Appendix C) containing key data and research notes for each participant as suggested by Flick (2009).

In line with the criteria, all the participants were male. By name and appearance only, rather than self-identification, the directors interviewed were all Pākehā (New Zealand European ethnicity). While it was not a deliberate sampling strategy to choose any particular ethnicity, from my informal observation of secondary data in preparation for sampling, that is fairly typical of New Zealand-based directors and is in itself an issue that warrants further research. They ranged in age from their 50's to their 70's, but most were in their 60's. All had university qualifications: eight with a Bachelor's degree and two with a Master's degree; seven in commerce-related subjects, two in science and one in law. Half of the participants were based in Auckland, while the rest were based in other main centres or the regions of New Zealand. Many spoke of having wives and family, and, pertinent to this investigation, two talked about daughters in senior executive roles.

The participants' work-related backgrounds were across different roles and professions including former chief executive officers or chief financial officers, investment bankers, accounting and law partners, farmers, and advocates. Some had more than one career path, and some had worked offshore for considerable periods. The participants had business experience across a range of sectors including automotive, banking, construction, food and beverage, energy, and professional services.

Regarding their governance background, in addition to meeting the criteria of being a current non-executive director in a top 100 NZSX-listed company, three were existing Chairs of NZSX-listed boards, one was a Deputy Chair and others had held these roles in the past. Six of the participants held one NZSX-listed board directorship, while four held two or more. Six served on NZX 50 boards and four served on smaller NZSX-listed

boards. They served on boards of companies operating in a variety of sectors including agriculture and horticulture, automotive, construction, energy, entertainment, food, investment, property, retail, retirement, tourism, and software-as-a-service (SaaS). Many stated they had served on not-for-profit, private company, and state sector boards at some time during their governance career. Importantly for a degree of balance, four were directors exclusively on male-only NZSX-listed boards, four were directors exclusively on mixed NZSX-listed boards, and two were directors on both male-only and mixed NZSX-listed boards.

3.6.5 Data Collection

Upon confirmation of each interview, I began to populate the documentation sheet for each participant with contact details, and key demographics.

The actual interviews then proceeded in a somewhat similar format to that previously outlined in Table 3.3, although as they were semi-structured there were opportunities for conversation to flow organically. Referring to the interview schedule throughout the interview assisted me to keep the conversation on track in terms of the allotted time and as an aide-memoire to ensure all the topics were eventually covered by the end of the interview. This subsection gives an overview of the interview process in sequence.

Administrative section

Interviews commenced with administrative section including a reminder to participants that they would be recorded and have an opportunity to review their transcript before data analysis began. I ensured informed consent by re-capping all the elements covered in the consent form and collecting the signed consent form if it had not been signed and returned by email prior to the interview. Participants were then asked to confirm the listed company boards they currently served on and whether those were mixed or male-only. While only two participants identified as currently serving on both male-only and mixed listed company boards, all participants had experience with both male-only and mixed boards of some type at some time in their governance careers. Due to this dual experience it became apparent that any comparisons across this dimension would be indicative only.

Open section (broad topic)

The interview proper began with a set of open questions on the broad research topic, designed to elicit participants own explanations.

Why there were no women serving on their boards (directors of male-only boards):

There are no women at all serving on one fifth of New Zealand's listed company boards, including one you serve on. Thinking specifically about that board, why do you think there are no female directors?

Why there were no or few women serving on listed company boards in general (all directors):

Overall at 22 percent there are few women serving as directors on listed company boards in relation to men at 78 percent. Why do you think that is?

And, what were the perceived differences, if any, between mixed boards and male-only boards (all directors):

What are your views about why some boards have female directors, yet others don't? What are the key differences, if any, between the boards?

Structured section (micro and meso-level focus)

Rowley (2012) suggests embedding a task in the interview to keep the interviewee engaged. This method was employed in the third section, which narrowed to a set of structured questions. In contrast to the first section, the respondents were given a physical list of statements; potential micro and meso-level reasons for the low number of female directors on listed company boards, grounded in the literature. The participants were asked whether they agreed, disagreed or were unsure about that potential reason and then asked to elaborate on their answer. To clarify some of the terms used in the statements, I gave an example or two from a prepared list. If the interviewee had already raised a particular reason during the initial open questions, and thoroughly discussed their views, in the interests of time I skipped the related statement.

Open section (macro-level focus)

The fourth section moved back to open questions asking participants to share their opinions about four macro-level issues being discussed in the business media including the gender diversity reporting measures introduced by NZX, the introduction of gender targets and gender quotas for listed company boards, and the significant gap between the proportion of female directors on state sector boards compared with listed company boards in New Zealand.

Concluding section

Finally, the interview concluded with the interviewer asking participants if there was anything further that they wanted to add on the topic, before switching off the recording devices. Gray (2014) notes that “interviewees often make some of their most interesting and valuable points once they think that the interview is over” (p. 397). Patton (2002) also advises the importance of providing the interviewee with an opportunity “to have the final say” because this is where especially rich data can emerge (p. 379). I used a notebook with a page dedicated to each interview, to briefly capture these field notes as the interviewee spoke.

Follow-up

Following each interview, I wrote a card and sent it with a small koha (gift) of chocolates to each participant thanking them for their participation (Eriksson & Kovalainen, 2016) and indicating when they could expect the transcript of their interview for review.

3.6.6 Data Analysis

Data analysis proceeded through the five key stages outlined below.

Stage one – Field notes

In effect, the analysis process was in its infancy even as data was being collected, and it continued directly after the interview (Patton, 2002; Braun & Clarke, 2006). During the interview I jotted down important thoughts as they occurred in field notes, and then following each interview I took a few minutes to quietly consider the interview and note immediate impressions in the field notes. These field notes were transferred into each interviewee’s documentation sheet.

The next four stages took me into a *thematic analysis* of the data. Braun and Clarke (2006) describe thematic analysis as “a method for identifying, analysing and reporting patterns (themes) within data” (p. 79). Importantly for this investigation, they note it is an appropriate method for several theoretical frameworks including a critical realist position. In addition, they maintain it is an accessible method for those researchers relatively new to qualitative research. Boyatzis (1998) points out that thematic analysis “at minimum describes and organizes possible observations, or at maximum interprets aspects of the phenomenon” (p. vii), an interpretation that aligns with the descriptive interpretive research design of this investigation. Thematic analysis was used by Vasiliou and Adams (2018) to analyse the data generated from semi-structured interviews of directors addressing the same research question as this investigation, but in the United States instead of New Zealand.

I was guided by the process of thematic analysis identified by Braun and Clarke (2006) and Rowley (2012).

Stage two – Transcription and early impressions

The first phase of Braun and Clarke’s (2006) thematic analysis overview is developing familiarisation with the data during transcription and reading through the transcripts, picking up on early impressions.

Silverman (2010) recommends the researcher transcribes at least the first few interviews in detail before deciding whether to proceed with detailed transcriptions for all the remaining interviews. Conversely, Patton (2002) suggests aiming for a full transcription of all interviews. Transcribing interviews is an onerous task, but a worthwhile one in terms of becoming familiar with the interview content (Eriksson and Kovalainen, 2016). For this investigation, I combined these approaches; fully transcribing the first two interviews then outsourcing the remaining eight interviews to a third-party transcription service, who were subject to a confidentiality agreement.

Upon completion or receipt of each transcript, I replayed the respective interview in its entirety while carefully checking the transcript. During this process of checking transcripts, I entered early impressions plus a small number of significant quotes to each interviewee’s documentation sheet. As I worked through the transcripts, the director’s name and their boards’ company name were removed from the transcript.

Additional potentially identifying content was also highlighted, signalling to the participant that those specifics would also be kept confidential.

Once a transcript had been formatted and checked, it was sent to the participant to give them an opportunity to review it and identify any deletions or corrections they wished to make (Hagens, Dobrow, & Chafe, 2009; Rowley, 2012). Eight of the ten interviewees responded to this invitation. As indicated in advance to the participants, the transcripts of the two who did not respond to the invitation, despite follow-up, were still included in the analysis.

Stage three – Initial coding

The next phase of thematic analysis involves generating codes; that is, working systematically through the whole data set to identify interesting features and collating related data within the data set accordingly (Braun & Clarke, 2006).

Thematic analysis is suitable for both inductive and deductive research (Boyatzis, 1998; Patton, 2002). In this investigation, data gathered from those sections of the interview when the participants were asked open questions, were analysed in an inductive or ‘bottom up’ manner (Braun & Clarke, 2006). Coding was based on whatever themes were emerging from the raw data rather than any existing framework. However, in one section of the interview participants were asked to choose their response, from a limited set, to an *a priori* series of statements crafted after a review of the literature, and then expand upon their choices. This section also included elements of a deductive or ‘top down’ approach to analysis (Braun & Clarke, 2006).

The coding phase can be completed by employing specialised computer software such as NVivo. However, as Rowley (2012) points out “for the novice researcher this is another thing to learn, and, in any case, with smaller data sets many researchers prefer... moving the text around themselves” (p. 268). Taking this advice to heart, I decided not to use software but instead developed a template spreadsheet in Excel for the initial stage of coding (see Appendix I). The spreadsheet contained rows for each transcript and two columns for each question; one for verbatim interview content and one for my own commentary. Each transcript was then systematically reviewed, sequentially by question. I lifted blocks of rich verbatim interview content and dropped them into the spreadsheet in the appropriate question column (Rowley,

2012). I used the adjacent commentary column to record initial codes and short memos.

Memos serve several purposes in qualitative research including to assist in extracting meaning from the data by noting definitional statements during coding, and to maintain momentum by parking questions and thoughts the researcher wants to return to later (Birks, Chapman, & Francis, 2008). The memos that I used included key impressions gleaned from the interview content, detail about preliminary codes, and questions for further consideration.

I then reviewed the documentation sheets which had captured early impressions and important quotes from the interview and transcription processes to check nothing had been lost in this third pass through the data.

Stage four – Detailed coding

In the next pass through the data, I returned to the transcripts and undertook a detailed coding exercise. Referring to the initial codes generated in the spreadsheet analysis, I used the highlighter function in Word to code across the transcripts one question at a time. For each question, I drew a freehand chart re-constructed in Figure 3.3 below, with columns for the three types of director interviewed, and a box allocated to each individual director's transcript. In each box I noted the codes that appeared in the transcript accompanied by some descriptive detail e.g. tenure + no resignation trigger; board size + more directors increases costs. As I progressed, I refined the codes and identified "vivid, compelling extract examples" (Braun & Clark, 2006, p.87) to best illustrate each code. I also continued with the memo process, this time in the transcript margin.

This exercise allowed me to detect if there was any strong alignment of opinion or disagreement within and between the different types of director.

Question:		
Directors on exclusively male-only boards	Directors on both types of boards	Directors on exclusively mixed boards
Director 1 code + detail code + detail...	Director 7 code + detail code + detail...	Director 3 code + detail code + detail...
Director 2 code + detail code + detail...	Director 10 code + detail code + detail...	Director 4 code + detail code + detail...
Director 8 code + detail code + detail...		Director 5 code + detail code + detail...
Director 9 code + detail code + detail...		Director 6 code + detail code + detail...

Figure 3.3: Graphical representation of freehand coding chart

Stage five – Theme work

Still following the process outlined by Braun and Clarke (2006), after coding each question in detail I collated related codes into broader themes and gradually developed two freehand thematic maps to illustrate the relationships within and between themes. In doing so, I clarified the definition of each theme and named them appropriately. These thematic maps were formalised and are presented in the concluding commentary of this thesis.

This exercise also classified some additional information that while not directly addressing the research question, did still capture valuable context in terms of the participants' broad opinions about potential solutions to the issue, and areas for further research.

3.6.7 Narrative development

In presenting the findings and discussion, it was necessary to develop a coherent narrative that would bring together the themes that had arisen during the analysis of participant responses. Many themes were common to responses from both the open questions on the broad topic and the more structured questions derived from the literature. I used the multi-level framework suggested by Pringle and Ryan (2015), and previously employed in my literature review, to group the identified themes according

to whether they were micro, meso, or macro in nature. Each theme was illustrated by quotations that clearly represented a theme, sentiment or counterpoint argument.

3.7 Matters of rigour

This section outlines the measures taken to ensure rigour in the research.

When ensuring rigour in qualitative research, the researcher needs to satisfy one of two main groups of criteria (Eriksson & Kovalainen, 2016): the classic criteria of validity, reliability, and generalizability (Patton, 2014) which are also used in quantitative research, or the alternative criteria of dependability, credibility, transferability, and confirmability; collectively known as trustworthiness and exclusively used in qualitative research especially at the more relative end of the scale (Lincoln & Guba, 1994).

Eriksson and Kovalainen (2016) advise the importance of ontologically and epistemologically aligning the approach to and evaluation of rigour with the research paradigm and suggest that the classic criteria are best suited to a critical realist approach such as that taken in this research. From a pragmatic perspective, the classic criteria are also more likely to satisfy the eventual audience of business people. Each of the three classic criteria are detailed below.

3.7.1 Validity

Validity is concerned with the extent to which a researcher can provide assurances about the accuracy of the report in relation to the data and there are some established techniques to achieve this (Eriksson & Kovalainen, 2016; Gray, 2014) as outlined in Table 3.4 below, along with specific measures taken in this research.

3.7.2 Reliability

Reliability is concerned with the degree that a researcher can ensure the research findings will be stable and consistent if the research was to be repeated. There are a number of accepted ways to accomplish this (Eriksson & Kovalainen, 2016; Gray, 2014) as outlined in Table 3.5 below, with examples from this research.

Table 3.4: Measures to ensure validity

Ensuring validity	
Established techniques	Specific measures taken in this research
Involving other researchers	An experienced researcher formally supervised the thesis.
Evidence	The interviews were recorded and transcribed verbatim and the original audio and text files were securely retained. Quotations were used extensively in the report.
Member checking	The participants were given an opportunity to review the transcript of their interview.
Literature review	Both quantitative secondary data and qualitative research was extensively reviewed prior to the collection of primary data from interviews, and during the analysis stage.
Writing memos	Field notes were made during the interviews and memos during the coding process.
Acknowledging researcher perspective	Reflexive notes were kept throughout the research process and a summary presented later in this chapter.
Discrepant data	Outlier opinions were analysed and covered in the report.

(Eriksson & Kovalainen, 2016; Gray, 2014)

Table 3.5: Measures to ensure reliability

Ensuring reliability	
Established techniques	Specific measures taken in this research
Data triangulation	Primary data was collected from three different types of director, and no interviewee was currently serving on the same board as another interviewee. Secondary data about directors of New Zealand's listed companies was sourced from the NZX website then triangulated with information on the individual company website, and any resulting discrepancies resolved through other sources including official market announcements, LinkedIn, and Google searches.
Methodological triangulation	The interview began with open questions and then the same topic was revisited with a structured set of <i>a priori</i> statements. Analysis involved four different passes through the data: interviews and field notes, transcription and documentation sheets, initial coding and template spreadsheet, detailed coding and freehand charts.
Using standardised interview schedules	All participants were sent an interview guide in advance, aligned with the interview schedule. Interviews were semi-structured using the interview schedule to ensure all topics were covered in each interview. All participants were provided with the same list of statements for the structured section of the interview.

(Eriksson & Kovalainen, 2016; Gray, 2014)

3.7.3 Generalizability

Generalizability is concerned with to level to which research findings can be transferred to a broader context or even to other situations. Issues in the macro-societal and meso-organisational environments need to be taken into account when considering the generalizability of research (Lincoln & Guba, 1994). With regard to women serving as directors on the boards of listed companies, these issues include but are not limited to the comparable social status of women, regulatory environment and structure of companies and boards. This research aims to be generalizable across the boards of companies listed on the New Zealand stock exchange, and should also be applicable in part, to different sorts of boards within New Zealand and the same sorts of boards in countries with similar social and regulatory environments including for example, Australia and the United Kingdom. Some of the recognized methods to attain generalizability (Eriksson & Kovalainen, 2016; Gray, 2014) are outlined in Table 3.6 below, along with the steps taken in this research.

Table 3.6: Measures to ensure generalizability

Ensuring generalizability	
Established techniques	Specific measures taken in this research
Care over sampling	Stratified purposive sampling to ensure the homogeneity of a discrete group while also allowing comparison across one dimension of interest. Sufficient interviews to collate a breadth in perspectives such that some patterns and outliers are identifiable.
Transparency regarding limitations	The specifics of the researched environment are clearly outlined in the introductory section so the limitation of any comparisons with other types of boards or with other countries is evident.

(Eriksson & Kovalainen, 2016; Gray, 2014)

3.8 Ethical considerations

The research protocols related to this investigation were given thorough consideration from an ethical perspective during the planning stages. An application for ethics approval was submitted to the Auckland University of Technology Ethics Committee (AUTEC) who scrutinised and gave their consent to it prior to commencement of the research (see Appendix J). The approved research protocols were carefully implemented, and a progress report including minor changes was reviewed and approved by the Committee during the project. The key areas of ethical consideration

are research adequacy, recruitment of participants, principles, and informed consent as called for in AUT's requirements and detailed below.

3.8.1 Research adequacy

The research goal to understand how male directors explain the lack of women serving on listed company boards was judged to be clear and attainable. The research was also considered to likely contribute to addressing a gap in current research and inform practical changes that will lead to more women serving on the boards of New Zealand's listed companies. A pragmatic research approach and a descriptive interpretive methodology were justifiable to uncover, analyse and present the range of perceptions held by male directors to the intended academic and business audiences. The researcher and supervisor were both deemed to have appropriate experience and expertise to discharge their roles given the comparative seniority of the research participants and potential scrutiny of the findings.

3.8.2 Recruitment of participants

Approval was given for 8-10 participants and the specific recruitment criteria of current male non-executive directors on New Zealand's listed company boards, approximately half serving as directors solely on male-only boards and half solely on mixed boards. Additional approval was given when the criteria was further narrowed to include only those directors who were based in New Zealand. Direct phone or email contact with potential participants was also agreed upon with contact details established through mutual acquaintances, LinkedIn, or Google searches.

3.8.3 Principles of Partnership, Participation, and Protection

Auckland University of Technology (AUT, 2019) includes the core principles of Te Tiriti o Waitangi | The Treaty of Waitangi in its assessment of research ethics: partnership, participation, and protection. This subsection explains how each of these principles was embodied in this thesis.

Partnership

This thesis embraced the principle of partnership with both participants, and the wider governance sphere as detailed below.

Partnership with participants

In the participant information sheet, I emphasised my intention to accurately reflect the views of the participants in my research. The interview schedule was designed so participants had an opportunity to first express their own explanations for the low number of female directors before being presented with a more structured set of *a priori* statements. They were also given a final opportunity to add anything else they wished to share on the topic. Following each interview, I acknowledged the participant's time with a card and koha (gift). I have also acknowledged the participants in the thesis as a group, without naming them individually. I will provide a summary report to the participants which they may find useful to reflect upon their boardroom practice and consider changes in approach. Once they have had the opportunity to review it, I will give them an opportunity to be individually acknowledged in it and any subsequent reports, articles, and presentations.

Partnership with the wider sphere of governance

My career to date and business contacts give me some useful insight into the wider sphere of governance in which the participants operate. So, I sought advice from appropriate people within that sphere ensure that my research approach was relevant and effective, and I that developed further context for interpreting the research findings. I referred to these people as 'the Advisory Group' and they included:

- Two experienced directors
- Two experienced governance consultants
- A senior representative of the IoD
- A senior representative of NZX
- A senior representative of Global Women
- The director of an international executive search firm

Participation

There is some criticism in public forums about how long it is taking to increase the number of female directors on the boards of New Zealand's listed companies, along with opinions from commentators about what should be done to 'fix' the situation. This research was an opportunity to give a voice to some of the current male director majority, so those wanting to change the status quo can listen and work out how

better to target their communications and develop their initiatives to engage those 'gate-keepers' to the boardroom. Indeed, some directors indicated that they were pleased to have this opportunity; Director 1 was one of them:

It's good to get the full view of everybody involved. I mean it's very easy to focus on one aspect of it and not see what's happening on the other side... and making sure that becomes part of the conversation - otherwise we'll miss something.

The participants were also offered an opportunity to review and edit their own transcript, and eight of them took up that option.

Protection

As the researcher, I undertook significant steps to ensure the participants in my research were protected from deception, harm or coercion. The steps involved ensuring convenience, privacy and confidentiality, full disclosure and opportunities for consultation:

Ensuring convenience

- Making the interview process as convenient as possible
 - Arranging an interview location that suited the participant
 - Scheduling the interview for a time that suited the participant, and keeping the interview to the scheduled 45 minutes as necessary

Ensuring privacy and confidentiality

- Ensuring interview locations enabled private conversation
- Using only personal information about the participants that they disclosed directly to me, or publicly on their LinkedIn page and via the official NZX and company websites
- Using coded file names and password protection on electronic files
- Storing data securely as outlined in the data recording and storage protocol (see Appendix K)
- Ensuring the third-party transcriber was briefed on confidentiality requirements and had signed a confidentiality agreement (see Appendix L) before sending them the audio files

- Removing any potentially identifying material from the transcripts
 - Using pseudonyms for participants in the research report
 - Avoiding identification of participants' associated companies in the research report
 - Take steps to ensure the participants and their associated companies were not indirectly identifiable from any other details disclosed in the report

Ensuring full disclosure and opportunities for consultation

- Giving participants the opportunity to review and edit the transcript of their own interview
- Full disclosure in the participant information sheet (see Appendix G) about voluntary participation and the ability to withdraw from the research up until analysis had begun.
- Full disclosure about potential risks to participants which were all accepted as low level. One of these was potential embarrassment about a lack of gender balance on their board and being interviewed by a female about a gender issue, mitigated by me as the researcher making a concerted effort to be open and approachable and withholding any indication of judgement. In retrospect, this was useful behaviour because some of the participants expressed or inferred discomfort about how they and their boards were perceived by both me and the wider public. Another was a degree of public censure if they and their views were identifiable in the research report, mitigated by confidentiality measures outlined above. Some participants voiced a complete lack of concern with being identified or quoted, while others made a point of ensuring that I understood their wish to remain anonymous.
- Full disclosure about a low-grade potential conflict of interest, given I work in a field related to the research and there was a chance I may have undertaken projects within their companies – past and present. On the two occasions I knew this to be the case, I explicitly disclosed it to the prospective participant who had no concerns.

3.8.4 Informed consent

Gray (2014) defines informed consent as “The obtaining of voluntary participation in a research project based on a full understanding of the likely benefits and risks” (p. 684). In line with this and as previously detailed, I emailed a number of documents to each prospective participant. Firstly, my biography (see Appendix E) to establish my credibility, and also to disclose potential conflicts of interest. And secondly, an interview guide, participant information sheet, and a consent form described below:

Interview guide

An interview guide (see Appendix F) was specifically developed to give prospective participants a clear idea of the sorts of questions that would be asked should they agree to take part in the research.

Participant information sheet

A participant information sheet (see Appendix G) outlined in detail the purpose of the research and who it would be shared with, the potential risks and benefits of taking part and how they would be mitigated and realised respectively. It also provided AUT contact details so participants were clear where they could go to have any questions or concerns addressed.

Consent form

And finally, a consent form (see Appendix H) summarised critical points about obtaining information and asking questions, length of the interview, recording and taking notes, treatment of the transcript, confidentiality protection and residual risk, voluntary nature of the research, ability to withdraw, and data storage. Participants were asked to provide their written consent and indicate if they wanted to receive a summary of the research findings. They could scan and email their completed consent form to me or give it to me at the interview for me to scan and email them a copy for their records.

Then when we met, I ran through the aspects of informed consent again before proceeding with the interview proper.

3.9 Critical reflection

In undertaking qualitative research, it is important for the researcher to reflect on their own background and assumptions and consider how that might impact the way they conduct, analyse, interpret and present their research (Rowley, 2012; Roulston, 2013). This section acknowledges and reviews the subjectivity influencing this investigation and this reflexivity contributes to its validity (Eriksson & Kovalainen, 2016; Gray, 2014). It is a synthesis of the 'jottings' I made in field notes and memos, and also reflections on my research topic during the planning stages (Roulston, 2013). The main reflections were about legitimacy of the 'cases', bias, power, and pragmatism.

3.9.1 Legitimacy of the 'cases'

Underlying the research process is my assumption that both the social justice and business case for more women on boards have legitimacy (Seierstad, 2016; MacLennan et al., 2018). Listed companies' boards and senior executives have historically placed the strongest emphasis on serving their shareholders' financial interests rather than a wider group of stakeholders. Aligned with that emphasis, the little (unpublished) New Zealand-specific research that is available demonstrates that women on the boards of listed companies is significantly and positively related to return on assets (Bathula, 2008) and that having a woman on the board enhances the value of the company (Dunstan et al., 2011).

However, there are signs that shareholder primacy is beginning to change. The Business Roundtable representing the CEOs of the United States' largest companies has recently issued a new statement on the purpose of the corporation that signals a move away from a sole emphasis on shareholders to include employees, customers, suppliers and communities (Gartenberg & Serafeim, 2019). And in New Zealand, Rob Everett, Chief Executive of the FMA, also questioned the primacy of shareholders in a recent speech (FMA, 2019, para. 70).

The assumptions underlying this research share that position.

3.9.2 Bias

Bias is a key theme in diversity studies. I am cognisant of some of my own potential sources of bias in approaching this topic. For example, I am a feminist and a business

woman with expertise in Marketing and Human Resources, and I have worked in and for listed companies. I have consulted through Diversity Works New Zealand assisting New Zealand organisations, including listed companies, to become more diverse and inclusive. Given this background, it is not surprising that I find the current state of affairs regarding women on boards as untenable from both a social justice and a business perspective. In fact, wanting to contribute to changing the situation is what inspired me to formulate the research question.

Roulston (2013) points out that interrogating the underlying concepts of the research question, and why it is important to the researcher, will help them clarify their “assumptions, beliefs and hypotheses about a particular topic” (p.9). While it is important for the researcher to identify their biases, it is equally important to try and mitigate them appropriately. For example, I recognised that I would need to manage my own negative responses (frustration, incredulity, dismay etc) to some of the participants’ answers by making a concerted effort to empathise with the reality of their situation.

3.9.3 Power

Power is another important theme in diversity studies. In the arena of governance appointments, power lies with existing directors who are ‘gate-keepers’ to board nominations. Therefore, any change in this arena has to be enacted through them to a large extent and in order for that to happen, either they need to be convinced that a particular course of action is the right one, or an outside influence will need to force their hand.

There is another way a power dynamic comes into play: between the interviewer and interviewee. As a marketing professional, if I want to sell an idea I need to focus on its benefits and overcome any barriers for the target audience. To identify those benefits and barriers, I need to understand that audience. One way to do this is to ask them for their thoughts on related topics. The interviewees in this case could have been perceived as intimidating to approach; very experienced and opinionated men of considerable standing and confidence, with quick intellects and limited patience, managing important business and multiple demands on their time. However, they also

held the information that I needed for my research, putting them in a position of power.

As the interviewer, my power lay in my business expertise and contacts related to diversity and inclusion and my ability to share potentially useful findings on a problematic issue with the participants. From a more negative perspective, I also had the capacity to portray them in an unfavourable light, albeit in an aggregated sense. However, the reality was that I felt grateful to the participants for readily making themselves available to be interviewed and for being candid in their responses. I was also aware that they were likely to read the research, and to recognise themselves in the quotes. These two factors caused me to moderate my commentary, but I did not shy away from portraying their perspective.

3.9.4 Pragmatism

The appropriateness of my pragmatic approach became particularly clear to me during the interviews when, without prompting, most participants turned the discussion to how the issue of so few women on boards could be remedied. In retrospect, I think that this was a natural step for both participants and researcher given our shared backgrounds in business and associated inclination towards problem-solving.

3.10 Summary

At 22.5 percent there are substantially fewer female directors of New Zealand's listed companies than male directors (NZX, 2019a). As primary 'gate-keepers' to the appointment of new board members, understanding how the male directors of NZSX-listed companies explain the low proportion of female directors on their boards will be useful information to assist with addressing the situation, and required a qualitative methodology.

Rooted in a substantialist epistemology that acknowledged reality as material but also that people interpret it differently, the philosophical path of this thesis pointed to a post-positivist research paradigm. It has a flavour of critical realism in that it aims to contribute to change by identifying some of the structures that lead to the issue (Bhaskar, 2010).

The research took a pragmatic approach to ensure the findings would resonate with a business audience by recognising both irrefutable facts *and* individual perspectives. Ten semi-structured interviews gave a 'direct line' to male non-executive directors serving on NZSX-listed company boards. Employing a descriptive interpretive research design, this investigation heard the voice of those participants and then conducted a thematic analysis of the transcripts to draw out themes and describe them before taking a 'light' interpretive role (Smythe, 2012).

Chapter 4 Findings and discussion - Context

The research focuses on how male directors on listed company boards in Aotearoa New Zealand explain the low number of female directors on those boards. This chapter and the following three chapters present the findings from the thematic analysis and discuss them with reference to the literature. Each of the next three chapters is organised around one layer of a multi-level relational framework developed by Syed and Ozbilgin (as cited in Pringle & Ryan, 2015). While the chapter structure separates each layer of the framework, they are interrelated and interdependent parts although, as Pringle and Ryan (2015) note, the “relational links between the levels have been little studied” (p. 471).

During the ten interviews and without prompting, participants volunteered their opinions about diversity in governance, focused almost exclusively on the business case. This opening chapter is devoted to those opinions and provides valuable context for the following three chapters.

4.1 Diversity on boards is a good thing

Interviewees all gave the impression that they believed having diverse directors on listed company boards is a good thing. Director 5 was a proponent of diversity as a means for a board to move into the future:

When I think about diversity, I see it as a business no-brainer. Why is that? Because we live in world today, where the problems of tomorrow will need to be solved in a different way than the way we used to solve them in the past. So, you need ... a diversity of people, that will bring different ideas and different perspectives to it.

Director 7 also supported diverse boards, although he relied on intuition rather than a specific rationale or research.

I think I am in support of diversity, because your instincts tell you that it probably makes sense, and it probably is of benefit, even if you can't put your finger on it.

4.2 Gender diversity on boards is a good thing

All interviewees were supportive of strengthening *gender* diversity around listed company boardroom tables, and Director 8 provides an example of that:

The overall thrust of seeking change and introduction of women into boards is a positive step and something that I support.

Director 9 was also supportive but took care to explain that should not be at the expense of experienced male directors who continued to make a valuable contribution:

If I listen to some people, I could do the world a favour by getting off all the boards I'm on and the world would be a better place. Then I say, "Actually, no I don't think that is true." So, for me, it's a wee bit around trying to embrace, figuratively, women in those roles, as opposed to some of the stuff that I get, which is "[White guys in their 60's] need to just get out and make room." I don't appreciate that.

4.3 Diversity is more than gender

Most interviewees stated or implied during the interview that board diversity is about more than just gender, and more than just visible difference. Director 1 was one of them:

And I think diversity of all aspects – when I talk about diversity in terms of age, gender, ethnicity, work experience, you name it, it's the full breadth.

4.4 Diversity of thought is the endgame

In reference to a business case, many participants mentioned that diversity of thought is what boards were aiming for and that gender diversity was one means to achieve that. Director 6 explains this concept:

Diverse thinking is what we are looking for. People with solid commercial experience ... who've demonstrated good intellect, they can enquire, they can co-operate, they can grasp concepts and build on them, and that we're effective as a team, that we are not a monoculture of opinion ... We need to find people from diverse backgrounds. We need some great businesspeople who happen to be women rather than the other way around.

Director 5 showed challenged one of the key tenets of the business case when he took diversity of thought out of the equation:

“We need to careful ... If you think actually that somehow the white middle-aged female will think completely different to the males, you might be disappointed that that’s not the case”

4.5 Context – Summary and discussion

Overall participants believed that diversity, and specifically gender diversity, on boards is a good thing. However, many were mindful to communicate that diversity is more than gender; effectively a deflection that minimises the issue in the face of population statistics (González Menéndez & Martínez González, 2012).

The combined narrative was almost exclusively grounded the business case and serving shareholders, with little acknowledgement of the social justice case (Gómez Ansón, 2012; Teigan, 2012; Huse, 2018; Merelo, 2019). It illustrates a potential gap in perspective between New Zealand listed company board directors and leading multi-national corporations based in the United States who have committed to benefitting a wider stakeholder base (Business Roundtable, 2019).

For many of the interviewees, their focus was on just a subset of the business case; diversity of thought was their end game. This line of thinking reflects diversity management theory (Aluchna & Szapiro, 2018); essentially valuing diverse perspectives around the boardroom table (Singh & Vinnicombe, 2004; Davies, 2011; Teigen, 2012). It highlights a concern that some listed companies in New Zealand may not be harnessing other inputs related to gender balance on their board, including access to a broader talent pool (Singh & Vinnicombe, 2004; McKinsey, 2017; Teigen, 2012), a diverse approach to the board’s work (Fondas & Sassalos, 2000; Kramer et al., 2006), and the availability of atypical role models (Perrault, 2015). It is likely then, that some boards will miss out on some of the rewards related to gender balance including more effective corporate governance (Adams & Ferreira, 2009; Russell Reynolds Associates, 2009), better boardroom dynamics (Kramer et al., 2006), and expanding the employee base (Bilimoria, 2000; Deloitte, 2017).

Chapter 5 Micro-level findings and discussion

5.1 Introduction

This research sought to ascertain how male directors on listed company boards in Aotearoa New Zealand explain the low proportion of female directors on those boards. The interviewees gave their own explanations in response to open questions on the broad research topic and then considered potential reasons posed to them within structured questions.

This chapter details and discusses the themes identified from amongst the explanations to do with the women themselves. These are findings focused at the *micro*-level (Pringle & Ryan, 2015), also referred to as the *individual*-level (González Menéndez, Fagan, & Gómez Ansón, 2012; Devnew et al., 2018), and in the context of this study, *supply*-related (Davies, 2011; Teasdale et al., 2012).

The participant's narratives included six interlinked supply-side considerations; the pool problem, the disinterest problem, the capacity problem, the pipeline problem, the network problem, and sufficient female role models, and each of these will be examined and discussed in turn. But first, an overriding, and more abstract theme emerged; the supply-side struggle.



Figure 5.1: The supply-side struggle - Language used to describe search for female directors
As used by directors on male-only boards

5.2 The supply-side struggle

In response to the open questions on the broad topic, participants invariably focussed on the supply-side issues; first *and* foremost. They did volunteer some demand-side factors, but not to the same extent. Nearly all participants described the supply of female candidates for directorships as not meeting demand. In addition, those directors on male-only boards most strongly expressed either directly or through their choice of language that securing suitable female directors, who were also available and interested, was a real struggle. Their accounts of the struggle are as outlined above in Figure 5.1.

5.2.1 The supply-side struggle – Summary and discussion

Most interviewees saw the supply of female directors as an issue, but directors on male-only boards in particular, described their efforts to appoint female directors in terms of a real struggle. The subsequent sections will break down the struggle into its component problems.

5.3 The pool problem

All directors except one talked about the supply of female director candidates in terms of a pool; sometimes it was a “gene pool” (Director 2, Director 10), at other times a “capability pool” (Director 2), or a “pool of expertise” (Director 8). In describing the supply constraints their boards were facing, the directors of male-only boards in particular, used an array of words and inferences as outlined below in Figure 5.2; all indicating the inadequacy of the pool.

For women to be considered ‘in the pool’ of prospective directors, participants described two broad types of requirements; experience and personal attributes. The findings on both requirements will be detailed individually, followed by a discussion about the pool problem.

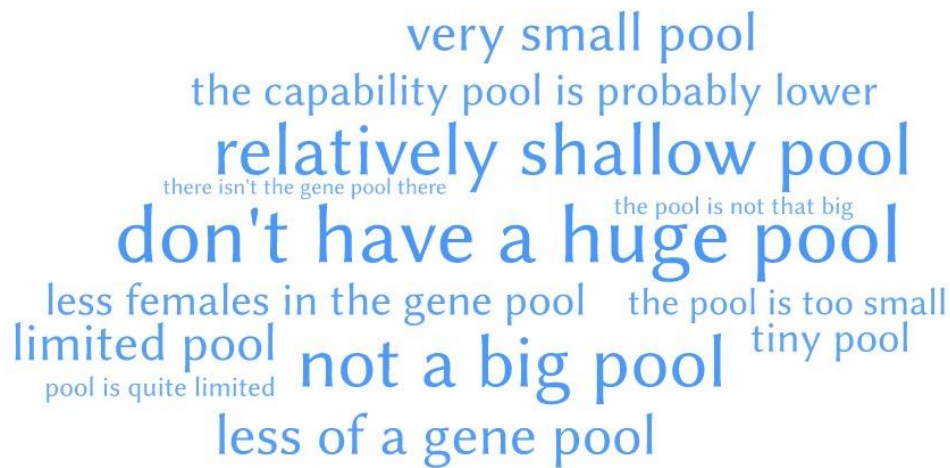


Figure 5.2: Descriptions of the inadequate pool
As used by directors on male-only boards in open question responses

5.3.1 Experience

In the initial stages of the interview, most participants offered up a lack of women with the right experience as the primary reason for the low number of female directors.

When asked directly whether they agreed that a shortage of women with the right experience was a contributing factor, Director 3 was the only participant who emphatically disagreed with the statement:

I think it's often used as an excuse, but I don't believe it has any validity

All the other directors agreed with the statement, however for many of them it was a provisional 'Yes, BUT'.

Interestingly, three of the directors, agreed with the statement but preferred a subtle change in emphasis from 'shortage' to a comparison with the number of men as illustrated by Director 4:

I think the answer would be yes, but I wouldn't frame it in the way that there's a shortage of women with the necessary experience; because it's not so much the shortage of women, but there's actually a lot of men who have that experience

The matrix

All directors referred to *the matrix* that listed-company boards use when they are searching for a new director either directly, or indirectly in terms of consciously seeking *balance* or *the right mix* of experience on the board. Director 2 described it:

All the companies I'm involved with go through a pretty robust process to prepare a specification for the role they're looking for ... There's normally a set of capabilities that are developed for a position and then actively recruited for that. So, there's a degree of generalisation, and there's a degree of specialisation, but in all cases, it's tailored to a particular role. There isn't a generic "Here's a director for a listed company and here's a set of capabilities, just go and get one." I see most boards sitting there and going "We want this, this, and this."

Types of experience required for pool entry

Interviewees volunteered the types of experience included in the matrix and therefore required for pool entry during the initial open questions. There was also myriad of opinions, at times conflicting, from the ten interviewees when they were explicitly asked what experience they thought was necessary to serve on a listed company board.

The types of experience that participants commonly referred to are expanded upon below.

Broad experience

Two directors emphasised the specific need for broad experience. They compared this with the perceived narrow experience of some women's career paths. Director 5 said:

You get women that have had a career but it's quite narrow.... On a board you need board members ... that can contribute across the board ... a lot of the [women] that have come onto boards' executive ranks have either been through the professions.... So, they've only done this part of law.... Or, they've only done HR.... So, you need board members that have been exposed, you need board members that can contribute to that conversation. If you've never been involved and never had to deal with those situations, if you've never had to drive and take accountability for a profit and loss statement, it's really hard to contribute. That I think, is actually the single biggest problem.

Director 6 echoed the same thoughts:

A director has got to be able to play across the whole register.... A director's seat is a precious, precious asset and I am very reluctant to give one of those to a deep subject matter expert with a narrow capability across the rest of the requirements.... I think it comes out a little more starkly with female directors - and that's not because they're female – I think it may be because as yet there isn't a large pool that have held senior business roles across the range of businesses typically.

Listed company board experience

Two interviewees mentioned listed company board experience in terms of it being regarded as essential; one supporting that claim and the other refuting it. For Director 9, it was his go-to response:

The default is: show me you've been on another listed-company board.... The experience on another board gives the profile that gives you a far better opportunity to gauge the likely effectiveness of that person on your board.

Director 3, offered a contrasting opinion that listed-company board experience was not necessary and indeed this requirement served to exclude women:

I think experience on a listed-company is often held to be a pre-requisite ... but it's some kind of fallacy of thought because you can't get the experience unless you are on one. So, it's circular and I think it is often used to exclude women.... I don't believe that kind of experience is in fact necessary to be an effective listed-company director.

Two participants, both directors on male-only boards, said that under pressure to nominate a female director in the face of 'the pool problem', their boards were having to consider women who were un-proven at the public company level but had other useful experience. Director 9 explained his board's situation:

We have identified three who have no experience on public companies, or as chairs of audit and risk committees, but who have relevant professional experience that we might actually go, "We would like you to join." So, it could be handover in the fullness of time. Because otherwise if the pool is too small, what do you do? So, you sort of have to grow-your-own to some extent.

Commercial experience

Commercial experience was expressed or inferred as a given, by all but two directors.

This sentiment is clearly demonstrated by Director 6:

I mean, this is what limited liability companies are all about; they're commercial entities. If you haven't been in commerce, you would kind of go, "Why would you? What are you doing here? Go off and do something else, this is commerce." It's not the Academy Awards, it's not brownie points, it's not politics. It's commerce and the running of a business. If you haven't got some grasp of that, you're going to be at a bit of a disadvantage, and to me personally I would question why they're there.

However, Director 1 and Director 3 both suggested that while strong commercial experience on the board was important, there was room for those who brought alternative skills to the board instead. Director 3 gave the specific example of a woman with specialist knowledge, but no commercial background to speak of, who was still an asset to the board:

I can think of a female director I know who is a very effective director, who had no commercial experience at all but had extensive [specialist field] experience, and has grown into an exceptional director of a [related field] business. She was very intelligent, very diligent and had some specific skills that were applicable. So, within the context of otherwise a very commercially oriented board, she was a fine selection.

Sector/industry experience

The consensus among most interviewees was that sector/industry experience was often sought by boards, however in their opinion, while valuable it was not necessary for every director on the board to have it. This is illustrated in part by Director 2:

I sense there's more of a desire to get some sector experience. Too much so, in my personal view. But that's the ultimatum I see – they have to know about the sector.

And again, by Director 4:

I think it is important, but I wouldn't overrate it. I think that if you know business generally, and you can pick stuff up and you're a quick learner, actually you can slot onto most boards pretty well.... I don't think everyone needs it, and I think there's a good reason not to have everyone with sector experience. You do need an outside perspective.

Professional/advisory experience

Perhaps unsurprisingly, the interviewees who had a professional/advisory background noted the importance of that type of experience and, as illustrated by Director 7, pointed out that they had sat across the table from boards in advisory roles and knew the ropes:

There are a lot of directors who are lawyers, investment bankers or accountants ... and there's quite a good reason why. They tend to be involved in major transactions; they have a lot of board interactions, and therefore they're familiar with board processes and practices. There's sort of a natural lead-in there.

While others like Director 4 were less enamoured:

I'm not a great fan of boards full of professional lawyers or chartered accountants. I mean they're good directors, but I actually think you get a bit more from people who have been in corporate senior leadership teams and they understand how those teams work

Senior operational/leadership experience

Senior operational/leadership experience was widely agreed upon as important for taking up a directorship on a listed company board, although not every board member was seen to need this background. Most commonly mentioned were CEO and COO credentials; those with broad exposure to the business and responsibility for teams and profit. Also mentioned were CFO credentials for vacancies on the audit and risk committee. Director 5 gave examples of prominent women on listed company boards in New Zealand, all of whom had been CEOs:

So, if you look at a lot of the top female directors ... if you think of Joan Withers, Janine Smith, they've previously been in CEO roles. They have run businesses and they were responsible for them ... you know, Therese Walsh CEO, CFO roles.

Overview: Types of experience required for pool entry

Those types of experience most commonly perceived by the participants as necessary to get into the pool for directorship consideration have been detailed above. Table 5.1 below gives an overview of all the types of experience mentioned.

Table 5.1: Types of experience required for listed company directorship consideration

Types of experience
Accounting (partner level)
Audit committee
Commercial (broad)
Finance
Investment banking including M&A (partner level)
Law (partner level)
Leadership (large teams)
Listed company
Manufacturing
Operational (high level e.g. CEO or COO)
Overseas
Sector/industry
Senior management team

As mentioned by interviewees

5.3.2 Personal attributes

In addition to experience, interviewees did raise personal attributes as useful for directorship consideration during the open questions. However, none of the interviewees made any inference that women didn't have the required personal attributes. In the structured section of the interview they were asked directly if a deficiency in women's personal attributes was a contributing factor. Only Director 1 indicated a marginal level of agreement with the statement and only in terms of self-confidence in the face of public scrutiny:

If things don't go well, it's the public scrutiny.... And if you don't have a thick skin or if you don't really want to deal with that ... and I think that's a smart thing, not a negative.

Director 3 flatly disagreed with the statement. However, he perceived that there were boards who would agree, and he mentioned an attribute not dissimilar to Director 1:

The view of many all-male boards, or male-dominated boards, is that you need to have some kind of macho hardness to be on a board.

All the other directors disagreed about any shortage of women with the necessary personal attributes to be a director, and some of them were quite emphatic; Director 10 for example:

That's just wrong; I don't know who would say such a thing. That's just bullshit.

And Director 6 was similarly categorical in his response:

No, I don't. I totally disagree with that.

Types of personal attributes required for pool entry

Interviewees mentioned some types of personal attributes required for pool entry during the initial open questions. During the structured questions interviewees were directly asked what personal attributes they thought were necessary to serve on a listed company board.

Table 5.2: Types of personal attributes required for listed company directorship consideration

Types of personal attributes
Capable/effective
Change mentality
Courage to speak up and ask the hard questions
Energetic + hard-working + diligent
Engaged + contributing
Good fit
Insightful
Integrity + honesty
Interpersonal skills including consensus-building + constructive + good listener
Power player/big name/high profile
Self-confidence to step up
Thick-skinned + tough + resilient

As mentioned by interviewees

The list of necessary personal attributes cited by the interviewees during both the open and structured questions is outlined above in Table 5.2. The most frequently touched upon were the courage to speak up and ask the hard questions, the self-confidence to step up to a governance role in a public company, the ability to build consensus constructively, and diligence.

Gendered personal attributes

Two participants shared different views about gendered personal attributes. Director 3, thought that women brought different personal attributes to the board table:

I think one of the reasons why one should advocate for more women being on boards is precisely because they do bring some different personal attributes to the table.

While Director 2, did not believe gender came in to it:

Have they got a personal set of attributes and style that fit with the company?" I always see those as quite generic rather than gender-based.

5.3.3 The pool problem – Summary and discussion

All but one interviewee agreed that the low number of women on boards was due, in part, to a shortage of women with the experience perceived as necessary for pool entry. Some board members preferred to think of it in terms of 'more men', rather than a 'shortage of women'. All interviewees framed the experience needed on boards in a systematic way, referring to it variously as 'a matrix', 'balance' and 'the right mix'. This finding is consistent with New Zealand-based research and reporting that also found the 'pool problem' was blamed for the low number of women on listed company boards (Deloitte, 2017; Mau, 2019). Two international studies nearly twenty years apart show that this finding is to be expected from male participants, although female participants have a significantly different outlook on the matter (Ragins et al., 1998; Groysberg et al., 2016).

Several interviewees mentioned that women tended to have 'narrow' experience rather than the broad experience required. All interviewees agreed that a significant amount of senior operating/leadership experience was essential around the boardroom table. All agreed that commercial nous was essential but some thought that there was room for a board member with alternative useful strengths. There was general agreement that some industry/sector experience and some professional/advisory experience was useful on a board. Opinions about the extent to which listed company board experience was viewed as a requirement diverged, but most interviewees said that at least some governance experience was essential for all would-be directors. This information mirrors research from EY (2013) into the prior

experience of women appointed to S&P 1500 boards. It also reflects McKinsey (2015) findings that experience in female-dominated and specialist functions such as Marketing and Human Resources are not valued as highly.

All but one interviewee completely *disagreed* that the low number of women on boards was due to a shortage of women with the necessary attributes. The interviewees listed a variety of personal attributes required to serve on a board, particularly the self-confidence to step up, the courage to speak up, constructive consensus building, and diligence. A couple of opposing views were also uncovered, about whether personal attributes were gendered. Participants' beliefs that women do have the attributes for governance is consistent with the list of required personal attributes they jointly suggested. Those attributes were a combination of agentic - traditionally associated with men, and communal - traditionally associated with women, as outlined by Heilman (2012).

In summary, the 'pool problem' is centred around a perception that there are relatively few women with what has been viewed as the types of experience required to successfully contribute to a board. However, there is some recognition that reconsidering this 'bundle' of experience would be an acceptable way to increase the number of women on boards, without compromising board performance. Women's personal attributes were not seen as contributing to the pool problem.

5.4 The specific disinterest problem

In discussing whether women's lack of interest to be directors on listed company boards was contributing to their low level of representation at that level, another explanation theme emerged from the interviews. Two factors were discussed; firstly, their general interest in public company governance, and secondly, their specific disinterest in some public company boards.

5.4.1 General disinterest

During the structured questions, interviewees were asked whether they agreed that a shortage of women interested in serving on listed company boards was a factor contributing to their relative scarcity. Only Director 1, the youngest interviewee,

agreed with the statement. He focussed on the age profile of boards compared to the perceived age profile of women he thought were considering directorships:

At the moment public company boards are on a hiding to nothing really, from my perspective. It's become a place people retire from their executive roles.... It's a little bit like a retirement home.... If I'm a 40-year-old talented person, why the hell would I go on a company board? So, you kind of get this self-selection.

All the other interviewees disagreed that women were less interested. Some did add a rider, that while they thought women were interested now, this may be a more recent development. Six of the interviewees offered evidence from their interactions with prospective female directors, for example Director 2 had formed an impression from the mentoring work he did:

I do a lot of mentoring [in a structured programme], there are lots of women, younger women, you know, who are itching to get into governance roles.... I mean, the interest level is definitely there.

Director 9 developed his viewpoint based on approaches from women:

I've had quite a number come talk to me about what do you think they need to do to sort of get there.

And Director 4, who had observed attendees at director training, added another layer. Although both his female director colleagues and the prospective female directors that he had observed were "very keen" he did note that there were fewer female trainees than male and pondered upon that:

I have to say that the ratio of males to females is out of balance still in those courses. So, I wouldn't say it's 80:20, but it's probably one-third/two-thirds overall. So, I do think why are more women not coming, not wanting to be trained to be a director? And so, that might lead you to conclude that they're not as interested. But it might be that they don't feel there's any opportunity so there's no point either, so I don't know what's accompanying that.

In contrast to the opinion offered by Director 1, three interviewees mentioned that the advantages a director's seat offered could be a source of interest for women. These included flexibility, which could be more appealing than the relentless demands of a

CEO role if women were juggling family commitments, and also more variety. This sentiment is illustrated by Director 10:

I think governance is a great career option for power-play capable females at that stage of their career.... I think a lot of those great CFOs, HR directors; they look at their poor old bloody CEO ... and they really go, "You know what? I don't want that for the next decade." So, the governance avenue gives them a really... you get more variety across different industries; you meet a lot of different people. It's a hell of a lot more interesting to be honest than 24/7 running around for a Japanese owner or whatever.

5.4.2 Specific disinterest

Counter to the overall perception that directorships on listed company boards were of general interest to women, half of the directors on male-only boards thought that their board was simply not an attractive prospect for women. They had actively sought and approached prospective female directors and been turned down. What's more, the problems of having an unattractive board were seen to be exacerbated by constraints on the supply of female directors. As Director 1 put it:

If you're an experienced and talented woman executive / business person, you've got a lot of options today ... when you've got lots of options, you can be a bit picky.... We find it hard to get any directors, let alone female directors who've got lots of choice.

The three interviewees holding this view, had a variety of thoughts about what could be behind their male-only boards' lack of appeal and shared specific stories as evidence.

Business challenges in a public arena

Director 1 was clear that the business challenges his board was working through were a turn-off for prospective female directors, especially given the scrutiny of public companies:

We've had potential candidates, female candidates, tell us if you were a private company or something else then we'd be interested in helping but we just don't need the aggravation of being on a public company board, going through [business challenges].

Not prestigious

A couple of interviewees indicated that their company didn't have the cachet required to attract female candidates to the board. This included being out of the "Top 20" (Director 7) companies by market capitalisation and/or lacking popular appeal.

Director 1 reported women as saying:

"Well, why would I want to do that? I could be on the board of ASB, I could be on the board of BNZ, I could be on the board of Meridian, I could be on the board of all these cool things – Xero..."

Retirement age profile

Director 1 speculated that some women were probably put off by the age profile of his board.

No existing women

Director 7 told the story of the hurdle his board faced attracting a female director because there were no existing women on the board, and women were saying they did not want to be the first woman on the board:

... at least two women said, "Would I be the first woman?" and the answer was "Yes," and they said, "In that case, I'm not interested." Even more telling was that the chairman got a bit fed up.... He finally said, "Bugger this, I'm going to go to an agency now, pay the fee and let them do the work." The first agency we went to said, "Would this be the first woman on the board?" and when he [the chair] said, "Yes," he [the agent] said, "I don't want the brief, it's too hard".

In further discussion Director 7 shared his opinion about the potential motives behind the stance of women who turned down the opportunity to be the first and only female on the board:

... a perception that either they don't want to be perceived to be a token, or they don't feel that they can adequately contribute without female support. Neither one I think is a strong reason.

Low affinity with sector/product

Director 10 surmised that his board's significant effort trying to secure a woman who would agree to be nominated was probably linked to the traditionally male-dominated sector they operate in.

... we could not attract our chosen applicant. We searched aggressively for a female director for that board. It's [our sector]; I think women by and large don't feel a natural affinity to [our products or our sector].

5.4.3 The specific disinterest problem – Summary and discussion

Most interviewees disagreed with the idea that lack of general interest in governance roles on women's part was contributing to their low numbers on listed company boards. They pointed to evidence from their own interactions with prospective female directors. This sentiment reflects that expressed by Withers (2017), and Patterson (2018). However, two points were in juxtaposition to that view: Firstly, that while women were showing interest, it was in lower numbers than men. And secondly, that boards were not an interesting prospect for women due to their current 'retirement home' profile. The average age of boards is a phenomenon has been commented upon globally and in New Zealand (Hawarden, 2008; Withers, 2017) although not correlated to women's interest in directorships.

In contrast, three participants on male-only boards gave specific explanations about why serving on their particular board was not an appealing prospect to women. These reasons included facing business challenges in a public arena, not being prestigious enough, having no existing female directors, operating in a low-affinity sector, and having a retirement age profile.

The explanation that women are not interested in particular boards if there are no existing female directors, is prescient in the light of Justine Smyth's refusals to take a directorship as the only woman (as cited in Earley, n.d.). This move is supported by critical mass theory that stipulates 30 percent female directors are required in order to avoid the pitfalls of tokenism (Kanter, 1977). Notably, 20 of the top 100 companies listed on the NZSX have no female directors, so they may be facing an uphill battle securing a woman for their board unless they commit to appointing two.

The rationale that women would not be interested in working in a low-affinity sector was raised in Norway prior to the introduction of quotas (González Menéndez & Martínez González, 2012). However, all listed company boards in Norway, no matter what their line of business, managed to meet the 40 percent quota requirement for women on boards (Teigen, 2012).

In summary, while interviewees had evidence that women were generally interested in serving on listed company boards, some perceived that their board lacked appeal which caused women in the pool to demonstrate specific disinterest. Along with the capacity problem (below), this lack of appeal was felt to exacerbate the pool problem (above).

5.5 The capacity problem

In addition to the pool problem and the disinterest problem, there were several references to a perception that the most sought-after women in the pool were at capacity in terms of their directorships. These perceptions were predominantly, but not exclusively, held by directors of male-only boards. Director 10 exclaimed:

We had quite a few strong female candidates but, they're too busy. Their dance cards are full!

And further, Director 9 outlined the situation his board faced:

... what we found there was when you took out the ones who had no capacity, there wasn't a lot left.

Director 5 agreed with the exception of larger companies who were able to secure the strong female candidates. He also picked up on 'the capacity problem' explanation:

I think in a way the top end [of the NZSX] is probably becoming less of problem as there are more women coming through. But, what you tend to find, is the really good women are in big demand; that's the issue.

5.5.1 The capacity problem – Summary and discussion

In summary, the capacity problem describes a situation where the most sought-after women in the directorship pool are already fully committed, effectively making the pool even shallower. The literature refers to women who serve on multiple boards as *golden skirts* (Huse, 2012). Hawarden (2018) found this phenomenon does exist in New Zealand, concluding that less well-connected women are missing out. Perhaps boards are limiting their options when they do seek a female director, because they are focusing on the 'golden skirts'.

5.6 The pipeline problem

Another theme that emerged from the open questions was the pipeline problem; several participants held a view that the pipeline to the pool had contributed to the low number of women on boards because it too reflected a significant gender imbalance. Some interviewees considered it a legacy issue, while others thought it was an ongoing concern. Director 4 alluded to a legacy issue in the pipeline:

You're not dealing with the gender mix of senior management teams necessarily as at today, but perhaps what it might have been say 20 years ago or 30 years ago, because the people who are coming through to director positions were starting out their careers 20 or 30 years ago in senior management.... I mean, I started out in senior management teams a good 30 years ago, and truth is I have never had a female boss; so that sort of gives me an indication of how much there wasn't a balance.... I suspect part of that 80:20 is a legacy issue about how it used to be.... It's a throwback to what was happening in senior management teams over the past 20 years.

His sentiment was reiterated by Director 10 who emphasised an ongoing issue in the pipeline:

The reason there's not that many out there is because there's not that many women working in highly-paid specific skillset jobs in corporate New Zealand.... When you look at that next level down; the ratios are pretty much the same. There aren't as many really profile capable females in enough of those senior roles.

And Director 5 said addressing the pipeline is a key step to increasing the pool of female director candidates:

What we've got to do is encourage more women to come through the senior executive ranks, to come into CEO ranks, and then go out to governance.

Director 4 had also observed that there were notably less women going through directors' training programmes.

5.6.1 The pipeline problem – Summary and discussion

In summary, the pipeline problem describes the lack of women filtering through to the pool. Participants emphasised the legacy impact of this phenomenon, but some articulated ongoing concerns about it. The literature review found that based on the

required 'bundle' of experience, the low-flow pipeline is indeed an ongoing problem with only a handful of female CEOs in the top 100 listed company boards (MacLennan et al., 2018) and a similar percentage of women in listed company officer (senior executive) roles as in governance roles (NZX, 2019b). Furthermore, the literature review found that the low-flow pipeline is also leaking (Davies, 2011; McKinsey, 2011; Ministry for Women, 2016), due to the *double burden* of work and home responsibilities shouldered by women (McKinsey, 2016), and women choosing to become entrepreneurs (MYOB, 2015; Withers, 2017). While the participants recognised the low-flow through the pipeline, they did not mention the leaks.

5.7 The network problem

In response to the open questions, interviewees did not mention women's personal networks as a factor contributing to the lack of female directors on listed company boards. However, during the structured questions they were asked to consider if personal networks were behind the situation.

There was mix of responses; two interviewees responded with 'yes', two with 'in the past', two with 'probably', three with 'no' and one with 'unsure'. Perhaps more telling was their commentary around the topic which was split between the impact of an individual's networks which is dealt with in this chapter on micro-level findings, and the impact of the board's networks on the recruitment process which will be addressed in a later section on meso-level findings.

Three interviewees reflected on their own personal networks and concluded that those had been useful to their governance careers. Director 4 said:

If I think about how I have got other directorships, some of those have actually been through the boards that I'm on.

Director 7 concurred:

In fact, I don't think I've ever applied for a role.... I've never actually said, "Hey, I want to put my hand up, pick me, pick me." So, that's all come out of networks.

And Director 3 shared his personal experience of assisting women who were facing challenges of not being able to break into the existing establishment:

I do get approached by a lot of people searching for directorships who are struggling to get in, or perceive that they're struggling to get in. They are often women and often do lack the, kind of, traditional networks.

Meanwhile, Director 2 had first-hand experience when he was told his nomination wouldn't fly because he didn't have a particular type of network, which lead him to consider whether women faced that issue:

I have been asked to go into the process for a couple of publicly-listed roles recently, one of which the feedback I got was "Well you're not connected enough into [a specific group] mafia". That wording was used by them, implying that there's sort of a network of directors from [a specific group] and you're not part of that.... It never struck me as that, because I didn't think that was the case, until I got that feedback.... But then, you think "God, is there a cadre of men that are biasing against women in that way?"

Coming from a different perspective, four directors spoke of how nowadays women had their own strong networks to leverage for directorship nominations, including the Global Women organisation, and so the lack of traditional networks was no longer an obvious handbrake. As Director 8 said:

I think personal network is important, and I think women probably bring more personal networks than men do.

Director 5 also noted that he had reports of older male directors like himself providing more support to up and coming young female directors than the more established female directors who had been dismissive:

One of the criticisms I have heard from a number of prospective or young directors - that are women directors - is they've found the senior women who are already established not helpful at all.... "Look, I had to do it hard, so you can do it hard as well".

And then two directors thought that networks were potentially a moot point now given the recent demand for female directors and the corresponding 'supply-side struggle'. Director 9 explained why networks are no longer a necessity for prospective female directors:

From the searches that I have been involved with, I don't think the lack of a network for a woman director is an impediment. The pool is not that big.... They will be found.

5.7.1 The network problem – Summary and discussion

Networks are an example of what Acker (2012) describes as 'gendered substructures'; subtle disadvantages that women experience in the workplace. The literature picks up on three aspects of the network problem.

The first aspect is that women lack access to the existing network of (mainly male) directors, so they don't have the contacts to vouch for their board appointment. For example, research from Davies (2011) judged male networks to be a major reason for underrepresentation of women on boards, and a global study by Groysberg et al. (2016) proved that one third of board appointees are personally known by a current board member. Indeed, there was a general sense amongst participants that their personal networks had contributed to their own appointments and to the current low numbers of women on boards.

The second aspect of the network problem, mentioned by a single director, is that women are spurned by other more powerful women in their network in a position to help them. This is known as the 'Queen Bee effect' (Kanter, 1977). For every isolated example where this effect is reported in regard to governance, there are many others that prove it is the exception rather than the rule; one only has to look at the female directors who volunteer their time to Global Women projects.

The third aspect of network problem identified in the literature is resource dependency theory that examines whether women's own (mainly female) networks will have the social capital to add value to their appointment prospects (Singh & Vinnicombe, 2004; González Menéndez & Martínez González, 2012). In the face of the 'supply-side struggle' perhaps what has been a negative for women could become a positive due to the value of their female networks? While there was mention from a few interviewees about the momentum of women's own networks such as Global Women, only one discussed it in terms of being a bonus to the board.

Finally, some interviewees felt that the network effect could be wearing off due to the willingness of some established male directors to introduce women to their networks

and some participants went so far as to suggest that male directors' personal networks were becoming redundant in the face of the 'supply-side struggle'. Just as there were differing views among interviewees as to whether women's networks were holding them back from directorships, so there were in the literature review. On the one hand Chen (2018) and Evans (2019) described the ongoing existence of exclusionary networks, while on the other hand Withers (2017) said for the most part, they were a thing of the past.

On the whole, as in the literature, there was not a clear position amongst participants as to whether women's networks were, or were not, a *current* barrier to more women on boards.

5.8 Sufficient female role models

In response to the open questions, none of the participants volunteered a lack of female role models as contributing to the low number of women serving on listed company boards. Interviewees were later asked directly if they agreed that a shortage of female chairs to act as role models was a contributing factor. Director 1 was the only interviewee to agree with the statement and he was specific about how additional female chairs could serve to increase the supply of female directors:

I think if there were more role models it would give women more confidence they could do it.

However, two interviewees thought there had been a recent increase in female chairs and described the benefits of female role models. Director 2 said:

If I look at some of the females that I know who are chairing boards and doing really good work around the mentoring space, I just see in the next five to ten years it's going to change a lot.... I think right now there are some really good role models that aspirational people can go and look to, and see a really effective role model, well proven, good capability, good experience.

Two interviewees thought there were plenty of role models already. One of them, Director 10 made the point that prospective female directors did not need a *female* role model, just a role model:

There's absolutely nothing wrong with a woman going into her governance career and really admiring a male Chairman or a male director and saying, "I really respect them." You can't be aspirational just only from a women's space. I think that's wrong think. It's about the people. What inspires you about this person who is chairing this business or this person who's done something really significant in the business environment? I don't think there's a gender bias there.

Two directors thought that role models were simply not an influencing factor. Director 4 was one of those:

The women I serve on boards with... I wouldn't get that sense. I wouldn't think that that played a big part in whether they'd be interested in being a director to be honest.

There were a few mentions from interviewees about how some current female directors came across as 'tough', 'defensive', 'aggressive', or 'hard-nosed'. Director 5 inferred this might deter other women from wanting to be a director:

There are quite a few women that are Chairs of big companies. I think part of the challenge might be that there's a perception: "How demanding is it, will I have to be as hard-nosed as them?" If you look at one of the characteristics you will often see on new women when they come onto boards, they have a perception they need to be harder than the boys.

5.8.1 Sufficient female role models – Summary and discussion

Overall, a lack of female role models did not feature highly in the list of micro-factors contributing to the low number of women on boards. No participants volunteered this as an explanation. Then, when asked directly, only one interviewee agreed a shortage of female chairs acting as aspirational role models could be a contributing factor. Other interviewees thought there were already sufficient, due to a number of recently appointed female chairs, and plenty of existing role models (including male directors). Some thought role models were not an influence on whether women decided to become directors at all. The supposed or observed benefits of female role models to female directors included instilling confidence in others and demonstrating what an effective director looked like.

There could be debate about how many female role models is enough. What is known is that there are only six female chairs amongst the NZX 50, equivalent to the number

of male board chairs named David (NZX, n.d.-d). However, lacklustre opinion from some participants, about the part female role models play in lifting the number of women on listed company boards, is in stark contrast to the literature. Davies (2011) is clear about the circular nature of the problem; few women on boards leads to few role models, which perpetuates the issue. Research from Ibarra (2003) shows the value of role models to women progressing in their careers. This value takes many forms, including demonstrating how to respond to situations, how an organisation values women, and what is possible for women (Sealy, 2009; Davies, 2011). Also, fuelling aspirations, and breaking down stereotypes (Singh & Vinnicombe, 2004). Furthermore, the gender of the role model is considered material to the concept (Gibson, 2004; Sealy, 2009; Carter, 2018).

In an iterative manner, a dearth of visible role models in New Zealand is likely contributing to the low number of women on boards; but this phenomenon is at odds with the opinion held by most of the participants in this research.

5.9 Summary of micro-level findings

This chapter detailed and discussed themes identified at the *micro*-level (Pringle & Ryan, 2015), also referred to as the *individual*-level (González Menéndez, Fagan, & Gómez Ansón, 2012; Devnew et al., 2018). The participants' explanations for the low number of women on listed company boards in New Zealand had to do with the women themselves and as such, were categorised as *supply*-side explanations (Davies, 2011; Teasdale et al., 2012). They included six interlinked themes; the supply-side struggle, the pool problem, the specific disinterest problem, the capacity problem, the pipeline problem, and the network problem. Generally speaking, women's personal attributes were not seen as contributing factors, and female role models were thought to be sufficient. The supply-side explanation themes are summarised below in Table 5.3.

The overarching perception of participants is that there are not enough women with the right experience in the pool. This is the result of legacy issues with the pipeline which may be ongoing, and the 'bundle' of experience currently required. The 'pool problem' is seen to be exacerbated by women in the pool who may be disinterested in serving on specific boards, or who may be fully committed.

Furthermore, for those women who are in the pool, a lack of the right personal networks is viewed by some as a potential barrier to being nominated and/or appointed to a board.

Table 5.3: Supply-side explanations for the low number of women on listed company boards in New Zealand

Explanation category	Explanation themes	Explanations
SUPPLY-SIDE EXPLANATIONS	The supply-side struggle	It is a struggle to find women with the right experience who are available and interested
	The pool problem	Not enough women have the right type of experience
	The specific disinterest problem	Some women are disinterested in specific boards, not in governance generally
	The capacity problem	Sought-after women are already fully committed
	The pipeline problem	Legacy issue – not enough women coming through
		Ongoing issue – not enough women coming through
	The network problem	Legacy issue – women haven't had the network to leverage
		Ongoing issue – women don't have the network to leverage

Chapter 6 Meso-level findings and discussion

6.1 Introduction

This research sought to ascertain how male directors on listed company boards in Aotearoa New Zealand explain the low proportion of female directors on those boards.

The previous chapter explored micro-individual supply-side explanations. This chapter details and discusses the themes identified from amongst the explanations to do with the board environment. These are findings focused at the *meso*-level (Pringle & Ryan, 2015), also referred to as the *organisational*-level (González Menéndez, Fagan, & Gómez Ansón, 2012; Devnew et al., 2018), and in the context of this study, *demand*-related (Davies, 2011; Teasdale et al., 2012).

There were eight key themes to emerge at the meso-level, many of them inter-linked: influential major shareholders, ambivalent chairs, search and selection hurdles, unreceptive board culture, the tenure blockage, observations on size, the generational premise, and the androgynous assertion. Each of these themes is explored in detail.

6.2 Influential major shareholders

Some listed company boards include a director(s) who represents the interests of a major shareholder(s). Director 8 explained how major shareholders can also sway the board appointment process:

The principal shareholder holding that level of shareholding would expect to have some say, and you would imagine would have some influence over the appointment of directors.

Directors on male-only boards reported that their major shareholder influenced the initial and ongoing gender homogeneity of their boards through three interconnected behaviours: risk aversion, reliance on networks, and low prioritisation.

6.2.1 Risk aversion

Director 2 explains how risk aversion is the go-to mindset of directors on the board who are representing the major shareholder:

Given that there are shareholder-appointed directors on the board, my sense is they don't really like to take a risk. In other words, you know they'll go to a proven set of capabilities as opposed to a potential set of capabilities.... I think they tend to err on a lower risk approach and go 'Give me the most proven and capable people that you can'.

6.2.2 Network reliance

Director 9 points out that the major shareholders on his board wanted to appoint people they know and trust to be directors, particularly in their position as company founders undertaking an initial public offering (IPO):

[The male founders], decided that they were going to do this thing. They realised that they were a little headstrong and a bit short on the practicalities; so, they [brought on] trusted advisors who they had worked with previously, as fellow directors. So, it was all about who had they worked with before and trusted to be part of what they were creating.

There was no thought given to gender, it was just about who they already knew and trusted within their network.

6.2.3 Low prioritisation

Director 2 reported that gender diversity was not a priority for their major shareholder:

I think the owners don't see it as being an important part in their decision-making ... it just doesn't seem to make their radar ... you know, they don't see [gender diversity] as being an important attribute.

6.2.4 Influential major shareholders – Summary and discussion

Directors on male-only boards reported that major shareholders decided who was appointed to represent their own interests on the board (it could be themselves) and would also have a say on the appointment of other directors. In this way they influenced the initial and ongoing gender homogeneity of the board through three interconnected behaviours: risk aversion, reliance on networks, and low prioritisation.

Kanter (1987) identified that risk aversion led people to make safer choices, choosing the known over the unknown. This default behaviour is questionable, given that

research from Russell Reynolds (2009) into the opinions of Fortune 250 directors shows women are valued for the different perspective they bring to assessing risk, particularly useful in a VUCA environment. Other research shows that women are more likely to ask more and harder questions and pursue direct and detailed answers than their male counterparts (Kramer et al., 2006), which would seem to be useful behaviour in risky situations. It points to a potential difference between the boards that include major shareholder representation and those with exclusively independent directors who have bought into the business case for gender balanced boards and have women on their boards, demonstrating principal-agent theory (Aluchna & Szapiro, 2018).

The finding that major shareholders often rely on their (mostly male) networks to appoint directors is borne out in the literature. KPMG (as cited in Caplin, 2019) found that nearly three quarters of start-up companies founded by men have no women on their boards, rely predominantly on personal networks to recruit board members, and don't prioritise diversity. Perhaps this low level of prioritisation translates to newly-listed companies where major shareholders, often the founders, retain a significant influence and financial stake in the business, and they are either unaware of the business case, don't believe it, or their instincts outweigh the evidence.

6.3 Ambivalent chairs

The chair is elected by the board to provide leadership to their team of directors. A key part of their role is to lead the development of the governance culture (IoD, 2019). The interviewees included three chairs amongst their number.

Most interviewees, including those who were chairs themselves, agreed with the sentiment that the chairs views and actions contributed to the low number of women serving on listed company boards. There was one outlier opinion from a participant who said he had never observed a chair having a bearing on the gender of appointments. Director 5 outlined the importance of the chair's support in achieving more gender diversity on boards:

I think the way a board operates is heavily reliant on the quality of the Chairman or Chairwoman. The role of the Chair should not be underestimated. I know Mai Chen focused in on this in her diversity

stuff; that the role of the Chair is really, really important to encourage that.

Director 8 explained the chair's commitment to gender diversity was critical:

I think they would make a significance difference; so, if there's a lack of commitment to that concept then it's not going to go anywhere.... The chairman's decision carries a lot of weight. That person influences, quite considerably, the appointments.

It became apparent that the interviewees thought any degree of ambivalence from the chair towards the case for more women on boards in general and achieving a better mix of male and female directors on their own board, was a strong contributing factor to the low number of women on listed company boards. A sliding scale of chairs' commitment and an overview of accelerators and brakes demonstrated by chairs illustrate this point below.

6.3.1 The sliding scale of commitment

There was a sliding scale of chairs' commitment to increase gender diversity on listed company boards that was evident in interviewees' responses. The scale is shown in Figure 6.1 and ranges from leading efforts to increase diversity, to actually resisting them as witnessed by one interviewee who was himself a chair.

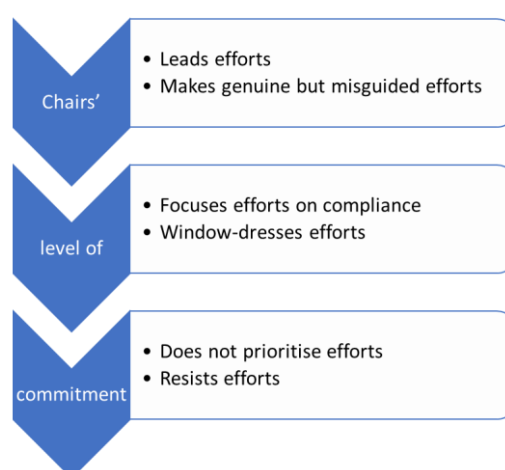


Figure 6.1: The sliding scale of chairs' commitment to increase gender diversity

Director 1 expressed his frustration about a chair who genuinely wanted gender diversity on the board, but his efforts were misguided when he unconsciously resorted to old habits that served to maintain the male-only status quo:

He'd be saying "We want diversity". That's what he says, but then what he does is he shoulder-taps the director and doesn't necessarily run a transparent process to find somebody new, is resistant to change, wants to make sure they're a good fit ... it's not intentional, it's just his unconscious bias right? Which is, "I do these things because I'm trying to solve another issue, but inadvertently what I'm doing is making it very hard for a female candidate."

Taking it down a couple of notches, two interviewees, including a chair, suggested that some chairs 'window-dress' their efforts. Director 10 observed:

I think it's that, "We really would love a female director", but all the body language and everything else says, "Except we don't really, but we can say well, we tried hard."

6.3.2 Accelerators and brakes

During discussion about the role the chair plays in influencing the number of female directors on listed company boards, interviewees mentioned specific attitudes and actions from the chair that could function as an accelerator or as a brake. These are outlined below in Table 6.1 and Table 6.2 respectively.

Table 6.1: Chair attitudes and actions functioning as an accelerator to increasing female directors on listed company boards

The Accelerators - chair attitudes and actions
Prioritising board gender diversity
Focusing on the benefits of diversity
Demonstrating authentic commitment
Setting an objective for gender diversity on the board
Structuring the directorship so women have a 'fair-go'
Driving a transparent, formal nomination process
Ensuring women are on the nomination shortlist

As mentioned by interviewees

Table 6.2: Chair attitudes and actions functioning as a brake to increasing female directors on listed company boards

The Brakes - chair attitudes and actions
Resisting
Window-dressing
Focusing on compliance
Exuding a 'boys-club' vibe
Valuing 'good fit' over diversity
Relying on own limited networks to identify board candidates
Shoulder-tapping

As mentioned by interviewees

An example of an action that functions as a brake is valuing 'good fit' over diversity.

Director 1 explained:

The concept of 'fit', I think that's a big blocker. Some chairs ... must have control, and they want to be able to manage their relationships. And actually, diversity is harder to manage than conformity, so people don't necessarily want the aggravation. And I think that's part of the issue.

6.3.3 The chair – Summary and discussion

Almost all interviewees agreed that the chair's views and actions had an impact on the low number of women on listed company boards. Any sign of ambivalence from the chair in terms of 'the sliding scale of commitment' was having a negative effect. At the top end some chairs were seen as leading efforts, while at the bottom end some chairs are even perceived as resisting efforts. Evidence from two United Kingdom studies over a decade apart showed that some chairs of FTSE 100 company boards had not bought into the case for social justice or the business case (Russell Reynolds, 2002; Davies, 2015). This indicates the potential for the sliding scale. Recent informed commentary in New Zealand and Australia indicates that chairs are thought to be primary influencers on the gender balance of their boards (AICD, 2019; Hawarden, 2018; Stock, 2019;) and demonstrates the latent power of attitudes and actions that act as brakes instead of accelerators.

6.4 Search and selection hurdles

Aspects of search and selection practices were spontaneously raised as potential hurdles to women securing a directorship, by interviewees during the open questions. When directly asked to reflect on whether the recruitment process was in part responsible for the low number of women around listed company boardroom tables there was no alignment in their responses. They ran the gamut from 'Unsure', 'Yes' and 'Yes, but changing' to 'No, it's recently changed' and plain 'No, not at all'. Director 10 was most emphatic that there were no barriers in the recruitment process for women, indeed he felt the boot was on the other foot:

No, there's no barriers.... In actual fact a friend of mine who was in consideration for a directorship and I said to him, "How did that go? How did that end?" He said, "Too old, too white, too male."

Director 7 concurred with that assessment:

Look at me; I'm your classic male, pale, stale.... If I had been trying to launch a governance career now, I'd be toast. I can think of one or two people who not much later than me tried to launch a career and they've really come up with real roadblocks

Despite the initial variations in opinion, during further discussion about how search and selection could influence the number of women on listed company boards, participants did pick up on three distinct points including degrees of proper process, ineffective executive search firms (ESFs), and the narrowly defined 'bundle' of experience.

6.4.1 Degrees of proper process

In discussing the search and selection process with interviewees, it became apparent that they think there are degrees of proper process; the more informal the process, the higher the use of established networks, and in turn, the more negative the effect on female board appointments.

This is clearly illustrated by Director 9 who compared two search and selection situations on one of his boards. In the first situation an informal process was followed; there was a discussion around the table dominated by the majority shareholder before the (male) nomination. In the second situation, the majority shareholder was also

exerting influence to nominate a particular male candidate. However, consistent with good governance practice, by this time there was a matrix in place which identified the gaps on the board and ensured that the eventual (female) nominee did fill those gaps.

Three degrees of process emerged; the informal process, the formal process, and the hybrid process.

The informal process

Several interviewees, such as Director 4, talked about the informal process and how it had hampered the recruitment of women onto the board in terms of the past:

When it was very informal... it comes back to those networks like, "Who do you know?" "I know so and so and he would be quite good," and "Bring him in, and if he fits in well, we'll have him." If the current board members didn't know of any potential female directors, then that's the way it was going to end up

This was confirmed by Director 9 who had himself been shoulder-tapped for three directorships of listed company boards by people who knew him or knew of him. He described how his board started the search for a female director:

We started off with personal contacts and who do we know.

Director 5 suggested the informal process still existed in smaller listed companies:

More robust [in the larger listed companies], but less though as you go down, would be my observation

And this was confirmed from comments made by interviewees who were directors on the boards of smaller listed companies, like Director 8:

It's often through board networks, yes.

Director 1 had an unfavourable view of closely connected male-only boards and particularly how the chair's networks affected the nomination chances of women:

There's a lot of grey hair around, and a lot of people who've known each other for years and there's a network.... The chair likes to have people they can work with, and so they tend to go with people that they know. And if they don't have a broad network, and typically they're 65 and they probably haven't had a lot of exposure to diverse

candidates in their time, and so they tend to go somewhere that's safe rather than take a risk on somebody they don't know.

The elements of the informal process were identified by interviewees as:

- Existing board members using personal networks to identify potential nominees
- Existing board members shoulder-tapping the nominee

The formal process

Several interviewees talked about a formal search and selection process happening in their boards nowadays, as opposed to the informal processes of the past. As an afterthought, two participants expressed their *hope* that this process was happening in all listed companies, not just theirs. There was also recognition from two participants that the boards of smaller listed companies may still be following an informal process.

Director 4 communicated this idea:

It used to be that actually most directors were appointed through these quite informal 'who you know' type processes. It's very rare these days for particularly a big publicly-listed company to do that; they really have to follow probably a much better process than that, and most of them would do so

Director 6 was adamant that shoulder-tapping is a now thing of the past for his boards where proper search and selection processes are followed, and in fact they aim to find someone from *outside* their network:

This idea that there's a shoulder-tap process, that doesn't occur around me; I don't see that. The typical process I go through is a serious search for talent, and if anything, I have a preference for people who are not close associates of anyone else currently on the board.

That view was reiterated by Director 2:

I disagree with this, because by implication I think that this suggests that the board appointments are done by a shoulder tap or the influence of someone on the board.... I can't recall an instance where the chair or somebody says, 'Well I've got a mate... let's put them in the role'. And my sense is, certainly on all the boards I'm on, that that would be the best way not to get appointed. Everyone wants to see an open and proper process

The elements of the formal process were described by interviewees as:

- Being robust
- Being open, transparent, and clear
- Using a matrix to identify the skills and characteristics needed to fill a board vacancy
- Specifically requesting gender diversity as a search criterion
- Using a third-party search firm to:
 - Identify potential nominees based on search criteria
 - Check the capacity of potential nominees
 - Approach potential nominees and liaise with the board

The hybrid process

‘The hybrid process’ is a referral to employing the formal process while retaining elements of the informal process. Sometimes the process was explained as being openly and deliberately hybrid. For example, two interviewees including Director 5, noted that their boards added candidates to those identified by a search agent:

The [larger listed companies] would use search firms to do it these days; that doesn't mean to say the Chair or other directors might lob some names in.

And at other times the hybrid process was disguised as a formal process, presumably for the sake of stakeholder palatability. Director 1, was positive shoulder-tapping still occurred in some board appointments:

Yes. I'm sure it does. And if it's not overt, it's kind of, hidden. Which is like "We're looking for a director, do you want to apply?", because I know this person and I'll give them a good reference.

When commenting on how many listed company board appointments would involve an ESF, Director 2 also inferred that sometimes the formal process might be ‘window-dressing’:

Yes, I'd have said 'almost every'. I'd be surprised if they didn't. And even if they had a pre-determined outcome, they'd probably use a search firm to go through the process. That makes a bit of a façade but...

6.4.2 Ineffective executive search firms

Three participants shared anecdotes about the lack of effective contribution from the ESF they had employed to aid them in their search for a suitable woman to nominate to their board. This is illustrated by Director 9:

They were a bit lazy, I would have to say. Our expectation was they would have their own contacts.... What we tended to get was "Here's a list of 30 women who are on boards in either Australia or New Zealand, who have some accounting experience". It was like ... "Hold on, we'd already sort of done that ourselves." So, that has not been a very helpful source.

Two other interviewees mentioned the necessity to push-back on ESFs who presented them with a list of prospective candidates that was not sufficiently diverse. Director 6 described how it had unfolded for his boards:

At times they'll come up with the list and we'll have a look at it and say, "This is insufficient. We need to go again. Do not bring me the usual suspects."

Director 7 describes how in order to serve their clients expediently, ESFs had perpetuated the existing practices that negatively affected the nomination of women onto boards:

I suspect in the past the agencies have reflected the bias, or the habits or the practices of [their clients]. The available candidates tend to be people that are known to the board. If you put names in front of the board that the board recognise and think, 'Oh, that's a good name,' whereas you could put names to the board they've near heard of, you've got slightly more work to do.

6.4.3 The narrowly defined 'bundle' of experience

Two participants thought the current narrowly defined 'bundle' of experience required for 'pool entry' favoured male selection over women. Director 1 articulated the issue and was vociferous about the need for change:

Part of the issue is, how do you characterise a good director and what are the skills you need to be a good director?... Whatever it is, it's graduated to quite a narrow definition. And under that definition there's not a lot of women candidates today.... But I think that definition is flawed, and what it does is it restricts people with good

skills from becoming directors.... I think [it] is something that needs to get challenged pretty heavily.

He went on to depict different sorts of experience commonly associated with women, that would be useful on a listed company board:

You need to have a breadth of experience. And that doesn't mean it's a narrow business definition.... I think there are a lot of women out there who've got really good experience, probably at the customer end and market end, but not necessarily that hard-nosed commercial experience. And we miss some of that – we have companies that become very commercial but lose sight of their customer.

Director 3 agreed with this issue, but felt that change was in sight:

The skills matrix was defined in such a way as to skew towards male attributes.... That is less the case at the moment. The skillsets are broadening in most work.

He also enlarged upon the view that there could be other valid experience to consider:

You could well see a role for people with other kinds of experience, be it education experience, or simply life experience, would be just as useful.

Director 7, indicated that the 'bundle' had a gendered element to it:

... an unconscious resorting to skillsets with which you're familiar, and they would typically tend to be more male than female

And Director 4 said about the preference for previous board experience:

In a way, there's a bit of self-perpetuating stuff going on there

And Director 10 described how he was open to other directorship candidates with different types of governance experience; even a potential advantage of that:

I've never been afraid of choosing someone with limited governance experience.... The governance process is pretty standard; whether it's not-for-profit; whether it's a school board; whether it's something that you've been involved with in the community or whatever. The governance process is not that difficult.... It's that toss up; do we take an experienced person? Because some experienced directors come with their own piece of baggage and their own way of thinking.

However, he would have a battle on his hands with Director 6, who was adamant that experience as a director was essential:

I'm not a fan of "well we'll put someone on to the board of a listed-company and they can learn their craft here." You know, I'm saying, we're paying you \$200,000 a year, you're one of five of us, or one of six of us, and this isn't 'The Apprentice'. You need to come here ready to play your position and do a good job.

6.4.4 Search and selection hurdles – Summary and discussion

There was no consensus about whether search and selection practices were or were not a reason for the low number of female directors on listed company boards in New Zealand. As a result of consultation and investigations, Davies (2011) was adamant that search and selection practices including nomination committee processes and ESFs were contributing to the situation in the United Kingdom.

Some participants even claimed that the boot is now on the other foot - there are no hurdles for women, indeed it is men who face hurdles during search and selection. They could perhaps seek reassurance from NZX (2019b) who reported that men still represent 61 percent of new appointments to listed company boards in New Zealand.

Aligned with the views of Davies (2011), Sutherland et al. (2015), and Patterson (2017) there was common understanding amongst interviewees that informal search and selection processes used by nomination committees would be detrimental to female directorship candidates and formal processes would be more favourable. However, there was no unanimity about the actual degree of process listed company boards were undertaking. Some participants assumed that all boards were following a similar formal process to their own, but it was clear from other participants that there are boards in the throes of transitioning from an informal process. The concept of a hybrid process emerged where the reliance on networks and shoulder-tapping still exists alongside more formal processes. This practice in was identified in New Zealand boards a decade ago (Hawarden, 2008), and again recently (Chen, 2018).

Another key explanation provided by some interviewees were ineffective recruitment agencies who were more concerned with placement expediency than candidate diversity. These opinions align with that of Withers (2017). Davies (2011) made

detailed recommendations about improvements in ESF practice in the United Kingdom, including the introduction of a voluntary code of conduct, which has been implemented (Department for Business, Innovation and Skills, 2017). While some ESFs in New Zealand follow this and other overseas codes, there is no equivalent New Zealand code. Picking up on a point made by some participants, Ellett (personal communication, May 20, 2019) pointed out it can be challenging for ESFs to put forward female candidates in the face of some nomination committees' rigid list of requirements and penchant for names they already know.

Research and qualified opinion points to board nomination committees as being very narrow in their defined requirements, effectively blocking women from directorships (Russell Reynolds Associates, 2009; McKenna, 2019). Some call these out as merit biases or merit myths (McKay, 2016; Annese, in Court, 2019). Although it varied in intensity, there was consistent recognition from several directors that the current 'bundle' of required experience was quite narrow and hindering gender diversity on boards, and that other types of experience could be both useful to the board and open-up nominations to more women in the face of existing supply-side constraints. This recognition goes some way to acknowledging the existence of a gendered substructure as described by Acker (2012).

Perhaps unsurprisingly, there was no recognition of the social identity theory that women with the same experience or performance standard as men could be judged as lesser than their male counterparts (Goldin & Rouse, 2000; Singh & Vinnicombe, 2004).

6.5 An unreceptive board culture

An unreceptive board culture emerged in a few guises as a potential explanation theme for the low number of women on listed company boards including a 'lad' culture, bias around the boardroom table, and low prioritisation of gender balance. However, these explanations were not without dispute.

6.5.1 'Lad' culture

When asked if they perceived a difference between male-only boards and mixed boards some interviewees spoke about board culture. For example, Director 3 thought there was a difference in board culture:

"I think the culture around the board table is more laddish, boyish in the male-only boards."

Whereas Director 7 was adamant there was no difference in board culture:

"We don't have locker talk, unlike that idiot Trump. We don't talk about rugby..."

Director 6 agreed with that sentiment and was almost offended at the idea of any institutional sexism:

I think that's rubbish personally ... I just don't experience that; a sexist board conversation that I have noticed.

6.5.2 Bias around the boardroom table

Bias around the boardroom table, ranging from sexism to unconscious bias was proffered as an explanation, notably by interviewees serving exclusively on mixed boards. Director 3 was the most singular and forthright:

I think there's only one reason, which is that many male directors believe that women are not equal to men.... They don't have equal quality to serve on boards as a general principle - that men are more likely to be successful directors than women - I think is the view they hold.

He also described a very recent experience of sexism at governance level:

In the last couple of weeks, I have heard directors saying things like, "Oh, yeah, we need to appoint a new director. You know, looking at the board it's probably going to have to be a woman," which is kind of a phrasing that kind of tells its own story doesn't it? So, that's in the world of what I call covert sexism.

And Director 6 alluded to a potential generational aspect of bias:

I suspect there are some directors who – and I wouldn't say don't value women's contribution – but are very conservative and traditional in their views, and these would tend to be the older ones. So, it's got some sort of generational theme to it as well.

While Director 5 pointed out how unconscious bias about the required 'bundle' of experience contributed to the situation:

I think there is some unconscious bias, because I think it's easy to say, "They're not good enough, or they're not up-to-speed," and stuff like that.

6.5.3 Low prioritisation

Treating gender diversity as a low priority was directly mentioned or inferred by participants as a potential explanation. They talked about a few aspects that kept gender diversity down the priority list; being stuck in a compliance mindset as opposed to buying into the business case was one mentioned by Director 1:

There's a bit of a mix: I would say there's the compliance aspect where they are dragged a little bit kicking and screaming, but there's also a large and growing percentage of male directors who acknowledge absolutely that having a diverse board is a good thing.

Director 7 also thought that although most boards were convinced about the benefits of diversity, there were some with a compliance mentality:

Are some women being appointed just so they can report on the annual report that the numbers aren't so bad? I think the answer is probably yes, but I think that's been the minority of cases.

Director 9 had experienced the compliance mindset on his board:

It's because you get to the point where you're just a bit sick of having the question: How many on your board?

And Director 1 pointed out that prioritising gender diversity could be a tenuous thing if other higher priorities came to bear:

Particularly when the board is under the pump... and if they're looking for a certain type of experience and they can't get it they'll de-prioritise diversity. And we all know that with human behaviour you tend to hire in the mould, so if you're not consciously trying to create diversity you unconsciously end up with no diversity.

6.5.4 An unreceptive board culture – Summary and discussion

An unreceptive board culture emerged as a potentially contributing to the low number of women on listed company boards. Note that not all directors agreed with any of these explanations.

An explanation that was raised in relation to an unreceptive board culture included the existence of a 'lad' culture on some boards. In direct contrast to one of the interviewee's denials, Withers (2017) mentioned her experience of having to listen politely to discussions about rugby and golf.

Another explanation was centred on bias around the boardroom table. Theory does support the presence of unconscious bias that may unwittingly add to an unreceptive board culture. Acker (2012) described *gendered substructures* that on the surface seem the same for everyone, but in reality, they disadvantage women. Examples include a reliance on gendered networks and a gendered 'bundle' of required experience as previously discussed. However, Russell Reynolds Associates (2009) found that gender stereotyping was becoming increasingly rare.

The final explanation was related to gender balance being approached with a compliance mentality rather than as a business priority. Recent New Zealand-based research indicates that this is indeed likely (Deloitte, 2017).

6.6 The tenure blockage

In response to initial questions on the broad topic, the long tenure of existing directors was raised by participants as a potential blockage to opening up directorship vacancies for women. It was also directly posed as a potential explanation and further discussed during the structured questions. Key explanations of tenure as a blockage were connected to loyalty, constraints on board size, resistance to moving on, and absence of a regulating mechanism to prompt that.

6.6.1 Loyalty

For Director 8 while gender diversity was recognised as desirable, it was not seen as easily achievable on his male-only board when there were long-serving directors with established relationships to consider:

We can only then but wait for a board member to resign, or we initiate a resignation to do the latter. It touches on loyalty and the fact that you might have been on a board with other members for a long time, contributing quite happily. Why would you want to resign? Or put pressure on me to resign?

6.6.2 Constraints on board size

Two directors raised small board size as a constraint in the face of unregulated tenure. Director 9 described how it was not as easy as expanding the size of the board because an extra director represents an additional and unwelcome cost to the company:

The director's fee pool wouldn't support an extra director.... In fact, every listed company I have been on the board of will run into that director's fee pool limit, and directors hate going to shareholders to get the pool increased.

6.6.3 Resistance to moving on

Director 5 clearly expressed his frustration with excessively long tenures and questioned the contribution a director would be making after many years:

I think if you go down and look at the companies around the 100ths in size, you will find a lot of directors that have been there for a long time.... You will find some board members that have been there 16 or 17 years. And, by its nature you will find a lot of them are veteran, white, male directors. Let's look at [a current long-serving director]. He's been the Chair for [so many] years for God's sake. Come on! It doesn't matter whether you're good or not. If you haven't given your best ideas after [that many] years you're never going to!

Director 3 explained his board's current scenario where tenure was a stymie for prospective female directors when there was no turnover and no corresponding vacancies on boards:

I'm experiencing that at the moment in a board that does need to make some change. And you know, some of the older serving people are not wanting to move on, and that is slowing down the process of getting gender balance.

And his position was endorsed by Director 4:

I think there are some directors who hang around far too long ... if there's been traditionally more males on boards and the longer they stay there, the less rotation there is, and it will take longer to change.

6.6.4 Absence of regulating mechanism

Most directors thought if there was a regulating mechanism like a limit of three 3-year terms, with some discretion for extraordinary circumstances, that would boost

turnover in turn creating more vacancies and therefore more opportunities for women to join the board (not to mention more prudent governance practices). They mentioned this could be incorporated within existing means including the board charter, resolutions, and appointment letters. However, two interviewees including Director 6 preferred to rely on the Chair to manage turnover through board review and self-assessment processes:

I think there is a problem with all of this, in that we are very poor at self-assessment of our relevance over time, and definitely a role of the Chair, through the process of board review, is to talk with every director around your contribution, your effectiveness, connectivity and so on, and also your tenure.

6.6.5 The tenure blockage – Summary and discussion

There was general alignment between participants' views that long tenure was a blockage to turnover and the subsequent opportunities for more women to be appointed to boards. The specific explanations within the tenure blockage theme included loyalty between existing board members, constraints on board size, and resistance to moving on from some long-standing board members. The literature supports the premise that long tenure is an explanation for the low number of women on listed company boards (Sutherland et al., 2015; AICD, 2015b; Wakefield Evans, 2015). Participants also discussed the absence of a regulating mechanism to prompt turnover when self-regulation was not working. Investigations confirm that the New Zealand Stock Exchange has no prompt in place (NZX, 2019d) while the Australian Stock Exchange has a 10-year tenure guideline (ASX Corporate Governance Council, 2019).

6.7 Observations on size

Two directors made a direct causal link between the low number of female directors and characteristics they associated with the boards of smaller listed companies. One of them was Director 5 who observed a clear difference between the higher percentage of female directors on larger listed company boards who valued and prioritised diversity, compared to the smaller listed companies who do not prioritise it and had few or no female directors:

My sense is that the larger organisations further up the NZX are much more conscious and have much greater focus these days around what I call the broader stakeholder; so that's around community, reputation, all those sorts of things. And, I think you're also seeing a lot of the people that are trying to drive the change in diversity who are also the ones that actually see the value in having more diverse boards.

Other participants also implied a connection. This relationship encompassed several meso-level explanation themes such as the tenure blockage including constraints on board size, low prioritisation, informal search and selection processes with their reliance on board networks, and unreceptive board culture including unconscious bias. Table 6.3 below summarises their observations on size, some made from inside the boards and others from outside.

Table 6.3: Observations on size (by market capitalisation)

Observations	Large listed companies	Small listed companies
% of female directors	Higher	Lower
Size of board	Larger	Smaller
Type of directors	All independents	Often executive or connected to major shareholder
Focus	Incl. broader stakeholder (e.g. community, reputation)	On major shareholder priorities [implied]
Turnover/tenure	High/low	Low/high
Age profile of directors	Younger [implied]	Veteran
Board and diversity	Value diversity and drive gender balance on the board	Higher levels of unconscious bias, lower prioritisation
Search and selection process	Formal, uses matrix and ESF	Informal, uses networks

6.7.1 Observations on size – Discussion

It is possible to corroborate some of the participants' observations on size against NZSX data. For example, the higher the market capitalisation of a listed company, the higher the percentage of female directors; women hold 28 percent of directorships in the NZSX 50 compared to 18 percent in the bottom 50 (NZX, 2019a). This pattern is also found on the Australian Stock Exchange (AICD, 2019). In addition, the larger the company by market capitalisation, the larger it's board; the average board size for the NZSX 50 is six to seven, compared to the bottom 50 which averages four to five

directors (NZX, n.d.-c). Burdon (as cited in Parker, 2019b) also noticed the phenomenon "If you look at larger NZX entities they are more representative and balanced" (para. 14). That begs the question of why. There are so many interrelated factors that it would be difficult to isolate the instigating factor. It may be related to proximity of the smaller companies to their founding origins. For instance, KPMG (as cited in Caplin, 2019) did find that the considerable majority of start-up companies founded by men have male-only boards recruited predominantly from their personal networks.

6.8 The generational premise

The generational premise is an abstract theme that cuts across other more concrete themes raised by participants. It took form as a recurring expression of the current gender imbalance on listed company boards being an inevitable product of the past. Interviewees use terminology including "generational", "historical artefact", "legacy" and "throwback" to describe the situation. And there is evidence of an associated assumption, frequently couched in passive terms, that the situation is "changing" and "transitioning". This is an example of it expressed by Director 6:

Historically men sat on boards and women didn't; so, I am sure that was our starting point and we are on the journey to something else.

Along the same lines Director 1 also said:

I think it's changing because we are seeing more women come through executive roles and law firms and the accounting firms.

And Director 4 echoed that:

I suspect part of that 80:20 is a legacy issue about how it used to be, and the fact that you had a lot more males being appointed to boards. And over time I think things will change.

Director 8 thought that boards were changing over time as the previous generation moved on – an interesting reflection in the light of the discussions around the tenure blockage:

I think any hesitation in the system is largely generational.... If I go back to [when I was first appointed as a director] there was as certain

protocol around appointing people, which was largely accepted by the market. We have now moved on from that. We are now accepting change and I think that's the single biggest thing, is time. We're just getting a new breed of directors coming through that recognise women as valuable contributors.

6.8.1 The generational premise – Summary and discussion

The generational premise is an abstract theme, couched in passive terms by interviewees, and associated with an assumption that things are changing and will continue to change. Given that they are the 'gate-keepers' and, as the macro-level findings will show, they prefer self-regulation to the imposition of regulations, this could be an interesting insight into why the dial on women's representation at board level is moving so slowly on listed company boards. In the face of these examples of passivity by those who hold the power to institute change, the increasing levels of exasperation expressed by commentators are perhaps understandable. Examples include Mau (2019) who was searing in her judgement, "The white men are comfortable in their boardrooms and they do not favour disrupting that comfort" (para. 23), and Burdon (as cited in Parker, 2019b) who took aim, "This is about individual leadership and taking accountability for addressing what is happening in the board room" (para. 22). Finally, MacLennan et al. (2018) fired both barrels at the NZX itself, labelling the lack of gender diversity on its board as a "woeful example" (p. 4).

6.9 The androgynous assertion

Another abstract theme, that cut across more concrete themes, was drawn from a rider that several interviewees added to their explanations. The rider had an element of androgyny to it; while the interviewee acknowledged a factor as adversely affecting the number of female directors, they proceeded to contend it was also true for males. This served as a sort of proviso as if to say that while the issue did affect women, it was not about gender per se. For example, Director 1 made the androgynous assertion when he talked about lack of appeal:

How do we make it more attractive for more women to go on to public boards? I think firstly we need to make it more attractive to be on public company boards for anybody.

And about requirements for directorship candidates:

I think that definition is flawed, and what it does is it restricts people with good skills from becoming directors. Frankly whether it's women or any other person.

Director 6 also made the androgynous assertion when he talked about requirements to get in the pool:

You're not likely to get through on being a fantastic single agenda, single skill, single capability person. That's true for everyone (male or female)

and Director 9 when he talked about major shareholder influence and networks:

It was all about who they'd worked with before and trusted to be part of what they were creating. There was no deliberate gender bias.

The androgynous assertion appeared several times in interview discussions about the recruitment process, inferring that although there were hurdles in the recruitment process that affected women, men also faced the same hurdles.

Once instance of this was when Director 10 talked about the skillset:

I don't see any evidence of anything going on in the recruitment process that makes it more difficult for women. A skillset's a skillset. Once again; they're never written with a gender in mind; they're just the skills that you're looking for.

Another instance was when Director 6 raised the potential issue of candidate visibility:

Being visible to recruiters may be an issue, but I think that's true for everyone.

6.9.1 The androgynous assertion – Summary and discussion

'The androgynous assertion', contends that what could be a contributing factor to the lower number of women on boards, is also true for men. This assertion has the potential to lay the issue back at the feet of prospective female directors and their shortcomings; a focus on "fix the women" as opposed to "fix the system" (Devnew et

al., 2018, p. x). The participants' statements don't acknowledge any potential discrepancy in the invisible hurdles female candidates face compared to male candidates (Acker, 2012), and minimise the hard facts: Women still represent less than one quarter of listed company directors, 20 listed companies in the top 100 have no women on their board, and 61 percent of listed company board appointments are still men (MacLennan et al., 2018; NZX, 2019b).

6.10 Summary of meso-level findings

This chapter detailed and discussed themes identified at the *meso*-level (Pringle & Ryan, 2015), also referred to as the *organisational*-level (González Menéndez, Fagan, & Gómez Ansón, 2012; Devnew et al., 2018). The participants' explanations for the low number of women on listed company boards in New Zealand had to do with the board environment and were categorised as *demand*-side explanations (Davies, 2011; Teasdale et al., 2012). They included eight interlinked themes; influential major shareholders, ambivalent chairs, search and selection hurdles, unreceptive board culture, the tenure blockage, observations on size, the generational premise, and the androgynous assertion. These are summarised below in Table 6.4.

Table 6.4: Demand-side explanations for the low number of women on listed company boards in New Zealand

Explanation category	Explanation themes	Explanations
DEMAND-SIDE EXPLANATIONS (Board environment)	Influential major shareholders	Risk aversion
		Network reliance
		Low prioritisation
	Ambivalent chairs	Sliding scale of commitment
		Accelerators and brakes
	Search and selection hurdles	Degrees of proper process
		Ineffective ESF
		Narrowly defined 'bundle' of experience
	An unreceptive board culture	'Lad' culture
		Bias around the boardroom table
		Low prioritisation
	The tenure blockage	Loyalty
		Constraints on board size
		Resistance to moving on
		Absence of regulatory mechanisms
	Observations on size	Causal and correlational links with smaller companies
	The generational premise	Passive view on change
	The androgynous assertion	Issues are not gender-exclusive

Related to the board environment

Chapter 7 Macro-level findings and discussion

7.1 Introduction

This research sought to ascertain how male directors on listed company boards in Aotearoa New Zealand explain the low proportion of female directors on those boards. The previous two chapters have explored micro-individual supply-side, and meso-organisational demand-side explanations. This chapter details and discusses the participants' views about potential explanations from within New Zealand's business landscape. These findings are focused at the *macro*-level (Pringle & Ryan, 2015), also referred to as the *societal*-level (González Menéndez, Fagan, & Gómez Ansón, 2012; Devnew et al., 2018).

Participants' responses to open questions on the broad topic were focused on micro and meso-level explanations for the low number of women serving on listed company boards. They alluded to very few macro-level reasons. However, participants were asked to give their opinion on a specific set of current macro-level issues derived from the literature, some of which had received recent coverage in the business media:

- The extent of external pressure from regulatory bodies, interest groups, investors and the media spotlight
- The lack of a mandatory quota
- The use of voluntary targets
- Differences between the state sector and public companies' approach

In this context, the findings are also *demand*-related (Davies, 2011; Teasdale et al., 2012) given that pressures from the wider business landscape are aimed at driving demand for female directors through the boards. The findings about participant's views on each of the macro-level issues will be examined in turn, and then an abstract notion about the disconnect between power and action will be presented.

7.2 Limited external pressure

All but one of the interviewees agreed that despite stirrings, the actual level of external pressure on listed company boards to increase the number of women in their ranks had been fairly limited to this point. The sources of external influence identified

by respondents when asked directly, are outlined below in Table 7.1 and each will be examined in turn.

Table 7.1: Types of external influence on listed company boards

Types of external influence	
Regulators	Stock Exchange (NZX)
	Financial Markets Authority (FMA)
	Government
Shareholders	Institutional investors – fund managers e.g. Black Rock and Fisher Funds
	Institutional investors – public money e.g. ACC and NZ SuperFund
	Analysts (working for institutional investors)
	Retail shareholders
Membership lobby groups	Shareholders Association
	Institute of Directors
	Global Women
Commentators	Business media
	Analysts (working for researchers)

As mentioned by interviewees

7.2.1 Regulators have more bark than bite

In response to a general question on sources of external pressure, a couple of the interviewees noted the growing voice promoting better gender balance on boards from organisations with regulatory teeth such as the NZX, FMA, and Government but felt they had not really bared their teeth. In any case, a couple of the interviewees like Director 4 expressed from a philosophical standpoint that a move from the Government would not be viewed favourably:

I would rather see it coming from shareholders than the state coming in and saying, "This is the way we think your board should be made up." Because philosophically I have a problem with the state saying to privately-owned organisations that we are telling you who are the best people to manage your company.

NZX measures

Interviewees were specifically asked for their perspective on the measures taken by the NZX to introduce mandatory gender reporting for listed company boards in two

tranches; disclosure about gender statistics from 2013 and diversity policies, plans and progress from 2017.

Six of the interviewees were in favour of the requirements including all those sitting exclusively mixed gender boards, two were not in favour, and two were undecided. There were a lot of contrasting opinions.

The most frequently mentioned positive factor about the NZX reporting requirements was transparency. Director 2 was supportive of disclosure even if, as in his own board's case, the numbers weren't indicating strong gender balance:

Whether it causes you some embarrassment or not, you should be open and have a good break-down ... it's more about are you making the right progress as opposed to where you are.

In direct contrast, Director 1 thought the reporting measures wouldn't work and encouraged a compliance mentality:

I think they're going to be largely ineffective. I think they create a 'name and shame' / compliance veneer, so that would make boards do some, but they're not going to embrace it.

However, Director 9 had no qualms about the compliance aspect because he felt it afforded boards an opportunity to realise there were benefits from gender diversity:

It's the compliance that got us there, but I think the second part [value] has followed.

Director 8 was in favour of the second tranche of NZX-required reporting measures that required a diversity policy and objectives, because it gave boards, like his male-only board, the impetus to start addressing their lack of gender balance:

I think the more recent initiatives around diversity plans and so on has really helped raise the profile of that for boards, because you have to respond to it. All the companies I have been involved with ... have actually taken it quite seriously. In the case of [one company] it was, "If you're leaving that gives us the opportunity to deliver it and sort out a woman."

But Director 10, who served on both types of boards, saw NZX's involvement as unnecessary and bureaucratic because boards like his already realised the importance of gender diversity and were working on it:

Why on earth would we sit around in any company and go, "Let's not have any women in here?" That's just not me and it's not the boards I sit on. Do I need a room full of bureaucrats to write a rule and tell me that? No, I don't.

Similarly, Director 7, who also served on both types of boards, took issue with NZX being a both commercial entity and a regulator, and thought the influences for a more gender diverse board should come from elsewhere:

I think they're going too far.... I would rather they went about doing what they were supposed to do, which is grow and support a vibrant capital market. I think issues around gender and diversity, the pressure should be coming from other places.

And his views were juxtaposed against those of Director 4 who thought NZX were just the right organisation to be nudging listed companies on board level gender diversity:

I don't have any issues with those.... They can set their guidelines and I think it's absolutely fine for them to do so, if they feel that's important for the market ... that would be my preference for where the push should come from - it should come from companies and listing organisations.

And finally, Director 3 thought as a result of the NZX reporting measures it was dawning on many boards that they needed to deal with their lack of gender diversity if they wanted to remain masters of their own destiny and avoid the imposition of quotas:

I think they're the last sort of station on the railroad track before quotas and I think they're recognised as that by boards, even boards that are a bit reluctant about achieving gender balance I think they can see now that if they don't move, we are going to get quotas imposed.

He was on the right track because many interviewees turned the discussion to quotas.

7.2.2 Institutional shareholders only starting to flex muscles

Of all external influences, interviewees believed that institutional investors held the most sway, but were only starting to flex their muscles on the issue of board gender balance, with a focus on the social justice case. Director 1 explained their potential power:

When the big fund managers and the shareholders say 'we want more diversity on boards' the board will move. The regulators and everything else, yep, they'll do the bare minimum.... If I'm a director and I'm doing a roadshow around my shareholders and they're all saying to me "Why the hell haven't you got a female director? If you don't get a female director, we're going to vote you off the board. We're going to fire you as chair of this board because you obviously don't understand", that'll have a lot more impact than the NZX rattling their cage or Global Women saying something.

His sentiments were echoed by Director 2:

I think having shareholders truly get active in this space would be the great catalyst for change.

Two participants thought that some institutional investors were already starting to make the case, primarily from an ethical standpoint. Director 3 said:

The big influence really is the big institutional investors who have adopted various kinds of ESG [environmental, social and governance] policies and do push the matters quite hard. So, the big global funds now will say, if you're on a board which has a self-evidently poor gender balance it will be raised with you at investor meetings. By these big institutions. And they do have an impact.

And Director 7 mentioned some institutional investors of public money were also beginning to stir, pushed by a government agenda grounded in ethics:

Take ACC for arguments sake ... they have to be big on this because they can't be seen not to be ... if you're a government department – and this is before this current government, but with the current government in particular – if you don't have an approach to gender diversity ethics then you're not going to have a job. So, inevitably there's going to be a push.

Institutional investors and analysts who reproached listed company boards for the lack of female representation were targeted with reciprocal criticism when two

interviewees noted that they (the institutional investors and analysts) were hardly arguing from a position of moral high ground given their own male-dominated ranks. Director 4 made a point about the analysts:

I have to say one of the ironies I see in this is, [we get some particular analysts] stamping up and down going on about it. I've been to analyst presentations and the analysts are 90 percent male quite frankly. So, there's a bit of hypocrisy coming from these guys. I mean they need to sort their own house out actually.

7.2.3 Membership lobby groups vocal but powerless

Interviewees did not tend to think that retail shareholders had been much of an influence, but their representative body the Shareholders Association was mentioned a couple of times for raising the issue of gender balance at shareholder meetings as demonstrated by Director 10:

Well, the Shareholders Association chirp away about the subject.

Some of the interviewees acknowledged the strong lobbying for more women on boards being undertaken by the IoD and Global Women, but in comparison to institutional investors they considered the power of these organisations to effect change was limited. Director 9 commented on the IoD:

I resisted joining the Institute of Directors for years because I thought it was an old boy's club, and it was. It's a far better organisation now and I think it works reasonably hard to more fairly represent the population.

7.2.4 A populist movement rather than a driver of change

Participants also made comment about the groundswell of support for more women on listed company boards, but in terms that inferred it was a populist movement rather than a driver of change. Director 10 described it as a chorus:

There's a bit of a chorus going on.... That's popularism; that's what that is. There is a bit of a song going on. They're all humming along. I don't have a problem; it's good. It's the right issue to be talking about and trying to resolve.

And Director 7 described it in terms of momentum:

No-one is going to not follow that path now because you'd be putting your head above the parapet. There's a momentum here and ... there are certain trends that you know are inexorable, and the way the world works now in particular, I think, you would never expect them to take a different path. So, anybody not following in gender diversity... well, you won't find anybody of a representative or regulatory body.

7.2.5 Limited external pressure – Summary and discussion

All but one interviewee agreed that relatively limited external pressure to date was in part behind the low number of women on listed company boards. Interviewees identified potential external influences that could be split into four main groups: regulators, shareholders, membership lobby groups and commentators. This finding aligns with literature in a limited comparison of the New Zealand situation with three other Western countries; Australia, the United States and Norway.

The general perception of interviewees was that New Zealand regulators to date had more bark than bite. Certainly, as will be discussed in detail later, there was a fairly unanimous anti-intervention sentiment towards the prospect of a quota being introduced. It was clear many interviewees did see the introduction of a quota as a potential next step if the NZX measures were to fail in their objective to kick-start better gender balance on listed company boards. There were considerable differences of opinion between interviewees about the worth of the NZX measures introduced over the past six years. Those who held negative opinions about the measures perceived they were ineffective, bureaucratic, reinforced a compliance mentality, and were not NZX's role to implement. Interviewees who supported the measures did so because they encouraged transparency and were an impetus for action.

The participants' general assessment of the New Zealand regulators is accurate to a degree. It is true that the government has not put related legislation in place, and NZX only has 'comply or explain' objective-setting and reporting requirements in place (NZX, 2017b). MacLennan et al. (2018) noted the irony of a situation where NZX, itself a listed company, only appointed its first female director in 2018. In a comparison with New Zealand's neighbours across the Tasman Sea, the Australian Government introduced legislation requiring gender balance reporting at board level back in 2015

(Australian Government, n.d.). Furthermore, the Australian Stock Exchange introduced the more demanding 'comply or explain' requirement seven years prior to the NZX (ASX Corporate Governance Council, 2010).

However, it is apparent that NZX's measures are not altogether without influence. There were two modest but defined increases in the proportion of women on listed company boards, one after the introduction of the initial reporting requirements in 2012, and the second after the introduction of the 'comply or explain' requirements in 2017 (NZX, 2015a, 2017c, 2019a).

The unanimous opinion from participants was that institutional investors were the key to influencing change, and while some had started to make a point about board-level gender balance on ethical grounds, they were not yet feeling significant business pressure from this quarter. Again, this view is reflected in the literature. There is little evidence to be found of large investors demanding action in terms of gender balance on the boards of listed companies. The exception is Sam Stubbs, founder of New Zealand fund manager Simplicity (Mau, 2019) who seems to be somewhat of a lone voice. In comparison, there is significant institutional investor pressure being brought to bear overseas; the ACSI in Australia, and BlackRock in the United States (ACSI, 2019; Krouse, 2018) are two examples.

Membership lobby groups such as Global Women and the IoD were acknowledged by interviewees for their lobby efforts, but they were not regarded as a significant powerbase on this issue. This is particularly interesting because the Champions for Change initiative, convened by Global Women, counts 16 CEOs of listed companies and six chairs of six listed companies, amongst their more than 50 members (Global Women, n.d.-b). In addition, many listed company directors are members of the IoD, as noted in their online biographies. It seems that the position of their own membership organisations is not a strong motivating factor. In one comparison, the AICD issues a quarterly report on board gender balance that ranks listed companies and includes the name of their chair (AICD, 2019).

There was mention of a populist movement in support of better gender balance on the boards of New Zealand's listed companies, but again, it was not regarded as a driver of

change. This is despite recent emphatic headlines in the business media on the topic (Davis, 2018; Parker, 2019a, 2019b; Stock, 2019; Mau, 2019).

7.3 Lack of a mandatory quota

This theme zeroes in on the lack of a mandatory quota for female directors on listed company boards in New Zealand. Interviewees were asked how they felt about the potential introduction of a gender quota in this country, given the growing number of developed economies that have already introduced them. A list of 11 countries was read out: Belgium, France, Germany, Iceland, India, Israel, Italy, Malaysia, Netherlands, Norway and Spain.

No participant was entirely happy with the idea of imposed quotas. Some, like Director 7, a director on both types of board, were vehement in their opposition to the concept:

God forbid. I think that would be appalling.

While a few interviewees, like Director 3, thought that while quotas were less than ideal, they might be necessary for the issue of gender balance in governance to get real traction:

You would hope that you didn't have to have quotas, but I wouldn't wait much longer personally. If firms are really making no moves then I think it tells you, you do need to have quotas because they do need to change.

And Director 9 also reluctantly considered quotas as an option:

I have never been supportive of quotas per se. However, ... how do you grow that pool? Because it might take another three decades at the rate we're going. If you want to grow it faster does there need to be an element of compulsion?

The anti-quota arguments put forward by the participants had the upper hand. There was little acceptance of quotas, and what there was, was marginal; as a last resort.

7.3.1 Anti-quota arguments have the upper hand

The many arguments participants put forward against a gender quota, which currently have the upper hand in New Zealand, are outlined below.

The wrong tool for the job

Some arguments against introducing a quota were rooted in 'the supply-side problem'; the lack of available women meeting the requirements for a listed company director. Two interviewees, including Director 6, believed that quotas were a tool to be used in situations where access was the issue, rather than here in New Zealand where, it was implied, supply was the issue:

There may be certain societal barriers in some of those [countries that have introduced quotas] where a quota will be a crude but effective tool in moving things faster or getting things to some acceptable level.... There has clearly got to be a deep, wide and acceptable talent pool that is not getting fair access.

Director 1 also took issue with the concept of a quota because it inferred a limit; he preferred that each board decided what mix of perspectives their business needed:

And in some businesses, I'd expect you'd have a board that was 75 percent female. Why not? If that's what works best for the company and is going to add most value to the company. So that's why I think quotas tend to feel like a cap.

Inferior appointments

Director 10 was alarmed at the prospect of quotas because in the face of supply constraints it could mean inferior board appointments:

The problem is going to be getting the bloody people. There's my issue. Your governance standards will slip because there isn't the gene pool.

Counter-productive for women

A few directors expressed their concern that given supply constraints a gender quota could be counter-productive for female directors, one instance involving inexperienced female directors being placed in a compromised position, as outlined by Director 1:

I've experienced some boards where you've got someone who's a little bit out of their depth, and they get a little bit exposed, and then it becomes "oh they're part of the quota"

And in the second instance, female directors who are fully competent being undervalued or judged as potentially incompetent, as illustrated by Director 6:

And I do feel somewhat for the first person who gets appointed under a quota and, "Oh, you're the quota director are you? So, you're not here because you're any good, you're here because it's another dimension." That's a burden I wouldn't want to rest on anybody really.

Downside for male directors

Director 1 envisaged how some directors on male-only boards could view the effect of a gender quota on themselves; pushing some out of their roles and the remaining ones having to upskill inexperienced women; the replacement directors:

"OK, so who's going to leave, because we can't get bigger? So, we're going to fire a couple of you guys. Who's putting their hand up for that? OK, so we're going to replace you two who've got chief executive experience with.... Oh, we can't find anyone with relevant experience, so we're going to have to pick up somebody who we have to encourage and train and whatever, and that's going to be a pain in the arse"

Philosophical opposition

Some claims against quotas were philosophically-based; that regulators should not be interfering in governance decisions, as illustrated by Director 2:

I'm an open-market type approach. In other words, I don't like putting in too many regulations.... I'm inherently anti that.

And reinforced by Director 7:

Regulatory bodies are overstepping; they don't have a place in that type of thing.

Over-emphasis on listed company boards

Director 4 voiced his concern that there was a disproportionate focus on the gender balance of listed company boards when there were gender imbalances in other parts of the economy:

If we chose the NZX50 we're talking about around 300 directors; it's a miniscule part of the economy. If we're going to have quotas in place over gender balance, then why are we choosing 300 directors? ... You do get these gender imbalances. So, whether there's an argument for quotas in one very small part versus much bigger imbalances elsewhere in the economy, I don't know.

Downside for the NZX

Director 9 thought that bringing in quotas could sound a death-knell for the NZX because it would be yet another hurdle for companies considering listing to deal with:

I look at it and I go 'what might end up happening here is we kill the New Zealand Stock Exchange'. It's sort of hanging on for dear life as it is.... For some it will be, "I'm not going to [list] if people are going to tell me how I need to run my business." I'm not trying to be a scaremonger with that, but there are already discussions unrelated to gender quotas about "Do we list, do we not list?"

The wrong objective

A point raised by a few directors over the course of the interviews was that demographic diversity, including gender, was an insufficient proxy for *diversity of thought* which they considered to be the endgame. Director 2 raised it again inferring the use of a gender quota was misdirected when the objective was actually diversity of thought:

The greatest value around a board table is diversity of thought.... Certainly, gender and ethnicity helps to give that diversity. Absolutely. But it's not the place it solely resides. I can find many of my male colleagues who just think completely differently to the way I do.... And the trouble with that is, you can't put quotas or targets or measures around that.

7.3.2 Little and marginal acceptance of quotas

There was little acceptance of quotas from interviewees, and what there was, was marginal as the explanations below will demonstrate.

Address the missing majority

Director 3 emphasised more of the social justice argument for diversity and how a gender quota would help achieve it:

We've got issues about how well minorities are represented on boards. The fact that we're struggling to deal with the majority getting represented on boards is one that I think we should really get out of the way. So, if it needs quotas then fine – it doesn't worry me.

A nudge for smaller companies

In line with 'observations on size', Director 5 believed that the boards of larger companies on the NZSX were already well on the way to a 50:50 gender balance, and a quota might be the nudge smaller companies needed.

I guess where I tend to operate, [the larger companies are] moving that way anyway.... I think when you're on boards that have got a whole lot of different diverse people on them, and you've got a Chair that knows how to get the best out of them, and you realise the power of them, it's actually a bit of a no-brainer. It's the ones that are sort of in their little club down-below.... So, would I have a problem for example, minimum quota of all boards to have 30 percent women by 2020 or something like that? Not a bad idea.

Expediency

A few interviewees, like Director 8, reluctantly thought that in the face of slow progress quotas may be necessary to expedite gender balance on boards:

It would be unfortunate I think, but all it's really doing is speeding up the process, which is the key issue in my view.

7.3.3 Lack of mandatory quota – Summary and discussion

No participant was entirely happy with the idea of a gender quota for listed company boards, but while some were vehement in their opposition, some were marginally accepting of the fact that a quota might be necessary to drive significant and timely change.

The most frequently mentioned arguments against introducing a gender quota revolved around 'the supply-side problem'; a shortage of women meeting the accepted requirements for directorship. Notably, the literature shows that after quota legislation was passed in Norway, the percentage of female directors on listed company boards jumped from 7 percent to the required 40 percent within six years (Teigen, 2012); and women were appointed without any resulting crisis in governance or company performance.

Interviewees argued that in the face of short supply, a gender quota was the wrong tool for the job and could be counterproductive for women who could be either compromised if they were not fully competent or undervalued even though they were

fully competent. Akin to the views aired by a number of interviewees, the literature also revealed that some female directors held concerns about the professional regard for those women appointed as a result of quotas (Withers, 2017; Casey et al., 2011). Interestingly female directors appointed under the quota system in Norway expressed vindication that they finally had the opportunity to prove themselves (Seierstad, 2016).

Participants also mentioned that some male directors may perceive a downside to a gender quota if they thought they would have to upskill women for governance, or even stand down to make room on the board. Further arguments against introducing a gender quota included an over-emphasis on listed company boards given gender imbalances in other parts of the economy, a detraction from listing, failure to address diversity of thought, and philosophical discomfort with regulation. In line with these negative perceptions, the literature described New Zealand's neo-liberal backdrop and the link to a low tolerance for government interventions like quotas in the business arena (Casey et al., 2011; Pringle & Ryan, 2015; Genter, as cited in Mau, 2019). The literature shows that even individual states in the largely liberal United States business environment are moving to introduce gender quotas for listed company boards (Padilla, 2018; Bill Track 50, 2019).

The marginal acceptance of a gender quota from a few interviewees was based on giving smaller companies the nudge they need, addressing the lack of female representation, and expediting what has proven to be slow progress achieving better gender balance on listed company boards. These views echo those recently expressed by some prominent New Zealand businesswomen (Shipley as cited in Newstalk ZB, 2017; Cribb, 2019; Evans, 2019).

7.4 Mixed acceptance of gender targets

A notch down from an imposed gender quota, interviewees were also asked for their thoughts on gender targets and given examples of two long-term goals published by listed company boards in New Zealand.

The idea of gender targets was more palatable than a gender quota with half the interviewees viewing them as 'fine'. However, one viewed gender targets as marginal, one as only preferable to quotas, and three gave them a resounding 'no'.

7.4.1 Anti-target arguments

There were varied arguments against gender targets, many of them similar to the anti-quota arguments, as outlined below.

The wrong tool for the job

Returning to arguments based on 'the supply-side problem', Director 7 pointed out that targets were a tool to be used in situations where access was the issue, rather than here in New Zealand where supply was the issue:

It may be, if there were an equal number of women and men with sufficient and equal capabilities, I would probably be more supportive of it. I probably would be supportive of it, but I'm just not sure that that's going to be the case. It certainly isn't now.

Director 2 preferred to steer clear of aspirational targets and instead employ other means to achieve the end:

I'd rather focus on the programmes, policies and actions, and make disclosures, than the aspiration. In other words, if you do the right thing the outcome will happen.

Compromise in capability

Director 7 reasoned that in the face of supply-side issues, gender targets would result in a compromise in the capability of directors:

And, therefore, the natural implication of that is you are probably, somewhere along the way, going to be making some decisions based on gender and not on ability.... You could end up picking people who don't have the same level of experience and I just don't think that's right.

Premature move

A number of interviewees conveyed their conviction that change was afoot and would continue so that, in future years, better gender balance on boards would be realised, without the need for targets. Director 2 expressed his optimism given the calibre of prospective female directors:

Just my experience of meeting and engaging and mentoring a lot of emerging and younger female talent around – our next ten years are going to look really good. I'd hate the imposition of targets and

different things to get in the way of that. Because I think it's going to happen.

The wrong objective

The discussion on gender targets led three directors to zero in on the objective, emphasising that *merit* should be the primary objective of board appointments, to the point where it might be appropriate for the board to be a female-only, concluding that gender targets were therefore inappropriate. Director 10 expressed it like this:

My job as a director is to choose the best person to represent the shareholders.... The targets are irrelevant to me because I would hate to be in a position where someone says to me, "I want you to endorse this female as a director of this company because we have to have one." No, not for me.... There are some boards that should be 100 percent women because the category, the business, it's really about things that women do extremely well. The customers are all women.

And Director 6 made the same points:

What a Chair should be looking for is to get the best and brightest talent you can around the table. Bringing diverse thinking, broad experience insight and humanity to the table. And I am quite open to the possibility that from time to time that would you give you a wholly female board, or only male board, and I would be okay with either.

Demand-side issues

In explaining how targets could struggle to work in tight circumstances, two directors linked previously-mentioned demand-side issues; tenure, constraints on board size, and influential major shareholders. The dilemma is described by Director 8:

You've got confident people who fill each of the roles, and there's not an appetite to appoint yet another director, because of the cost of doing that.... So, if you're talking simple numbers with a small board of directors, you haven't got many people you can choose from to change; particularly if some of them are representing the majority shareholder.

7.4.2 Pro-target arguments

There were some arguments made in favour of gender targets as outlined below.

A sensible alternative

Director 1 explained that gender targets would likely encourage a more sensible transition toward achieving gender diversity than a gender quota:

You can transition there. You can get there in a sensible way that creates a positive environment, rather than a negative environment ... and the reality is if people aren't moving towards their target then shareholders or whoever else should be saying 'Hold on a second, you're reporting, we can see nothing's going on, what are you doing about it?'. That creates quite a bit of... encouragement.

Signal boards' intentions

And Director 3 was in favour of explicit targets to signal boards' intention:

I think boards do need to set themselves explicit targets - whether it's a number, or just a statement that we believe we should have a gender balanced and diverse board.

A way to wield institutional investor influence

Director 1 pointed out how institutional investors who were convinced about the benefits of gender diversity could employ targets to influence board appointments:

If the New Zealand Super Fund, or some big fund investors [were to say] 'OK guys, our target is to have every company we invest in have 50 percent women and 50 percent men over time. That's our target for all the companies we invest in. We don't invest in cluster bombs, and we don't invest in companies that don't have a target of getting from here to here and making tangible progress'.

7.4.3 Mixed acceptance of gender targets – Summary and discussion

There was mixed acceptance of gender targets amongst participants. Half of the interviewees supporting their introduction, considering them more palatable than a gender quota. The pro-target arguments centred on a sensible alternative to a mandatory quota, a signal of the boards' intentions, and a way for institutional investors to wield influence. However, half of the interviewees rejected gender targets, employing many of the same arguments as they did against a gender quota; they were the wrong tool for the job and focused on the wrong objective, they were premature and would result in compromised capability, and demand-side issues such as tenure and constraints on board size made them difficult to achieve.

The opposition to targets is noteworthy, given that New Zealand's Corporate Governance Code now requires listed company boards to have a governance level gender policy and measurable objectives in place, although under the 'comply or explain' regime they can opt out (NZX, 2017b). Champions for Change, a membership lobby group, which includes at least 20 listed companies, also have recently put a 40:40:20 gender balance target in place but with no deadline (Global Women, n.d.-c). In contrast, the AICD, equivalent to the IoD in New Zealand, drove the 30 percent by 2018 initiative and reported on progress overall and by individual company, on a quarterly basis for three years (AICD, 2019).

7.5 The state sector's different approach

It has been widely reported by business media that state sector boards in New Zealand have a much stronger track record, with earlier success, than public company boards when it comes to achieving gender balance around the board table. Director 1 encapsulated the potential lessons to be learned from their approach:

*What happened in the public sector between 20 years ago and today?
It's probably a pretty good barometer of what's going to have to
happen in the commercial sector.*

With the aim of throwing more light on the research question, interviewees were asked to compare the two types of boards and consider how such a significant difference in the proportion of women on boards had arisen.

Once again, the explanations were split between supply-side (the supply of female directors) and demand-side (the demand for female directors).

7.5.1 Supply reflects head start

Full pipeline

From earlier questions, interviewees had indicated that the required 'bundle' of experience for directorship nominations included significant senior executive experience gained in 'the pipeline'. Participants explained that the public sector had started seeing significant numbers of women enter senior executive ranks a decade or two earlier than the private sector, effectively filling up 'the pipeline'. Director 1 outlined his thoughts on the matter:

I think the public sector is 10-15 years ahead of the commercial sector in bringing women through some of those executive roles.

And Director 9 followed the same logic:

I think even way back in the mid '90s there was an appreciation in government that actually more women is a good thing.... I think in terms of senior management, government has been better at getting women into those senior roles.

Role models

Director 1 pointed out that the state sector had a recent history of women in the most senior of public roles:

The political environment with representation in cabinet ... most of the cabinets now, they all target 50:50. We've got a female prime minister again; we've had a long-term female prime minister.

7.5.2 Demand reflects shareholder priorities, standards, and processes

Shareholder priorities

Half of the interviewees identified shareholder (in this case, the government) influence as being a key differential between state sector boards' and listed company boards' level of gender balance. Two participants noted that the bi-lateral prioritisation of gender diversity on state sector boards by successive governments had ensured *consistent influence* for nearly two decades. This is illustrated by Director 5:

That's progress through the Nats. Again, no real difference between the left or the right wing.

Some participants talked about the government making a *conscious decision* to aim for gender balance as being the key influence. Director 3 spelt it out:

Just the decision at the top that they were going to do it. And I think that tells you the story in many ways.... they just took politically a decision that we're actually going to do this, and 'Hey presto!' all of a sudden you found there were women who wanted to and were capable.

Director 4 was of the same mind:

So, the government as a shareholder has decided that they want more equal gender diversity which is what they have pushed.

Other participants talked about the *different priorities* that prompted the government decision to aim for gender balance on state sector boards, compared to those of listed company boards. Director 2 mentioned representation:

So, the owner i.e. the Crown, is saying "OK, this is important to me, I want representation."

While Director 7 thought the government placed importance on setting an example:

They're setting what they think is a good example that we should follow.

Director 2 thought that the government prioritised broader responsibilities in comparison with private sector's focus on performance, inferring that they were therefore more willing to appoint female directors who did not necessarily have the required 'bundle' of experience:

I also think there could be a correlation ... of the performance focus in the private sector around investment return, as opposed to the public sector ... there's an environment of wanting to take less risk in that area than possibly in the public sector. There's scrutiny around financial returns and an owner that demands an investment return, as opposed to some broader, and in some cases social, responsibilities.

Lower capability threshold

A number of interviewees were clear they thought the required skillset for state sector boards and listed company boards was essentially the same. However, linked to the point above, some thought that the required *level of competency* in that skillset did vary considerably between the two types of board and surmised that this opened up more directorships on state sector boards to women. This was demonstrated in two ways; firstly, some interviewees, like Director 6, emphasised state sector boards offered 'entry-level' directorships:

I do think that the requirements and the hurdles are lower.... You know when I mentor people who wish to be directors, and they're keen to make this a career, I often say to them, "This is the place people start, and we will get you a role on a state owned board; your capabilities and CV... you will have a very good chance of being a successful applicant. Whereas at an NZX I think you have no show."

While other interviewees, like Director 7, were of the opinion that merit had sometimes come second to gender when appointing directors to state sector boards:

I would say it's almost absolutely certain that there are women who are there because they're female.... If you accept that ... there's a high likelihood that one of the conclusions is merit has been relegated in these selection processes.

And Director 10 was blunter:

I have interviewed quite a number of women on public sector boards. I would not have them on my [private sector] boards. Well they're sort of there, but they just don't have the wheel-base and the grunt. They're just making up the numbers.... The numbers look good; everyone's clapping and cheering. But if you get down to your responsibility as a governor to take care of and protect the shareholders' money; would you put this person on your board?... They fill those [state sector] boards up with wannabes. Some really good ones float to the top and transition themselves out of the public sector into private sector.

Higher turnover / lower tenure

Three interviewees mentioned the higher turnover, and consequent lower tenure, on state sector boards in comparison to private sector boards as opening up more opportunities for women to become directors. Director 4 was one of them:

There tends to be a higher turnover on state boards compared with some private company boards. I mean, you don't get people staying for 25 years on state boards. And, so that allows change.

7.5.3 The state sector's different approach – Summary and discussion

Over the last two decades, researchers have noted the marked difference in the proportion of women on state sector boards compared to listed company boards in New Zealand (Shilton et al., 1996; Hawarden & Stablein, 2008). The gap has persisted for over twenty years (NZX, 2019a; Ministry for Women, 2019) and has been highlighted again recently by the media (Mau, 2019).

When asked, the explanations interviewees gave for the gap between the relatively high proportion of women on state sector boards compared to listed company boards, were focused on the different approach taken by government. Foremost amongst those was that supply of suitable women was seen to reflect a head start of one to two

decades, and this is confirmed in the literature (Shilton et al., 1996; Hawarden & Stablein, 2008). Interviewees surmised this meant a full pipeline of women in the senior executive ranks of state sector organisations, and the recent surfeit of female role models at the highest level of government was also mentioned.

Another difference in approach noted by participants was that demand for female directors in the state sector reflected the government's priorities, standards and processes, as the shareholder. They saw that a clear decision was made in the state sector to pursue gender balance as opposed to the performance focus of the private sector. Linked to this were mentions of a lower capability threshold on state sector boards and higher turnover, both serving to open up more directorship opportunities for women.

If the state sector had hoped, in part, to set an example for the private sector to voluntarily follow, it would appear their faith could have been somewhat misplaced. While the state sector's 'head start' is acknowledged by some researchers (Shilton et al., 1996; Hawarden & Stablein, 2008), the researchers also imply that listed companies could emulate the state sector has if they had the will to do so. It seems that they do not.

7.6 The power/action disconnect

As interviewees responded to questions about macro-level factors, the notion of a disconnect between power and action emerged. Despite its position of power as a legislator with the ability to introduce a mandatory quota, while it has set an example, no New Zealand government to date has acted to push gender balance on listed company boards. In general, interviewees supported this stance from government. As the regulator of listed companies, NZX has taken the most action by introducing 'comply or explain' reporting and target requirements. However, NZX's measures were not universally regarded by interviewees as having significant traction and their vulnerabilities were mentioned. Institutional investors were reported by interviewees as having taken the least action, yet they are considered to wield the most influence. Membership lobby groups that include listed company CEOs, chairs and directors in their number are consistently vocal, but were not considered by interviewees to hold real power. And interviewees regarded media coverage and the general groundswell

of opinion in favour of more gender balance on boards as a populist movement but not a driver of change.

7.6.1 The power/action disconnect – Summary and discussion

The notion of a disconnect between power and action emerged as participants discussed sources of potential pressure in the business landscape to increase the proportion of women on listed company boards. Those organisations recognised as holding the power to exert pressure had taken little action, while those organisations regarded as short on power had been most vocal. From a macro-level perspective, this is the essence of explanations given by interviewees about why there are so few women on listed company boards in New Zealand.

7.7 Summary of macro-level findings

This chapter detailed and discussed themes identified at the *macro*-level (Pringle & Ryan, 2015), also referred to as the *societal*-level (González Menéndez, Fagan, & Gómez Ansón, 2012; Devnew et al., 2018). The participants' explanations for the low number of women on listed company boards had to do with New Zealand's business landscape. Those explanations were also categorised as *demand*-side explanations (Davies, 2011; Teasdale et al., 2012) given that pressures from the wider business landscape are aimed at indirectly driving demand for female directors through the boards. The explanations included four broad themes based on a specific set of current macro-level issues derived from the literature but given shape by the participant's opinions: limited external pressure, lack of a mandatory gender quota, mixed acceptance of gender targets, and the state sector's different approach. One additional theme emerged from across macro-level discussions: the power/action disconnect.

These are summarised below in Table 7.2.

Table 7.2: Demand-side explanations for the low number of women on listed company boards in New Zealand

Explanation category	Explanation themes	Explanations
DEMAND-SIDE EXPLANATIONS (New Zealand business landscape)	Limited external pressure	Regulators more bark than bite
		Institutional investors only starting to flex muscles
		Membership lobby groups vocal but powerless
		Populist movement rather than drive for change
	Lack of a mandatory quota	Anti-quota arguments have upper hand
		Little and marginal acceptance of quotas
	Mixed acceptance of targets	Anti-target and pro-target arguments in the balance
	State sector's different approach	Supply reflects head start
		Demand reflects shareholder priorities, standards and processes
	The power/action disconnect	Those with power aren't taking action, and those taking action are without power

Related to the business landscape

Chapter 8 Concluding commentary

This chapter will present the concluding commentary from this study into how male directors on listed company boards in Aotearoa New Zealand explain the low proportion of female directors on those boards. The first section recaps the issue under investigation and the methodological approach, while the next section summarises and draws together key themes identified throughout the research. The third section acknowledges the limitations of the study, followed by areas for future research. The fifth section highlights the contribution and practical application of the research to governance practice. Finally, the chapter will close with some concluding thoughts.

8.1 The issue and approach

Board members of listed companies are at the pinnacle of their careers, representing the elite in their field (Singh & Vinnicombe, 2004). There are two main arguments for having gender balance amongst board members; the business case and the social justice case (Gómez Ansón, 2012; Teigan, 2012; Huse, 2018; Merelo, 2019). Despite sustained efforts over the last five years from increasingly rigorous NZSX gender-related reporting requirements, and campaigning by influential organisations, headway has been gradual and even plateaued at times. Prominent board chair and director, Joan Withers (2017), has described the slow progress of women being appointed to listed company directorships in New Zealand as ‘glacial’. The percentage of female directors serving on those boards over the past six years has increased at an average increase of just under 2 percentage points a year (NZX, 2015a, 2019a) and currently sits at 23 percent (NZX, 2019b). In a country that prides itself on the progress of women’s status, these statistics would seem at odds, and have been the subject of considerable interest and debate in the business media in recent years (e.g. Smylie, 2017; Davis, 2018; Mau, 2019; Parker, 2019a, 2019b; Stock, 2019).

While statistical data about women on listed company boards in New Zealand is available (NZX, n.d.-b; MacLennan et al., 2018), limited academic research has been undertaken. In the last decade, the relevant academic research has focused on company performance (Bathula, 2008; Dunstan et al., 2011; Boyle et al., 2019), macro-level analyses (Hawarden & Stablein, 2008; Casey et al., 2011), and network analyses

(Hawarden & Marsland, 2011; Hawarden, 2018). There have also been some pertinent practitioner-led surveys including, but not focused on, responses from the men who numerically dominate New Zealand directorships (Groysberg et al., 2016; Deloitte, 2017).

This is surprising given the male directors of NZSX-listed companies are the primary 'gate-keepers' to the appointment of new board members. Their numerical dominance is one aspect but equally important is their role in nominating prospective directors, and in some cases, their significant voting rights as major shareholders. This research sought to ascertain how male directors of NZSX-listed companies explain the low proportion of female directors on those boards. The aim of the research was threefold: to build a body of knowledge on the topic in New Zealand, to offer a springboard for further investigations, and importantly, to inform practical steps to increase the number of women at the highest levels of the corporate ladder in New Zealand.

The objectives of the research called for a qualitative methodology (QRCA, n.d.) and took a pragmatic approach to ensure the findings would resonate with a business audience in order to be a catalyst for change (Rorty, 1991; Gray, 2014). Ten semi-structured interviews of male non-executive directors serving on NZSX-listed company boards were undertaken, that included both open questions on the broad research topic, and more structured questions on several specific issues derived from the literature review (Gray, 2014; Eriksson & Kovalainen, 2016). Employing a descriptive interpretive research design, this investigation sought to hear the voices of those participants and then, through thematic analysis of the transcripts, draw out themes and describe them by taking a 'light' interpretive role (Smythe, 2012).

8.2 Key themes

The scope the interviews traversed was broad, due to the array of explanations initially raised by the interviewees, and because of the range of questions derived from the literature. This section summarises the key themes that emerged from the interviews. The first subsection examines themes within the business case context and how they relate. The second subsection draws together and links the explanation themes

identified from the myriad of reasons provided by the participants for the low number of women serving on listed company boards.

8.2.1 The business case context

The participants' opinions about the value of gender diversity on the board was not the primary focus of this study, however, interviewees did volunteer their thoughts on the topic. Given there were similar threads, pulling them together provides useful context to the main findings.

Discussions with participants were underpinned by the business case for gender diversity on boards, rather than the social justice case, and a limited segment of the business case at that. For the interviewees, the concept of shareholder primacy appeared to drive their boards' priorities, especially that of major shareholders who serve on the board, and institutional investors. In turn, the interviewees portrayed an assumption that business performance was *the key driver* of shareholder satisfaction. Diversity of thought was seen as *one contributing factor* to business performance. Demographic diversity of directors was perceived to be *one component* of diversity of thought. The gender diversity of the board was viewed as *a subset* of demographic diversity. Within the business case context, Figure 8.1 below demonstrates how the importance of gender diversity in the eyes of the board could be limited or expanded depending on the degree to which board members prioritised each of the preceding factors and any relationship between them, up to and including shareholder primacy.

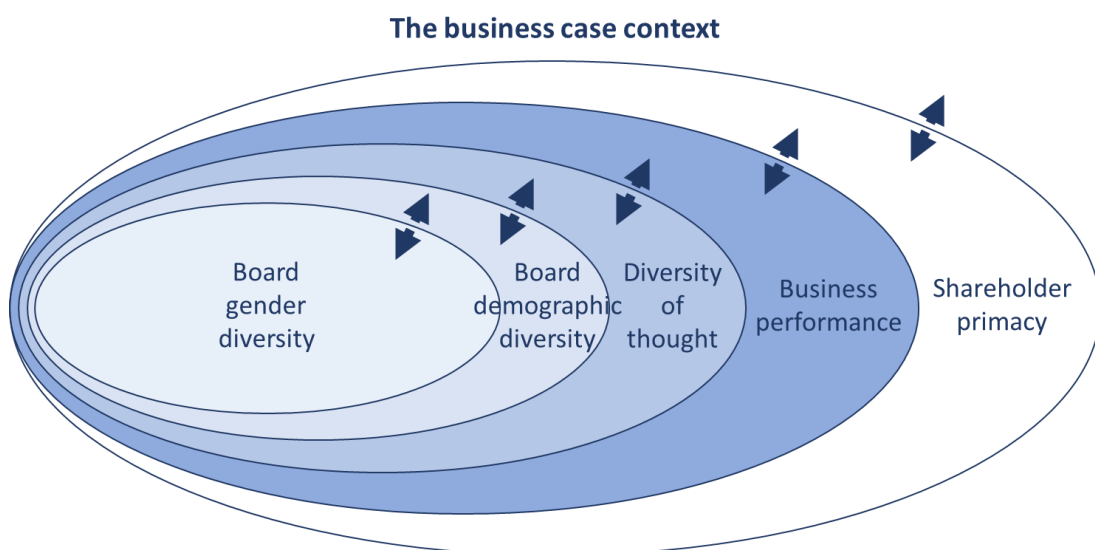


Figure 8.1: The importance of gender diversity to the board in the business case context

This finding contrasts with international trends where there are clear signs the ascendancy of shareholder primacy could be waning (Business Roundtable, 2019; Rob Everett, as cited in Financial Markets Authority, 2019).

8.2.2 The explanation themes

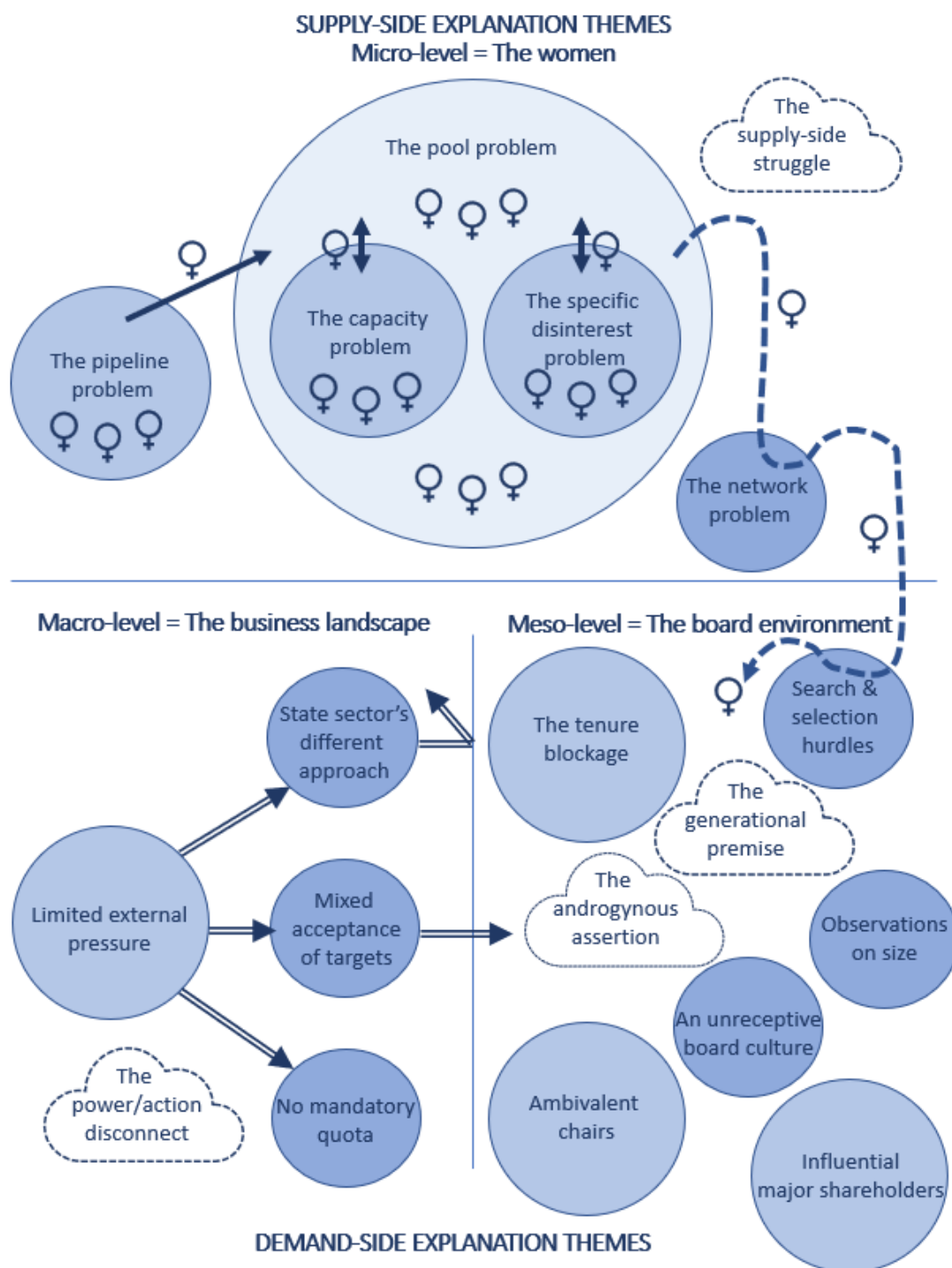


Figure 8.2: Explanation themes for the low number of female directors on listed company boards

The interviewees provided a myriad of reasons for the low number of female directors on listed company boards. Figure 8.2 on the preceding page depicts the explanation themes within circles. The largest circle represents the explanation most commonly raised and widely agreed upon by interviewees. The medium sized circle represents explanations that were raised by fewer interviewees but still agreed upon by most. The smallest sized circle represents explanations that were infrequently raised but still agreed upon by a number of interviewees. The cloud shapes illustrate abstract themes identified across explanations.

Figure 8.2 also demonstrates how the reasons given by interviewees were grouped into two main types of explanation themes; supply-side explanation themes and demand side themes. Supply-side explanation themes were at the micro-level, focused on the women themselves. Demand-side explanation themes were split into two sub-groups; themes at the meso-level, to do with the board; and themes at the macro-level, to do with the wider business landscape.

Six supply-side explanation themes were identified:

1. The supply-side struggle captures an abstract theme about the struggle to find women with the right experience who are also available and interested
2. The pipeline problem outlines the belief that there are not enough women coming through the pipeline, whether it is a legacy issue or an ongoing issue
3. The pool problem centres around the perception that there are not enough women with the right type of experience
4. The capacity problem focuses on the opinion that sought-after women in the pool are already fully committed
5. The specific disinterest problem highlights the idea that some women in the pool are disinterested in specific boards (rather than governance generally)
6. The network problem emphasises the view that women either don't and/or haven't had the network to leverage for directorship nomination

Figure 8.2 shows how women are generally described as moving from the pipeline, into the pool, and eventually some of them, via a network, crossing into the board environment. Whilst in the pool, they may temporarily become unavailable or disinterested.

Eight demand-side explanation themes were identified at the meso-level:

1. **Influential major shareholders** encapsulates a belief about the negative influence of key shareholders who can be risk averse, rely on their network for board nominations, and give gender diversity a low priority
2. **Ambivalent chairs** describes a discourse about board chairs who demonstrate low commitment and put the 'brakes' on gender diversity more than the 'accelerator'
3. **Search and selection hurdles** sums up perceived barriers to nomination that women face including an informal process, ineffective executive search firms, and a narrowly defined 'bundle' of experience
4. **An unreceptive board culture** captures accounts of a 'lad' culture, with bias around the boardroom table, and gender diversity ranked as a low priority
5. **The tenure blockage** articulates a combination of thoughts about loyalty, constraints on board size, resistance to moving on by long-serving directors, and an absence of regulatory mechanisms
6. **Observations on size** represent causal and correlational links made between less board gender diversity and smaller listed companies
7. **The generational premise** is an abstract theme summing up a passive narrative about change to the gender balance on boards
8. **The androgynous assertion** is an abstract theme condensing expressions that issues associated with obtaining directorships are not gender-exclusive

Finally, five demand-side explanation themes were identified at the macro-level:

1. **Limited external pressure** describes the perception that regulators, institutional investors, membership lobby groups and a 'populist movement' have not yet exerted significant influence on listed company boards
2. **Lack of a mandatory quota** combines two general positions that anti-quota arguments have the upper hand, but there is a little marginal acceptance of quotas
3. **Mixed acceptance of targets** communicates a finding that anti-target and pro-target arguments are in the balance

4. State sector's different approach highlights a general view that the supply of female directorship candidates in the state sector reflects a head start and the priorities, standards and processes of the shareholder (government)
5. The power/action disconnect is an abstract theme picking up on descriptions that those with power aren't taking action, while those who are taking action are without power

Figure 8.2 also captures how external pressures manifest as quotas, targets and the state sector's example. However, in New Zealand the external pressure has been limited; the quotas have not been implemented, the state sector's example of actively seeking to balance male/female representation on public sector boards has been deflected, and it is only targets that have made any headway into the board environment.

8.3 Limitations

This research has several limitations which should be acknowledged.

8.3.1 One dimensional diversity

In focusing on gender alone, in this instance male and female, this research does not address other facets of diversity such as ethnicity and age, or the intersectionality of gender with other demographic categories. The decision to constrain the scope of the research to one category of governance diversity was a practical necessity based upon its conception as a Master's degree-level study. Gender was chosen because it is a current issue in the business media spotlight, and it is the only category of diversity for which there is secondary demographic data available at governance level. Given the myriad of explanations provided by participants for the low number of women on listed company boards, the sole focus on gender has proven to be a sensible course of action both in terms of analysing the data, and presenting the findings in a coherent manner.

In addition, if New Zealand boards can use this research to make an inroad to issues hindering proportionate contribution from *half* the population, simultaneous traction for other marginalised demographic groups will likely be achieved. As Tony Carter, a distinguished chair and director of four New Zealand listed company boards has said,

“The sad thing is that diversity has been captured by gender, because it’s easy to measure. It is not enough, but it is a start. The likelihood is that a three male/three female Board will be more diverse than a six male Board.” (as cited in Chen, 2018, p. 189). Joan Withers, another eminent chair of two New Zealand listed company boards concurred saying, “I see gender as the first frontier” (as cited in Smylie, 2017, p. 14).

8.3.2 Restricted inter-country comparison

On the global stage, New Zealand is only a small-scale business environment. However, there is little available qualitative research involving in-depth interviews with male directors on listed company boards. New Zealand also has a developed economy with a strong governance tradition. In this manner the investigation makes a useful contribution to the body of local knowledge and provides insights for *comparable* international research.

The literature review focused on the extant research from a narrow group of comparator countries; Australia, the United States, and Norway. The focus was on these countries because although there are important contextual differences, such as company size, they are not too dissimilar to New Zealand in their combination of cultural, political, legal and business environments. Again, keeping the scope of the research manageable was also a primary consideration.

8.3.3 Depth

This research focused on describing and interpreting in a ‘light’ manner the reasons given by male directors for the low number of female directors on New Zealand’s listed company boards. It does not proposit to examine any of those reasons in great depth or to ascertain whether they are in fact an accurate reflection of the situation. As with much qualitative research, this was a deliberate move to identify the perceptions held by the interviewees precisely because of the value in understanding their reality. This partial view does however provide a spring-board for more detailed research on the nuanced aspects particularly using a critical diversity lens or gendered organisation framework. In addition, there was myriad of reasons given in answering the research questions and as already noted, it was important to manage the scope of this research project.

8.3.4 Number of interviews

This investigation involved 10 interviews, and it is recognised that those who review the study with more of an objectivist view of the world may take issue with this ‘small sample size’. The methodology section covers in detail the rationale for this number of interviews. It is important to reiterate that this is as a *qualitative* study that takes a *pragmatic* approach. Rather than making definitive and bald pronouncements based on statistical data, it shares indicative and in-depth insights about factors that may be causing the situation in New Zealand. As already noted, it fills a gap in current knowledge and offers a springboard for further investigations. In this way, the research can contribute to increasing the number of women at the highest levels of the corporate ladder in New Zealand, something that has not occurred despite the wealth of quantitative data to hand.

From a purely practical perspective, 10 in-depth interviews also made for a manageable project commensurate with the available timeframe.

8.3.5 Shifting sands

Listed companies’ rankings on the stock exchange rise and fall with their fortunes. Less often companies de-list from or newly list on the stock exchange, and directors step down and replacements are appointed. The shifting sands of the NZSX mean that data used throughout this report is only ever a snapshot as at the date it was collected. However, all data has been carefully referenced and considerable effort made to ensure any comparisons were made using data from the same year and from an equivalent population.

8.4 Future research

The rich data collected in this study from ten influential male directors has opened up many potential areas for future research. Suggestions for future research are outlined in this section and include the degree of buy-in to the ‘cases’ for women on boards; women’s corresponding thoughts; seeking missing facts and more depth to gain further clarity about some explanations; a raft of questions raised by participants; and broadening the scope from gender to additional facets of diversity.

8.4.1 Buy-in to the 'cases' for women on boards

The literature review outlined the business case and a social justice case for increasing the number of female directors on listed company boards. However, several interviewees believed that boards, chairs, and major shareholders treated this objective as a low priority. In order to understand the extent of the issue and actions required to address it, further research on the degree of support from those parties to both 'cases' would be useful.

8.4.2 Women's corresponding thoughts

During the course of this study, the male participants gave their opinions about prospective female directors' thoughts on certain matters. There is an opportunity to explore women's actual corresponding thoughts on those matters. For example:

- Are women specifically disinterested in certain boards and if so, why?
- Do prospective female directors want female role models?
- To what extent did female directors secure their role through networks?

8.4.3 Missing facts

In aligning the statistical data on governance available in New Zealand with potential reasons for the low number of women on listed company boards, it became apparent that there are several missing facts. These include:

- The average length of tenure, average age, company size, board size, and percentage of independent directors in relation to the percentage of female directors
- Percentage of directors by gender, by most senior executive role previously held
- Board gender balance of companies who have been subject to hostile takeovers, liquidation, significant loss in value and similar unfavourable outcomes, compared to those who have not

8.4.4 More depth

The findings can be a spring-board for more in-depth research on individual explanations given by interviewees including:

- Actual board appointment processes (formal and informal aspects)
- The extent of rules, guidelines, and practice around tenure

8.4.5 Questions raised by interviewees

During discussions, participants raised a raft of related questions as listed below. If they are indicative of questions other directors on listed company boards also have, they point to additional opportunities for conducting and sharing research.

- What does diversity mean in the context of a board?
- How do you characterise a good director in terms of skills and experience?
- Is senior business experience necessary for every board member?
- If you compromise on director requirements because of gender, are you doing your shareholders justice?
- What are recruiters looking for in a director?
- What board behaviours do recruiters observe during the search for directors?
- How do you grow the pool of female directors?
- How do you stretch women to middle management, to senior management, and then to governance?
- Is there something mechanistic or structural that obstructs prospective female directors more than others?
- Is there inherent bias in the system?
- What happened in the public sector over the last 20 years that almost half the directors are women?
- Does research show that gender quotas achieve better results?
- Will the proportion of women on boards happen over time or does it need intervention?
- What is the right size for a board?
- What percentage of listed company CEOs and senior managers are women, and has it been changing?
- What percentage of board appointments each year in recent years are women?
- What is the percentage of women attending director training?
- Why focus on the gender balance of listed company board directors – what's going on in other professions?

8.4.6 Additional categories of diversity

This investigation was limited to one category of diversity amongst directors of listed companies in New Zealand: gender, in a binary sense. There is no data available on other categories such as ethnicity and age amongst the directors. Relying on informal observations of visible diversity across many listed company websites, in addition to the predominance of men, the directors appear to be predominantly Pākehā and averaging 60 years old. MacLennan et al. (2018) concur, “There are very few CEOs or board members of any ethnicity other than Pākehā” (p. 4).

However, there are indications that other categories of diversity are on the radar for governance in New Zealand. Several the interviewees in this research mentioned that the discussion about diversity on boards should not be limited to gender, given the other factors contributing to diversity of thought; including ethnicity and age. Additionally, in discussing one of their training programmes the IoD states on its website that the *Mentoring for Diversity* programme was initially developed to increase the number of women on boards, but has now evolved to encompass all categories of diversity including “race, ethnicity, age, skills and experience” and “the IoD has always believed that diversity of thought does not only stem from a better gender balance on boards” (IoD, n.d.-a). Furthermore, Chen (2018) pointed out in her significant piece of New Zealand governance research, that diverse thinking is the end-game and “although diverse thinking may leverage off gender equality, it is a broader concept” (p. 16).

These indications flag a clear need for both statistics and research on other categories of diversity at governance level.

8.5 Contribution and practical application

A strength of this investigation is that, unlike quantitative and survey data, it provided a direct line to the ‘gate-keepers’ of listed company boards, the predominantly male directors, and gave them an opportunity to voice in their own words, why they believe there are so few women serving on those boards. The qualitative methodology adds insight that augments the quantitative data already available.

This study fills a gap in knowledge about women on boards, offering a unique New Zealand perspective as a point of comparison to other countries, but more importantly providing a rare *local* resource for large domestic businesses.

As originally intended, the findings also have the potential to be used as a practical means to address a current business issue. Directors can reflect on the findings and consider how they might improve their own and their board's practices to increase the proportion of women on boards at a faster pace. Change agents can leverage the explanation themes to inform the development of local material and programmes tailored to chairs and directors of listed companies, and other key audiences to achieve the same end.

And finally, the findings offer a springboard for many future research opportunities.

8.6 Concluding thoughts

Women represent less than one quarter of directors on listed company boards in Aotearoa New Zealand (NZX, 2019b) and the progress of women being appointed to boards has been described as 'glacial' (Withers, 2017). Both the business case and the social justice case would suggest that this state of affairs needs to change.

This research sought to ascertain how male directors explain the low proportion of female directors on the boards of New Zealand's publicly-listed companies. The qualitative methodology provided a direct line to the 'gate-keepers' and gave them a voice. In doing so, it demonstrated that male directors have a myriad of explanations for the low number of women on boards. These findings add insights that augment existing quantitative data and provide a practical means to address a current business issue.

The closing words from one participant best illustrate the need for this research. Director 7 articulates his belief that having more women on boards is beneficial, his optimism that the situation will improve, his recognition that there are issues behind the situation, and his belief about the obstacles still to be overcome:

I believe there are benefits in diversity. It is changing. It will change inexorably. I think it's changing for good reasons. There are reasons why it hasn't happened in the past. They're not good reasons, but

they're explainable reasons. But, I think there probably are always going to be, for a while to come, fewer women who fit or have the skillset. The universe of potentials is going to be fewer than men.

My concluding thoughts as the researcher, turning from the minutiae of the study to a broad outlook on the future of women in governance are two-fold. Firstly, it is time to shine more light on the social justice case and the broader stakeholder group. Secondly, there is an opportunity for male directors to gain a better understanding of the relative power they hold in their role as the 'gate-keepers' to the boardroom, in a position to drive the change.

References

- 25 Percent Group. (2012, June 13). *25 Percent Group targets board diversity* [Press Release]. Retrieved from <http://www.scoop.co.nz/stories/BU1206/S00371/25-percent-group-targets-board-diversity.htm>
- 25 Percent Group. (2015, March 24). *25 Percent Group reports three year progress* [Press Release]. Retrieved from <http://www.scoop.co.nz/stories/BU1503/S00794/25-percent-group-reports-three-year-progress.htm>
- Acker, J. (2012). Gendered organizations and intersectionality: Problems and possibilities. *Equality, Diversity and Inclusion*, 31(3), 214-224. <https://doi.org/10.1108/02610151211209072>
- Adams, R., & Ferreira, D. (2009). Women in the boardroom and their impact on governance and performance. *Journal of Financial Economics*, 94(2), 291-309.
- Albright, M. (2016, February 12). Madeleine Albright: My undiplomatic moment. *The New York Times*. Retrieved from <https://www.nytimes.com/2016/02/13/opinion/madeleine-albright-my-undiplomatic-moment.html?action=click&pgtype=Homepage&clickSource=story-heading&module=opinion-c-col-right-region®ion=opinion-c-col-right-region&WT.nav=opinion-c-col-right-region>
- Aluchna, M., & Aras, G. (Eds.). (2018). *Women on corporate boards: An international perspective*. Abingdon, England: Routledge.
- Aluchna, M., & Szapiro, T. (2018). Women on corporate boards: Backgrounds, drivers, and mechanisms. In M. Aluchna & G. Aras (Eds.), *Women on corporate boards: An international perspective* (pp. 9-32). Abingdon, England: Routledge.
- Archer, M., Decoteau, C., Gorski, P., Little, D., Porpora, D., Rutzou, T., . . . Vandenberghe, F. (2016, December 23). *What is critical realism?* Retrieved September 14, 2019, from <http://www.asatheory.org/current-newsletter-online/what-is-critical-realism>
- Argosy. (n.d.). *Our people: Board*. Retrieved September 14, 2019, from <https://www.argosy.co.nz/about-us/our-people/>
- ASX Corporate Governance Council. (2010). *Corporate governance principles and recommendations with 2010 amendments: 2nd edition*. Retrieved from https://www.asx.com.au/documents/asx-compliance/cg_principles_recommendations_with_2010_amendments.pdf

- ASX Corporate Governance Council. (2019, February). *Corporate governance principles and recommendations: 4th edition*. Retrieved from <https://www.asx.com.au/documents/asx-compliance/cgc-principles-and-recommendations-fourth-edn.pdf>
- Auckland University of Technology. (2019). *Auckland University of Technology code of conduct for research*. Retrieved from https://www.aut.ac.nz/_data/assets/pdf_file/0006/274371/AUT-CODE-OF-CONDUCT-FOR-RESEARCH-2019.pdf
- Australian Council of Superannuation Investors. (2019). *ACSI voting policy – Gender diversity in the ASX300*. Retrieved from <https://www.acsi.org.au/images/stories/ACSIDocuments/2019-Voting-Policy.pdf>
- Workplace Gender Equality Act (2012).
- Australian Government. (n.d.). *Boardlinks equals success*. Retrieved September 14, 2019, from <https://www.boardlinks.gov.au/>
- Australian Institute of Company Directors. (2015a, May 5). *30 percent club launches in Australia* [Press Release]. Retrieved from <https://aicd.companydirectors.com.au/advocacy/board-diversity/30-club-launches-in-australia>
- Australian Institute of Company Directors. (2015b). *30% by 2018: Gender diversity progress report* (June-August 2015). Retrieved from <https://aicd.companydirectors.com.au/-/media/cd2/resources/advocacy/board-diversity/pdf/gender-diversity-quarterly-report-june-august-final.ashx>
- Australian Institute of Company Directors. (2019). *30% by 2018: Gender diversity progress report* (September-December 2018). Retrieved from https://aicd.companydirectors.com.au/-/media/cd2/resources/advocacy/board-diversity/pdf/06440-4-pol-gender-diversity-quarterly-report-jan19-a4_final.ashx
- Bathula, H. (2008). *Board characteristics and firm performance: Evidence from New Zealand* (Doctoral thesis). Auckland University of Technology.
- Bhaskar, R. (2010). *Reclaiming reality: A critical introduction to contemporary philosophy*. Abingdon, England: Routledge.
- Bilimoria, D. (2000). Building the business case for women corporate directors. In R. Burke & M. Mattis (Eds.), *Women on corporate boards of directors: International challenges and opportunities* (pp. 25-42). Dordrecht, The Netherlands: Kluwer Academic.

- Bill Track 50. (2019, February 14). *NJ S3469: Requires certain corporations to appoint women to board of directors*. Retrieved from <https://www.billtrack50.com/BillDetail/1070641>
- Birks, M., Chapman, Y., & Francis, K. (2008). Memoing in qualitative research: Probing data and processes. *Journal of Research in Nursing*, 13(1), 68-75. <https://doi.org/10.1177/1744987107081254>
- Boyatzis, R. (1998). *Transforming qualitative information: Thematic analysis and code development*. Thousand Oaks, CA: Sage Publications.
- Boyle, G., Foley, M., & Hong, S. (2019). *The impact of the 2012 NZX listing rule change on board composition and company performance*. Retrieved from <https://www.canterbury.ac.nz/media/documents/oexp-business-and-law/2012-NZX-Diversity-Rule.pdf>
- Braun, V., & Clarke, V. (2006). Using thematic analysis in psychology. *Qualitative Research in Psychology*, 3(2), 77-101. <https://doi.org/10.1191/1478088706qp063oa>
- Business Roundtable. (2019, August 19). *Business Roundtable redefines the purpose of a corporation to promote 'An economy that serves all Americans'* [Press Release]. Retrieved from <https://www.businessroundtable.org/business-roundtable-redefines-the-purpose-of-a-corporation-to-promote-an-economy-that-serves-all-americans>
- Caplin, L. (2019, March 6). *Start-ups must stare into boardroom battle*. Retrieved September 14, 2019, from <https://www.westpac.com.au/news/in-depth/2019/03/start-ups-must-stare-into-boardroom-battle/>
- Carter, V. (2018, July 13). Victoria Carter: Women definitely bring new thinking to company boards. *The New Zealand Herald*. Retrieved from https://www.nzherald.co.nz/nz/news/article.cfm?c_id=1&objectid=12087685
- Casey, C., Skibnes, R., & Pringle, J. (2011). Gender equality and corporate governance: Policy strategies in Norway and New Zealand. *Gender, Work & Organization*, 18(6), 613-630. <https://doi.org/10.1111/j.1468-0432.2010.00514.x>
- Catalyst. (n.d.). *About Catalyst*. Retrieved Sept 14, 2019, from <https://www.catalyst.org/mission/>
- Chen, M. (2018). *Diverse thinking capability audit of New Zealand boardrooms 2018*. New Zealand: Super Diversity Institute for Law, Policy and Business.
- Cikaliuk, M., Eraković, L., Jackson, B., Noonan, C., & Watson, S. (2018). Leadership in governance: Women board chairs. In L. Devnew, M. Janzen Le Ber, M. Torchia, & R. Burke (Eds.), *More women on boards: An international perspective* (pp. 269-283). Charlotte, NC: Information Age Publishing.

- Court, R. (2019, August 23). Time for an attitude adjustment. *New Zealand Herald*. Retrieved from https://www.nzherald.co.nz/business/news/article.cfm?c_id=3&objectid=12261176
- Cribb, J. (2019, August 11). New Zealand needs a quota to get women onto boards. *Stuff*. Retrieved from <https://www.stuff.co.nz/opinion/114873775/jo-cribb-new-zealand-needs-a-quota-to-get-women-onto-boards>
- Crotty, M. (1998). *The foundations of social research: Meaning and perspective in the research process*. St Leonards, Australia: Allen & Unwin.
- Daidj, N. (2018). Females on corporate boards: French perspectives towards more diversity. In M. Aluchna & G. Aras (Eds.), *Women on corporate boards: An international perspective* (pp. 183-203). Abingdon, England: Routledge.
- Davies, M. (2011, February). *Women on boards*. United Kingdom: Department for Business, Innovation and Skills.
- Davies, M. (2015, October). *Improving the gender balance on British boards: Women on boards Davies Review - Five year summary*. United Kingdom: Department for Business, Innovation and Skills.
- Davis, A. (2018, July 10). Research shows no benefit from women on company boards. *New Zealand Herald*. Retrieved from <https://www.nzherald.co.nz>
- Deloitte. (2017, December). *Westpac New Zealand: Diversity dividend report*. Retrieved from <https://www.westpac.co.nz/assets/WOI/Westpac-Diversity-Dividend-Report.pdf>
- Department for Business Innovation and Skills. (2017). *Standard voluntary code of conduct: executive search firms*. England: United Kingdom Government. Retrieved from [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/659381/VOLUNTARY_CODE_OF_CONDUCT_FOR SEARCH FIRMS NOVEMBER 2017.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/659381/VOLUNTARY_CODE_OF_CONDUCT_FOR_SEARCH_FIRMS_NOVEMBER_2017.pdf)
- Devnew, L., Janzen Le Ber, M., Torchia, M., & Burke, R. (2018a). Introduction. In L. Devnew, M. Janzen Le Ber, M. Torchia, & R. Burke (Eds.), *More women on boards: An international perspective* (pp. vii-xxiv). Charlotte, NC: Information Age Publishing.
- Devnew, L., Janzen Le Ber, M., Torchia, M., & Burke, R. (Eds.). (2018b). *More women on boards: An international perspective*. Charlotte, NC: Information Age Publishing.
- Dunstan, K., Keeper, T., Truong, T., & Van Zijl, T. (2011). *The value relevance of board gender diversity for NZX listed firms and its association with growth options*: Victoria University of Wellington. <https://doi.org/10.2139/ssrn.2028720>

- Eagly, A., & Karau, S. (2002). Role congruity theory of prejudice toward female leaders. *Psychological Review*, 109(3), 573-598. <https://doi.org/10.1037/0033-295X.109.3.573>
- Earley, M. (n.d.). *Why don't we have more women on boards?* Retrieved 1 September, 2019, from <https://www.m2woman.co.nz/journey-to-excellence-gallery/>
- Equilar. (2016). *Equilar Blog: Top 25 S&P 500 boards for gender diversity*. Retrieved September 14, 2019, from <https://www.equilar.com/blogs/154-top25-boards-gender-diversity.html>
- Eriksson, P., & Kovalainen, A. (2016). *Qualitative methods in business research* (2nd ed.). London, England: Sage Publications.
- Evans, L. (2019 August 16). *It's Governance, baby!* [Blog post]. Retrieved from <https://medium.com/@lanievens/its-governance-baby-202eadfb8804>
- EY. (2013). *Diversity drives diversity: From the boardroom to the C-suite*. Retrieved September 14, 2019, from https://www.ey.com/en_us/board-matters
- Fagan, C., González Menéndez, M., & Gómez Ansón, S. (Eds.). (2012). *Women on corporate boards and in top management*. Basingstoke, England: Palgrave Macmillan.
- Financial Markets Authority. (2019, 21 March). *Thinking beyond shareholders*. Retrieved September 14, 2019, from <https://www.fma.govt.nz/news-and-resources/speeches-and-presentations/nz-capital-markets-forum/>
- Flick, U. (2009). *An introduction to qualitative research* (4th ed.). London, England: Sage Publications.
- Fondas, N., & Sassalos, S. (2000). A different voice in the boardroom: How the presence of women directors affects board influence over management. *Global Focus*, 12, 13-22.
- Gartenberg, C., & Serafeim, G. (2019, August 20). 181 top CEOs have realized companies need a purpose beyond profit. *Harvard Business Review*. Retrieved from <https://hbr.org>
- Genesis Energy. (2018). *Genesis Energy announces chairman succession*. Retrieved October 19, 2019, from <https://www.nzx.com/announcements/321781>
- Genter, J. (2019, June 20). *Record levels of women on state sector boards* [Press release]. Retrieved from <https://www.beehive.govt.nz/release/record-levels-women-state-sector-boards>

- Gibson, D. (2004). Role models in career development: New directions for theory and research. *Journal of Vocational Behavior*, 65(1), 134-156.
[https://doi.org/10.1016/S0001-8791\(03\)00051-4](https://doi.org/10.1016/S0001-8791(03)00051-4)
- Global Women. (n.d.-a). *About Global Women: Kōwai Mātou*. Retrieved September 14, 2019, from <https://www.globalwomen.org.nz/about/>
- Global Women. (n.d.-b). *Champions for Change*. Retrieved October 16, 2019, from <https://www.globalwomen.org.nz/our-network/champions-for-change/>
- Global Women. (n.d.-c). *What is 40:40:20?* Retrieved October 16, 2019, from <https://www.globalwomen.org.nz/diverse-boards/what-is-404020/>
- Goldin, C., & Rouse, C. (2000). Orchestrating impartiality: The impact of "blind" auditions on female musicians. *American Economic Review*, 90, 715-741.
<https://doi.org/10.1257/aer.90.4.715>.
- Gómez Ansón, S. (2012). Women on board in Europe: Past, present and future. In C. Fagan, M. González Menéndez, & S. Gómez Ansón (Eds.), *Women on corporate boards and in top management* (pp. 18-42). Basingstoke, England: Palgrave Macmillan.
- González Menéndez, M., Fagan, C., & Gómez Ansón, S. (2012). Introduction. In C. Fagan, M. González Menéndez, & S. Gómez Ansón (Eds.), *Women on corporate boards and in top management: European trends and policy* (pp. 1-17). Basingstoke, England: Palgrave Macmillan.
- González Menéndez, M., & Martínez González, L. (2012). The women on boards in Europe project: Aims, methodology and implications. In C. Fagan, M. González Menéndez, & S. Gómez Ansón (Eds.), *Women on corporate boards and in top management* (pp. 43-69). Basingstoke, England: Palgrave Macmillan.
- GovTrack. (2019, June 13). *H.R. 3279: Diversity in Corporate Leadership Act of 2019*. Retrieved from <https://www.govtrack.us/congress/bills/116/hr3279>
- Goyal, R., Korac Kakabadse, N., Morais, F., & Kakabadse, A. (2018). Gender diversity on boards in Norway and the England: A different approach to governance or a case of path dependency. In M. Aluchna & G. Aras (Eds.), *Women on corporate boards: An international perspective* (pp. 33-49). Abingdon, England: Routledge.
- Grant, D. (2018, May 19). Diversity: Do skills matter in the boardroom? *National Business Review*. Retrieved from <https://www.nbr.co.nz/opinion/diversity-do-skills-matter-boardroom>
- Gray, D. (2014). *Doing research in the real world*. London, England: Sage Publications.

- Groysberg, B., Cheng, Y., & Bell, D. (2016). *2016 Global board of directors survey*. Retrieved from Spencer Stuart website: https://www.spencerstuart.com/-/media/pdf-files/research-and-insight-pdfs/wcd-board-survey-2016_041416.pdf
- Guba, E., & Lincoln, Y. (1994). Competing paradigms in qualitative research. In *Handbook of qualitative research* (Vol. 2, pp. 105-117)
- Hagens, V., Dobrow, M., & Chafe, R. (2009). Interviewee transcript review: Assessing the impact on qualitative research. *BMC Medical Research Methodology*, 9(1), 47. <https://doi.org/10.1186/1471-2288-9-47>
- Hawarden, R. (2018). The 2017 New Zealand stock exchange directors' network analysis and the effect of 'soft' reporting regimes on board diversity. In M. Aluchna & G. Aras (Eds.), *Women on corporate boards: An international perspective* (pp. 204-224). Abingdon, England: Routledge.
- Hawarden, R., & Marsland, S. (2011). Locating women board members in gendered director networks. *Gender in management*, 26(8), 532-549. <https://doi.org/10.1108/17542411111183866>
- Hawarden, R., & Stablein, R. (2008). New Zealand women directors: Many aspire but few succeed. In S. Vinnicombe, V. Singh, R. Burke, D. Bilimoria, & M. Huse (Eds.), *Women on corporate boards of directors* (pp. 57-66). Cheltenham, England: Edward Elgar Publishing Limited.
- Heilman, M. (2012). Gender stereotypes and workplace bias. *Research in Organizational Behavior*, 32, 113-135. <https://doi.org/10.1111/0022-4537.00234>
- Huber, C., & O'Rourke, S. (2017). How to accelerate gender diversity on boards. *McKinsey Quarterly*, January, 1-5. Retrieved from <https://www.mckinsey.com>
- Huse, M. (2012). The 'golden skirts': Lessons from Norway about women on corporate boards of directors. In S. Gröschl & J. Takagi (Eds.), *Diversity quotas, diverse perspectives: The case of gender* (pp. 11-23). Farnham, England: Gower Publishing.
- Huse, M. (2018). The business utility case for women on boards: Going beyond the surface. In L. Devnew, M. Janzen Le Ber, M. Torchia, & R. Burke (Eds.), *More women on boards: An international perspective* (pp. 17-34). Charlotte, NC: Information Age Publishing.
- Ibarra, H. (2003). *Working identity: Unconventional strategies for reinventing your career*. Boston, MA: Harvard Business School Press.
- Institute of Directors. (n.d.-c). *About us*. Retrieved October 16, 2019, from <https://www.iod.org.nz/About-us>

- Institute of Directors. (2019, August 2). *Great strides on boardroom diversity but still not there* [Press Release]. Retrieved from <http://www.scoop.co.nz/stories/BU1908/S00070/great-strides-on-boardroom-diversity-but-still-not-there.htm>
- Institute of Directors. (n.d.-a). *Mentoring for diversity*. Retrieved October 16, 2019, from <https://www.iod.org.nz/Membership/Mentoring-for-Diversity>
- Institute of Directors. (n.d.-b). *Future Directors*. Retrieved October 16, 2019, from <https://www.iod.org.nz/Membership/Future-Directors>
- ISS. (2018, November 19). *ISS announces 2019 benchmark policy updates* [Press Release]. Retrieved from <https://www.issgovernance.com/iss-announces-2019-benchmark-policy-updates/>
- Jamieson, K. (1995). *Beyond the double bind*. New York, NY: Oxford University Press.
- Kanter, R. (1977). *Men and women of the corporation*. New York, NY: Basic Books.
- Kanter, R. (1987). Men and women of the corporation revisited. *Management Review*, 76(3), 14-16.
- Killam, L. (2013). *Research terminology simplified: Paradigms, axiology, ontology, epistemology and methodology*. Sudbury, Canada: Author.
- Klein, K. (2017, May 18). Does gender diversity on boards really boost company performance? *Knowledge@Wharton*. Retrieved from <https://knowledge.wharton.upenn.edu/article/will-gender-diversity-boards-really-boost-company-performance/>
- Klettner, A., Clarke, T., & Boersma, M. (2016). Strategic and regulatory approaches to increasing women in leadership: Multilevel targets and mandatory quotas as levers for cultural change. *Journal of Business Ethics*, 133(3), 395-419. <https://doi.org/10.1007/s10551-014-2069-z>
- KPMG. (2016). *ASX Corporate Governance Council principles and recommendations on diversity*. Retrieved from <https://www.asx.com.au/documents/asx-compliance/asx-corp-governance-kpmg-diversity-report.pdf>
- Kramer, V., & Butler, S. (2018). Using power and influence to create gender diverse boardrooms: The role of public policy. In L. Devnew, M. Janzen Le Ber, M. Torchia, & R. Burke (Eds.), *More women on boards: An international perspective* (pp. 207-224). Charlotte, NC: Information Age Publishing.
- Kramer, V., Konrad, A., & Erkut, S. (2006). *Critical mass: Why three or women enhance governance*: Wellesley Centers for Women's Publications. Retrieved from <http://www.wcwonline.org>

- Krouse, S. (2018, February 2). BlackRock: Companies should have at least two female directors. *Wall Street Journal*. Retrieved from <https://www.wsj.com/articles/blackrock-companies-should-have-at-least-two-female-directors-1517598407>
- Lincoln, Y., & Guba, E. (1994). *Naturalistic Inquiry* (2nd ed.). Newbury Park, CA: Sage Publications.
- MacLennan, C., McGregor, J., & Eaquib, S. (2018). *New Zealand census of women on boards 2018*. Retrieved from https://www.aut.ac.nz/data/assets/pdf_file/0004/220369/womenonboardscensusreport2018.pdf
- Mau, A. (2019, June 23). The 'token woman' approach to our boardrooms doesn't cut it. *Sunday Star Times*. Retrieved from <https://www.stuff.co.nz>
- McGregor, J., & Fountaine, S. (2006). *New Zealand census of women's participation*. Retrieved from <https://thehub.sia.govt.nz/assets/Uploads/HRC-06-New-Zealand-Census-of-Womens-Participation-2006.pdf>
- McKay, J. (2016). *Addressing the merit myth* (The Boardroom Report, Volume 14, Issue 6). Retrieved from Australian Institute of Company Directors website: <https://aicd.companydirectors.com.au/membership/the-boardroom-report/volume-14-issue-6/addressing-the-merit-myth>
- McKinsey & Company. (2011). *Unlocking the full potential of women in the U.S. economy*. Retrieved from https://www.mckinsey.com/~media/McKinsey/dotcom/client_service/Organization/PDFs/Exec_Summ_WSJ_Preview_Special_Report.ashx
- McKinsey & Company. (2013). *Women matter 2013: Moving corporate culture, moving boundaries*. Retrieved from [https://www.mckinsey.com/~media/McKinsey/Featured%20Insights/Women%20matter/Addressing%20unconscious%20bias/WomenMatter%202013%20Report%20\(8\).ashx](https://www.mckinsey.com/~media/McKinsey/Featured%20Insights/Women%20matter/Addressing%20unconscious%20bias/WomenMatter%202013%20Report%20(8).ashx)
- McKinsey & Company. (2015). *Women in the workplace 2015*. Retrieved from Women in the Workplace: https://wiw-report.s3.amazonaws.com/Women_in_the_Workplace_2015.pdf
- McKinsey & Company. (2016). *Women matter 2016: Reinventing the workplace to unlock the potential of gender diversity*. Retrieved from <https://www.mckinsey.com/~media/mckinsey/featured%20insights/women%20matter/reinventing%20the%20workplace%20for%20greater%20gender%20diversity/women-matter-2016-reinventing-the-workplace-to-unlock-the-potential-of-gender-diversity.ashx>

- McKinsey & Company. (2017). *Women in leadership Lessons from Australian companies leading the way*. Retrieved from <https://www.mckinsey.com/~media/mckinsey/featured%20insights/gender%20equality/women%20in%20leadership%20lessons%20from%20australian%20companies%20leading%20the%20way/women-in-leadership-lessons-from-australian-companies-leading-the-way.ashx>
- McKinsey & Company. (n.d.). *Women matter: Ten years of insights on gender diversity*. Retrieved September 14, 2019, from <https://www.mckinsey.com/featured-insights/gender-equality/women-matter-ten-years-of-insights-on-gender-diversity>
- Merelo, G. (2019). *Workplace diversity case model*. Auckland, New Zealand: Diversity Works New Zealand.
- Miller, T., & Del Carmen Triana, M. (2009). Demographic diversity in the boardroom: Mediators of the board diversity-firm performance relationship. . *Journal of Management Studies*, 46(5), 755-786. <https://doi.org/10.1111/j1467-6486.2009.00839.x>
- Ministry for Women. (2016). *Increasing the representation of women on private sector boards: A review of initiatives in selected countries*. Retrieved from https://women.govt.nz/sites/public_files/Increasing%20the%20representation%20of%20women%20on%20private%20sector%20boards%20Aug%202016.pdf
- Ministry of Women's Affairs. (2008, November). *Briefing to the incoming Minister of Women's Affairs: He whakamōhiotanga ki te Minita Hōu*. Retrieved from https://women.govt.nz/sites/public_files/briefing-to-the-incoming-minister-2008-1.pdf
- MYOB. (2015). *New Zealand women in business report*. Retrieved from <https://www.myob.com/content/dam/myob-redesign/nz/docs/women-in-business-report.pdf>
- Newstalk ZB. (2017, December 9). *Dame Jenny Shipley: More female business leaders important for NZ economy*. Retrieved from <https://www.newstalkzb.co.nz/news/national/dame-jenny-shipley-more-female-business-leaders-important-for-nz-economy/>
- NZX. (2012a). *Diversity information part of investment decisions* [Press Release]. Retrieved 14 September, 2019, from <https://www.nzx.com/announcements/224643>
- NZX. (2012b). *NZX diversity rule and its implementation*. Retrieved from <http://nzx-prod-s7fsd7f98s.s3-website-ap-southeast-2.amazonaws.com/attachments/NZX/224643/159689.pdf>

- NZX. (2015a). *Gender diversity annual 2014 and Q4 statistics*. Retrieved from https://s3-ap-southeast-2.amazonaws.com/nzx-prod-c84t3un4/comfy/cms/files/files/000/000/398/original/December_2014.pdf
- NZX. (2015b). *Guidance note: Diversity policies and disclosure*. Retrieved 14 September, 2019, from http://s3-ap-southeast-2.amazonaws.com/nzx-prod-c84t3un4/comfy/cms/files/files/000/000/177/original/Guidance_Note_Diversity_25_February_2015.pdf
- NZX. (2017a, May 10). *NZX publishes final NZX Corporate Governance Code* [Press release]. Retrieved September 14, 2019, from <https://www.nzx.com/announcements/300888>
- NZX. (2017b). *NZX corporate governance code 2017*. Retrieved from <http://nzx-prod-s7fsd7f98s.s3-website-ap-southeast-2.amazonaws.com/attachments/NZXR/300888/257864.pdf>
- NZX. (2017c). *Gender diversity 4th quarter 2016 and annual statistics*. Retrieved from <https://s3-ap-southeast-2.amazonaws.com/nzx-prod-c84t3un4/comfy/cms/files/files/000/000/938/original/000000010-251223.pdf>
- NZX. (2019a). *Gender diversity statistics: January 2019*. Retrieved from https://nzx-prod-c84t3un4.s3.ap-southeast-2.amazonaws.com/usxpmx925dFRUGUJjpv6GUc3?response-content-disposition=inline%3B%20filename%3D%22NZX%20Diversity%20Statistics.pdf%22%3B%20filename%2A%3DUTF-8%27%27NZX%2520Diversity%2520Statistics.pdf&response-content-type=application%2Fpdf&X-Amz-Algorithm=AWS4-HMAC-SHA256&X-Amz-Credential=AKIAJABUQT17JQTRAXGA%2F20191028%2Fap-southeast-2%2Fs3%2Faws4_request&X-Amz-Date=20191028T003818Z&X-Amz-Expires=300&X-Amz-SignedHeaders=host&X-Amz-Signature=219afffd62af4935f8804aadeaaa339c932b05ba367803ed15bf79c55e78922a
- NZX. (2019b). *Gender diversity statistics: July 2019*. Retrieved from <http://nzx-prod-s7fsd7f98s.s3-website-ap-southeast-2.amazonaws.com/attachments/NZXO/338380/304437.pdf>
- NZX. (2019c). *Board of directors*. Retrieved September 14, 2019, from <https://www.nzx.com/about-nzx/organization-structure/overview/board-of-directors>
- NZX. (2019d). *NZX listing rules*. Retrieved from http://s3-ap-southeast-2.amazonaws.com/nzx-prod-c84t3un4/comfy/cms/files/files/000/004/063/original/NZX_Listing_Rules_-_1_January_2019.pdf

- NZX. (n.d.-a). *NZX Regulatory Model*. Retrieved October 23, 2019, from <https://www.nzx.com/regulation/nzx-regulation/nzx-regulatory-model>
- NZX. (n.d.-b). *Diversity Statistics*. Retrieved September 1, 2019, from <https://www.nzx.com/regulation/nzx-regulation/diversity-statistics>
- NZX. (n.d.-c). *NZX Main Board (NZSX)*. Retrieved March 1, 2018, from <https://www.nzx.com/markets/NZSX>
- NZX. (n.d.-d). *NZX Main Board (NZSX)*. Retrieved April 9, 2019, from <https://www.nzx.com/markets/NZSX>
- Padilla, A. (n.d.). *Women on boards*. Retrieved September 14, 2019, from <https://www.sos.ca.gov/business-programs/women-boards/>
- Parker, C. (2018, August 23). VUCA: What is it? *New Zealand Management*. Retrieved from <https://management.co.nz/article/vuca-what-it>
- Parker, T. (2019a, October 18). Top jobs a pale reflection of NZ society. *The New Zealand Herald*, p. C5.
- Parker, T. (2019b, February 1). Lack of women on boards is 'embarrassing' for NZ. *The New Zealand Herald*. Retrieved from <https://www.nzherald.co.nz>
- Patterson, K. (2018, May 26). Why diverse boards are good for us, and good for New Zealand. *National Business Review*. Retrieved from <https://www.nbr.co.nz/article/why-diverse-boards-are-good-us-and-good-new-zealand-215985>
- Patton, M. (2002). *Qualitative research and evaluation methods* (3rd ed.). Thousand Oaks, CA: Sage Publications.
- Patton, M. (2014). *Qualitative research and evaluation methods* (4th ed.). Newbury Park, CA: Sage Publications.
- Perrault, E. (2015). Why does board gender diversity matter and how do we get there? The role of shareholder activism in deinstitutionalizing old boys' networks. *Journal of Business Ethics*, 128, 149-165. <https://doi.org/10.1007/s10551-014-2092-0>
- Pesonen, S., Tienari, J., & Vanhala, S. (2009). The boardroom gender paradox. *Gender in Management: An International Journal*, 24(5), 327-345. <https://doi.org/10.1108/17542410910968797>
- Pletzer, J., Nikolova, R., Kedzior, K., & Voelpel, S. (2015). Does gender matter? Females on corporate boards and firm financial performance: A meta-analysis. *PLoS ONE*. <https://doi.org/10.1371/journal.pone.0130005>.

- Post, C., & Byron, K. (2015). Women on boards and firm financial performance: A meta-analysis. *The Academy of Management Journal*, 58. <https://doi.org/10.5465/amj.2013.0319>.
- Pringle, J., & Ryan, I. (2015). Understanding context in diversity management: a multi-level analysis. *Equality, Diversity and Inclusion*, 34(6), 470-482. <https://doi.org/10.1108/EDI-05-2015-0031>
- Pringle, J., & Strachan, G. (2015). Duelling dualisms: A history of diversity management. In R. Bendl, I. Bleijenbergh, E. Henttonen, & A. Mills (Eds.), *The Oxford Handbook of Diversity in Organizations* (pp. 39-61). Oxford, England and New York, NY: Oxford University Press.
- Pushpay. (n.d.). *Boad of Directors*. Retrieved September 14, 2019, from <https://pushpay.com/investors/board/>
- QRCA. (n.d.). *When to Use Qualitative Research*. Retrieved 25 October, 2016, from <http://www.qrca.org/?page=whentouseqr>
- Ragins, B., Townsend, B., & Mattis, M. (1998). Gender gap in the executive suite: CEOs and female executives report on breaking the glass ceiling. *The Academy of Management*, 12(1), 28-42. <https://doi.org/10.5465/ame.1998.254976>
- Redmond, A. (2018, March 22). Minister for Women says old white men should 'move on' from company boards. *Stuff*. Retrieved from <https://www.stuff.co.nz/national/politics/102507145/minister-for-women-julie-anne-genter-says-old-white-men-should-move-on-from-company-boards>
- Rimmel, G., Inwinkl, P., Lindstrand, A., & Ohlsson, I. (2018). Female representation on Swedish corporate boards. In M. Aluchna & G. Aras (Eds.), *Women on corporate boards: An international perspective* (pp. 169-182). Abingdon, England: Routledge.
- Rorty, R. (1991). *Objectivity, relativism, and truth* (Vol. 1). Cambridge, England: Cambridge University Press.
- Roulston, K. (2013). *Reflective interviewing: A guide to theory and practice*. <https://doi.org/https://dx.doi.org/10.4135/9781446288009>
- Rowley, J. (2012). Conducting research interviews. *Management Research Review*, 35(3/4), 260-271. <https://doi.org/10.1108/01409171211210154>
- Russell Reynolds Associates. (2002). *What makes an effective board? Views from FTSE chairmen*. London, England: Russell Reynolds Associates.

- Russell Reynolds Associates. (2009). *Different is better - Why diversity matters in the boardroom*. Retrieved from https://www.russellreynolds.com/en/Insights/thought-leadership/Documents/different-is-better_0.pdf
- Sacks, R., & Maatwk, F. (2018). Analysis of the perceived role and value of women's support networks in helping women gain a board position. In L. Devnew, M. Janzen Le Ber, M. Torchia, & R. Burke (Eds.), *More women on boards: An international perspective* (pp. 175-187). Charlotte, NC: Information Age Publishing.
- Sandberg, C. (2013). *Lean in: Women, work, and the will to lead*. New York, NY: Alfred A. Knopf.
- Sandelowski, M. (1995). Focus on research methods: Sample size in qualitative research. *Research in Nursing & Health*, 18(2), 179-183. <https://doi.org/10.1002/nur.4770180211>
- Sandelowski, M. (2000). Focus on research methods: Whatever happened to qualitative description? *Research in Nursing and Health*, 23(4), 334-340. <https://onlinelibrary.wiley.com/doi/abs/10.1002/1098-240X%28200008%2923%3A4%3C334%3A%3AAID-NUR9%3E3.0.CO%3B2-G>
- Sealy, R. (2009). *A qualitative examination of the importance of female role models in investment banks*. (Doctoral thesis, Cranfield University, Bedford, England). Retrieved from https://dspace.lib.cranfield.ac.uk/bitstream/handle/1826/4092/Sealy_Thesis_2009.pdf?sequence=1&isAllowed=y
- Seierstad, C. (2016). Beyond the business case: The need for both utility and justice rationales for increasing the share of women on boards. *Corporate Governance: An International Review*, 24(4), 390-405. <https://doi.org/10.1111/corg.12117>
- Shaw, A. (2018, October 19). Revealed: What New Zealand's top CEOs are paid. *The New Zealand Herald*. Retrieved from https://www.nzherald.co.nz/personal-finance/news/article.cfm?c_id=12&objectid=12134854
- 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. <https://doi.org/10.1108/09649429610117425>
- Silverman, D. (2010). *Doing qualitative research: A practical handbook* (3rd ed.). London, England: Sage.

- 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), 479-488. <https://doi.org/10.1111/j.1467-8683.2004.00388.x>
- Smith, J. (2010). *Directors' insights from inside the boardroom: A New Zealand perspective* (Masters thesis). AUT University.
- Smylie, C. (2017, May 5). Board breakdowns show diversity push not reaping results. *National Business Review*. Retrieved from <https://www.nbr.co.nz>
- Smythe, L. (2012). Discerning which qualitative approach fits best. *New Zealand College of Midwives*(46), 5-12.
- Sneader, K., & Yee, L. (2019). One is the loneliest number. *McKinsey Quarterly*, 1-3. Retrieved from <https://www.mckinsey.com>
- State Sector Act 1988.
- Stock, R. (2019, June 20). *Minister for Women announces record share of leadership roles held by women*. Retrieved from <https://www.stuff.co.nz/business/113637059/minister-for-women-announces-record-share-of-leadership-roles-held-by-women>
- Sutherland, V., Macdougall, L., & Glass, A. (2015). *Increasing representation of women on private sector boards in Scotland*. Edinburgh, England: The Scottish Government. Retrieved from <https://www.gov.scot/publications/increasing-representation-women-private-sector-boards-scotland/>
- Teasdale, N., Fagan, C., & Shepherd, C. (2012). Women's representation on the boards of UK-listed companies. In C. Fagan, M. González Menéndez, & S. Gómez Ansón (Eds.), *Women on corporate boards and in top management: European trends and policy* (pp. 128-149). Basingstoke, England: Palgrave Macmillan.
- Teigan, M. (2012). Gender quotas for corporate boards in Norway: Innovative gender equality policy. In C. Fagan, M. González Menéndez, & S. Gómez Ansón (Eds.), *Women on corporate boards and in top management* (pp. 70-90). Basingstoke, England: Palgrave Macmillan.
- Torchia, M., Calabrò, A., & Huse, M. (2011). Women directors on corporate boards: From tokenism to critical mass. *Journal of Business Ethics*, 102(2), 299-317. <https://doi.org/10.1007/s10551-011-0815-z>
- Umoh, R. (2019, July 25). The last all-male board on the S&P 500 just added a female member. *Forbes*. Retrieved from <https://www.forbes.com/sites/ruthumoh/2019/07/25/the-last-all-male-board-on-the-sp-500-just-added-a-female-member/#70487103399d>

- United States Government Accountability Office. (2019, June 20). *Board diversity: Strategies to increase representation of women and minorities*. Retrieved from <https://www.gao.gov/assets/700/699874.pdf>
- Vasiliou, V., & Adams, S. (2018). Why are there so few women on boards? Voices from the boardroom in the United States. In L. Devnew, M. Janzen Le Ber, M. Torchia, & R. Burke (Eds.), *More women on boards: An international perspective* (pp. 85-97). Charlotte, NC: Information Age Publishing.
- Vinnicombe, S., Singh, V., Burke, R., Bilimoria, D., & Huse, M. (Eds.). (2008). *Women on corporate boards of directors*. Cheltenham, England: Edward Elgar.
- WalesDTP. (2015, January 29). *David James: How to get clear about method, methodology, epistemology and ontology, once and for all* [Video File]. Retrieved from https://www.youtube.com/watch?v=b83ZfBoQ_Kw
- Wiley, C., & Monllor-Tormos, M. (2018). Board gender diversity in the STEM&F sectors: The critical mass required to drive firm performance. *Journal of Leadership & Organizational Studies*, 25(3), 290–308.
<https://doi.org/10.1177/1548051817750535>
- Withers, J. (2017). *A woman's place*. Auckland, New Zealand: Penguin Random House.
- Workplace Gender Equality Agency. (n.d.). *About the Agency*. Retrieved September 14, 2019, from <https://www.wgea.gov.au/about-the-agency>

Appendices

Appendix A: Female directors on NZSX-listed company boards

Company name	Market capitalisation	Total # directors on board	# Female directors on board	% Female directors on board	Male-only board	Mixed board	Board with at least 40% female directors	Board with at least half female directors	Board with a majority female directors
Westpac Banking Corporation	\$11,929,176,609	8	2	25%		1			
Australia and New Zealand Banking Group Limited	\$90,076,349,779	9	3	33%		1			
Telstra Corporation Limited	\$42,221,207,385	10	4	40%		1	1		
AMP Limited	\$16,411,333,245	10	4	40%		1	1		
The a2 Milk Company Limited	\$9,612,423,340	6	1	17%		1			
Fisher & Paykel Healthcare Corporation Limited	\$7,854,384,973	8	2	25%		1			
Australian Foundation Investment Company Limited	\$7,745,537,259	9	2	22%		1			
Auckland International Airport Limited	\$7,667,065,811	8	4	50%		1	1	1	
Meridian Energy Limited	\$7,137,955,000	8	2	25%		1			
Foreign & Colonial Investment Trust Plc	\$6,712,197,215	8	3	38%		1			
Spark New Zealand Limited	\$6,147,079,482	7	3	43%		1	1		
Ryman Healthcare Limited	\$5,340,000,000	6	2	33%		1			
Fletcher Building Limited	\$4,488,940,434	6	1	17%		1			
Mercury NZ Limited (NS)	\$4,380,819,659	8	2	25%		1			
Templeton Emerging Markets Plc	\$4,119,804,187	6	1	17%		1			
Contact Energy Limited	\$3,774,774,715	6	3	50%		1	1	1	
Air New Zealand Limited (NS)	\$3,699,659,095	7	3	43%		1	1		
Port of Tauranga Limited (NS)	\$3,464,158,461	6	1	17%		1			
Vector Limited	\$3,300,000,000	7	2	29%		1			
Z Energy Limited	\$2,828,000,000	6	2	33%		1			
Ebos Group Limited	\$2,707,572,646	5	2	40%		1	1		
The City of London Investment Trust Plc	\$2,702,922,819	6	1	17%		1			
SKYCITY Entertainment Group Limited (NS)	\$2,562,475,337	7	2	29%		1			
Mainfreight Limited	\$2,434,890,891	8	2	25%		1			
Genesis Energy Limited (NS)	\$2,340,000,000	8	3	38%		1			
The Bankers Investment Trust Plc	\$2,059,793,954	4	2	50%		1	1	1	
Kiwi Property Group Limited	\$1,882,049,643	6	2	33%		1			
Trade Me Group Limited	\$1,744,047,479	5	2	40%		1	1		
Infratil Limited	\$1,736,164,815	6	1	17%		1			
Goodman Property Trust	\$1,712,749,976	7	2	29%		1			
Trustpower Limited	\$1,627,459,600	7	1	14%		1			
Chorus Limited (NS)	\$1,584,109,396	8	3	38%		1			
Precinct Properties New Zealand Limited	\$1,538,123,245	7	1	14%		1			
Summerset Group Holdings Limited	\$1,417,717,560	6	3	50%		1	1	1	
Synlait Milk Limited (NS)	\$1,397,939,618	8	2	25%		1			
Metlifecare Limited	\$1,253,217,865	7	2	29%		1			
Freightways Limited	\$1,160,267,276	5	1	20%		1			
Pushpay Holdings Limited	\$1,062,436,038	6	0	0%	1				
Heartland Bank Limited	\$1,014,021,212	9	2	22%		1			
Sky Network Television Limited	\$968,958,065	6	2	33%		1			
Vital Healthcare Property Trust	\$923,065,922	5	1	20%		1			
Restaurant Brands New Zealand Limited	\$888,894,976	5	1	20%		1			
Henderson Far East Income Limited	\$860,928,519	5	1	20%		1			
Argosy Property Limited	\$847,706,150	6	0	0%	1				
Fonterra Shareholders' Fund (NS)	\$824,198,052	5	2	40%		1	1		
Delegat Group Limited	\$819,154,555	6	2	33%		1			
Property for Industry Limited	\$815,412,645	6	1	17%		1			
JPMorgan Global Growth & Income plc	\$786,183,892	4	1	25%		1			
Briscoe Group Limited	\$770,712,405	5	2	40%		1	1		
CBL Corporation Limited (in voluntary administration)	\$747,416,358	6	0	0%	1				
The New Zealand Refining Company Limited	\$747,057,723	7	2	29%		1			
Tourism Holdings Limited	\$725,805,916	6	4	67%		1	1	1	1
Sanford Limited (NS)	\$720,925,860	6	1	17%		1			
The Warehouse Group Limited	\$697,154,671	6	2	33%		1			
Scales Corporation Limited	\$632,296,314	7	1	14%		1			
Stride Property Ltd & Stride Investment Management Ltd (\$613,181,985	6	1	17%		1			
Oceania Healthcare Limited	\$610,254,535	7	3	43%		1	1		
Tilt Renewables Limited	\$575,870,320	6	1	17%		1			
Gentrack Group Limited	\$533,151,508	6	0	0%	1				
Arvida Group Limited	\$500,626,038	5	1	20%		1			
PGG Wrightson Limited	\$460,457,752	7	0	0%	1				
Michael Hill International Limited	\$457,177,445	5	2	40%		1	1		
Kathmandu Holdings Limited	\$446,788,604	6	1	17%		1			
Vista Group International Limited	\$444,843,700	6	1	17%		1			
T&G Global Limited	\$394,589,117	7	2	29%		1			
NZ Top 50 Fund (NS)	\$376,224,746	5	1	20%		1			
Tegel Group Holdings Limited	\$373,701,492	6	1	17%		1			
Skellerup Holdings Limited	\$362,474,917	5	1	20%		1			
Investore Property Limited (NS)	\$358,627,411	4	1	25%		1			
Comvita Limited	\$354,548,830	7	2	29%		1			
ASB Capital Limited (NS)	\$314,650,000	4	1	25%		1			
Millennium & Copthorne Hotels New Zealand Limited	\$303,778,780	6	0	0%	1				
NZX Limited	\$292,639,260	7	1	14%		1			
Hallenstein Glasdon Holdings Limited	\$275,578,662	6	1	17%		1			
New Zealand King Salmon Investments Limited	\$267,257,441	7	1	14%		1			
Scott Technology Limited	\$263,839,912	7	0	0%	1				
CDL Investments New Zealand Limited	\$255,312,853	6	0	0%	1				
The Colonial Motor Company Limited	\$253,056,452	7	0	0%	1				
Kingfish Limited	\$251,814,793	4	2	50%		1	1	1	

Continued...

Company name	Market capitalisation	Total # directors on board	# Female directors on board	% Female directors on board	Male-only board	Mixed board	Board with at least 40% female directors	Board with at least half female directors	Board with a majority female directors
Turners Automotive Group Limited	\$244,142,490	6	0	0%	1				
Abano Healthcare Group Limited	\$241,330,172	6	2	33%		1			
Tower Limited	\$241,186,875	5	1	20%		1			
EROAD Limited	\$231,406,903	6	1	17%		1			
Marsden Maritime Holdings Limited (NS)	\$231,283,646	6	2	33%		1			
Green Cross Health Limited	\$229,044,414	8	2	25%		1			
AFT Pharmaceuticals Limited	\$218,943,043	7	1	14%		1			
NZ Bond Fund (NS)	\$210,670,890	5	1	20%		1			
Trilogy International Limited	\$205,930,347	5	1	20%		1			
Europe Fund (NS)	\$199,934,525	5	1	20%		1			
Steel & Tube Holdings Limited	\$189,370,774	5	3	60%		1	1	1	1
ASB Capital Limited (NS)	\$184,800,000	4	1	25%		1			
Pacific Edge Limited	\$179,533,893	6	0	0%	1				
TIL Logistics Group Limited	\$162,918,966	5	1	20%		1			
South Port New Zealand Limited (NS)	\$160,032,878	6	1	17%		1			
Global Bond Fund (NS)	\$159,912,173	4	0	0%	1				
Serko Limited	\$157,278,118	5	1	20%		1			
Orion Health Group Limited	\$156,458,611	7	0	0%	1				
Metro Performance Glass Limited	\$153,863,811	6	1	17%		1			
NZME Limited	\$152,888,800	4	2	50%		1	1	1	
Precinct Properties New Zealand Limited	\$152,700,000	7	1	14%		1			
Millennium & Copthorne Hotels New Zealand Limited	\$151,889,884	6	0	0%	1				
US 500 Fund (NS)	\$133,691,257	5	1	20%		1			
Seeka Limited	\$117,392,569	7	1	14%		1			
Australian Mid Cap Fund (NS)	\$116,500,027	5	1	20%		1			
New Zealand Cash Fund (NS)	\$116,367,538	5	1	20%		1			
New Zealand Oil & Gas Limited	\$110,161,881	5	1	20%		1			
Rubicon Limited	\$102,460,752	6	0	0%	1				
Marlin Global Limited	\$100,994,926	4	2	50%		1	1	1	
Evolve Education Group Limited	\$100,496,254	5	3	60%		1	1	1	1
Australian Top 20 Fund (NS)	\$98,832,398	5	1	20%		1			
Barramundi Limited	\$97,884,311	4	2	50%		1	1		
NZ Mid Cap Fund (NS)	\$95,845,256	5	1	20%		1			
NPT Limited now Asset Plus Limited	\$95,533,055	4	1	25%		1			
Augusta Capital Limited	\$93,218,287	5	0	0%	1				
Emerging Markets Fund (NS)	\$88,425,480	5	1	20%		1			
NZ Top 10 Fund (NS)	\$81,468,017	5	1	20%		1			
Methven Limited	\$79,361,441	6	2	33%		1			
Asia Pacific Fund (NS)	\$75,126,561	5	1	20%		1			
Australian Dividend Fund (NS)	\$71,386,352	5	1	20%		1			
AWF Madison Group Limited	\$65,666,954	7	2	29%		1			
Pyne Gould Corporation Limited	\$54,977,761	5	1	20%		1			
Mercantile Investment Company Limited	\$51,929,500	5	0	0%	1				
Australian Property Fund (NS)	\$48,064,804	5	1	20%		1			
US Large Growth Fund (NS)	\$44,673,904	5	1	20%		1			
Rakon Limited	\$43,520,502	6	1	17%		1			
Total World Fund (NS)	\$42,664,541	5	1	20%		1			
US Large Value Fund (NS)	\$41,851,395	5	1	20%		1			
Wellington Drive Technologies Limited	\$41,135,576	4	1	25%		1			
NZ Property Fund (NS)	\$40,250,106	5	1	20%		1			
NZ Windfarms Limited	\$35,719,884	4	0	0%	1				
US Mid Cap Fund (NS)	\$33,952,269	5	1	20%		1			
Cavalier Corporation Limited	\$33,652,758	5	2	40%		1	1		
US Small Cap Fund (NS)	\$32,529,198	5	1	20%		1			
New Talisman Gold Mines Limited	\$32,467,550	5	0	0%	1				
Australian Resources Fund (NS)	\$30,810,581	5	1	20%		1			
Senior Trust Retirement Village Listed Fund (NS)	\$30,615,019	3	0	0%	1				
ikeGPS Group Limited	\$29,418,846	5	0	0%	1				
Smith City Group	\$28,978,484	4	0	0%	1				
Smartpay Holdings Limited	\$28,339,126	5	0	0%	1				
SeaDragon Limited	\$27,081,712	6	0	0%	1				
Moa Group Limited	\$25,678,345	5	1	20%		1			
TeamTalk Limited	\$25,532,095	7	1	14%		1			
Mercer Group Limited	\$25,163,075	3	0	0%	1				
Australian Financials Fund (NS)	\$23,779,322	5	1	20%		1			
Finzsoft Solutions Limited	\$22,374,428	5	0	0%	1				
NZ Dividend Fund (NS)	\$21,784,676	5	1	20%		1			
Future Mobility Solutions Limited	\$20,655,537	5	0	0%	1				
Plexure Group Limited	\$19,538,840	4	1	25%		1			
SLI Systems Limited	\$18,055,637	6	1	17%		1			
BLIS Technologies Limited	\$17,722,457	6	1	17%		1			
Allied Farmers Limited	\$16,150,535	4	0	0%	1				
Promisia Integrative Limited	\$6,123,799	4	1	25%		1			
GeoOP Limited	\$5,398,473	3	0	0%	1				
Blackwell Global Holdings Limited	\$4,398,305	6	0	0%	1				
Aorere Resources Limited	\$2,952,912	5	2	40%		1	1		
TRS Investments Limited	\$2,425,421	3	0	0%	1				
Veritas Investments Limited	\$2,165,331	4	0	0%	1				
Energy Mad Limited	\$442,310	3	0	0%	1				
Total		909	197	22%	33	125	23	10	3
Percentage of total boards					21%	79%	15%	6%	2%

(NZX, n.d.-c)

Appendix B: Interview schedule

Note that aligned with the semi-structured nature of the interviews, this interview schedule is *indicative* of the order of questioning and the questions themselves.

Interview schedule

Administrative section

- Thanks
- Administrative details
 - Recording on dictaphone and mobile phone
 - Opportunity to review transcript
 - Will not name you or your board, or share any identifiable details, in the body of the research, but option to be acknowledged at a later date
 - May take some notes
- Consent form
 - Previously received – or collect
 - Covered details about recording
 - Covered details about confidentiality
 - Sent participant information sheet – any questions now or later?
- Interview approx. 45 min but can run longer depending on your commitments
- Voluntary – can withdraw without disadvantage, but once analysis has begun it will not be possible to remove your data
- Your data is stored at AUT for six years and then destroyed
- Confirm details
 - Confirm of which listed-company boards you are currently a director?
 - Male-only or mixed?
 - Serve or served on any other boards?
 - Male-only or mixed?

Continued...

Open section – broad topic

Draw on experience as a director of a listed company in New Zealand.

Participant currently serves on mixed listed company board:

There are no women at all serving on one fifth of New Zealand's listed company boards. And overall at 22% there are few women serving as directors on listed company boards in relation to men at 78%.

- Why do you think that is? Any other reasons?
- From the reasons you have mentioned for why there are no or few female directors, which do you think is probably the number one contributing factor?

Participant currently serves on male-only listed company board:

There are no women at all serving on one fifth of New Zealand's listed company boards, including one you sit on.

- Thinking specifically about that board, why do you think there are no female directors? Any other reasons?
- From the reasons you have mentioned for why there are no female directors on that board, which do you think is probably the number one contributing factor?

Overall at 22% there are few women serving as directors on listed company boards in relation to men at 78%.

- Why do you think that is? Any other reasons?
- From the reasons you have mentioned for why there are few female directors, which do you think is probably the number one contributing factor?

All participants

- What are your views about why some boards have female directors, yet others don't?
- What are the key differences, if any, between the boards?

Continued...

Structured section – micro and meso-level focus

I'm going to give you a list of potential reasons for the low number of female directors on listed-company boards, as suggested by academics and business commentators.

- For each of those reasons, do you agree, disagree, or are you unsure?
- Please expand on your answer.

One of the reasons for few female directors on listed company boards is:

Experience

Too few women with the *necessary experience* to be a listed-company director
e.g. governance, listed companies, senior executive, industry, profession...

- What experience do you think is necessary to serve on a listed company board?

Personal attributes

Too few women with the *necessary personal attributes* to be a listed-company director
e.g. ambition, appetite for risk, self-confidence, mental toughness...

- What personal attributes do you think are necessary to serve on a listed company board?

Personal network

Too few women with the *necessary personal network* to tap into or to shoulder-tap them for appointment to a listed-company board.

- What sort of network do you need to get appointed to a listed-company board?

Personal interest

Too few women with the *necessary interest* to serve on a listed-company board.

- How would you compare that to women's interest to serve on NFP boards?
- How would you compare that to their interest to serve on State Sector boards?
- Why the difference in interest?

Continued...

Female role models

Too few female directors and chairs to act as *aspirational role models* for other women.

- Do women need female role models?

Recruitment process

Barriers in the *recruitment process* that affect women more than men.

e.g. agreed criteria, bias, executive search firms...

- What steps in the recruitment process act as barriers to women?

The Chair

The *chair's views and actions*.

- What sorts of views and actions from the chair act as barriers to women?

The Board

The *views and characteristics of the board* itself.

e.g. low prioritisation, bias, comfort, tenure...

- What sorts of board views and characteristics act as barriers to women?

Open section – macro-level focus

Turning now to your opinion about various external influences on the board

External influences

To date, there have been limited *external influences* on boards to effect a change. To what extent do you agree?

e.g. laws, regulations, demands, interest...

- What sorts of external influences, and from what quarter, are likely to effect a change in status quo?

Continued...

NZX measures

NZX introduced measures requiring increasing levels of disclosure about gender statistics from 2013 and diversity policies, plans and progress from 2017

- What is your opinion about the introduction of the *NZX measures*?

Gender targets

Some listed companies have made public very specific gender targets.

e.g. Spark's 2016 Annual Report "long-term goal and aspiration" that 50% of their directors be female or non-European. Or Goodman's 2023 gender diversity target for more than 40% of their board to be female.

- What is your opinion about *gender targets* for listed company boards?

Gender quotas

Some countries have introduced mandatory gender quotas

e.g. Norway's law requiring that from 2009 all listed-company boards comprise at least 40% women or face de-listing. Similar laws over the last decade in Israel, Spain, Iceland, Malaysia, France, Belgium, Italy, India, Germany, and the Netherlands.

- What is your opinion about *gender quotas* for listed company boards in New Zealand, given the growing number of developed economies that have introduced them?

State sector example

What do you think is the reason behind the greater proportion of women on state sector boards (47%) compared to publicly-listed company boards (22%) in New Zealand last year?

Concluding section

Before we finish, is there anything else you would like to add on the topic?

- Thanks
- Transcript to review

Appendix C: Documentation sheet

Name	
Company name(s) Board role(s) Sector(s)	
Email address	
Phone number	
Mailing address	
Initial communication date	
Admin communication date	
Consent form return date	
Interview date & time	
Interview location	
Recorded interview file #	
Card & koha sent?	
Recording transcribed?	
Transcription checked?	
Transcription sent date	
Transcription return date	

Continued...

Ethnicity	
Age	
Qualifications	
Experience: Organisation(s) Role(s) Sector(s)	
Field notes: Immediate impressions	
Transcript: Early impressions & key quotes	

Appendix D: Template letter

Hello _____

My name is Heidi Rosser. [Insert statement about referral or unsolicited contact].

I am undertaking my Master's degree in Business at AUT as a mature student. The research for my thesis focuses on the reasons behind the low number of female directors on NZSX-listed company boards, as identified by the male directors.

I would be grateful if you would agree to draw on your experience and contribute your opinions during a 45-minute interview on a confidential basis, at a time and quiet location convenient to you including by phone if you prefer.

Neither the participants nor the boards on which they serve will be named in the research or described in identifiable detail, but they will have the option to be acknowledged at a later date, if they wish. Participants will have the opportunity to review the transcript of their interview. I will provide a summary of my research findings to participants, the Institute of Directors, and NZX.

The purpose of my research is to understand the perspective of current male directors, and ultimately to better inform dialogue and action around achieving more gender balance at the governance level of New Zealand's largest companies. This research seems particularly timely given the growing number of developed economies that have introduced gender quotas for listed company boards – a controversial intervention that has not yet reached New Zealand.

I have attached a short bio for your reference, and of course I'm happy to answer any questions you may have. Alternatively, I can refer you to my thesis supervisors; Dr Irene Ryan and Professor Judith Pringle.

Thanks for your time and I hope you will agree to be interviewed. I would appreciate it if you could please respond either to this email address or to my phone number below.

Ngā mihi, Heidi Rosser

Appendix E: Biography

Heidi Rosser – Bio

Heidi has held senior executive positions in publicly-listed, private and government organisations. She has built her 27-year career predominantly in Marketing and Human Resource-related roles. Heidi has also served as a director of a private company and a trustee of not-for-profit organisations. Earlier in her career she worked offshore for the international division of The Gillette Company. Heidi now runs her own business undertaking consulting work, including through Diversity Works New Zealand. She has a strong personal and professional interest in diversity and inclusion.

Heidi originally qualified with BCom and BA degrees from the University of Auckland. She went on to gain a Certificate in Administration and Management from Harvard University. Currently, she is undertaking the research component for her Master's degree in Business at AUT.

Heidi lives in Auckland with her husband and two teenagers. She loves spending her down-time travelling, cooking, and in the great outdoors.

Appendix F: Interview Guide



Interview Guide

- Collect consent form (if not already scanned & emailed) and review consent
- Confirm details

When answering questions, please draw on your own experience as a director of a publicly-listed company in New Zealand

- There are no women serving on the board of one fifth of New Zealand's listed companies. Why do you think that is?
- Overall at 22% there are few women serving as directors on listed company boards in relation to men at 78%. Why do you think that is?
- What is your response to each of these potential reasons for the low number of female directors on listed-company boards, as suggested by academics and business commentators? The interviewer will provide a list for your comment
- What is your opinion about the measures NZX has been introducing since 2012, requiring increasing levels of disclosure about gender statistics and diversity policies and plans?
- What is your opinion about gender targets for listed company boards?
- What is your opinion about gender quotas for listed company boards in New Zealand, given the growing number of developed economies that have introduced them?
- What do you think is the reason behind the greater proportion of women on state sector boards (47%) compared to publicly-listed company boards (22%) in New Zealand?
- Is there anything else you would like to add on the topic?

Appendix G: Participant information sheet

		
<h3>Participant Information Sheet</h3>		
Date Information Sheet Produced:		
17 June 2018		
Project Title:		
A direct line: Why so few women on boards? Male directors explain.		
An Invitation		
<p>My name is Heidi Rosser. I am a consultant, senior executive, former board member, and mature student undertaking my Master's Degree at AUT. I invite you to participate in the research for my thesis by sharing your personal views during an approximately 45 minute interview, on a confidential basis. The interview topic covers why there are so few women serving as directors on the boards of New Zealand's listed companies.</p>		
What is the purpose of this research?		
<p>Apart from successfully completing my thesis and gaining my Master's Degree, the purpose of this research is to better inform dialogue and action around achieving more gender balance at the governance level of New Zealand's largest companies. When I'm not studying I undertake consulting work including as a Diversity Advisor for Diversity Works New Zealand (formerly the Equal Employment Opportunities Trust), and have a personal and professional interest in diversity-related issues. Recently, there has been considerable focus on the low proportion of female directors on the boards of New Zealand's listed companies which remains under one in five. At a corresponding 80%+, current male directors have significant influence over access to director positions, yet to my knowledge no one in New Zealand has researched their opinion about why the number of women on boards is comparatively low. I would like to listen to you and your male colleagues to better understand your perspectives, and then it is my intention to accurately reflect that back to the community of directors and a wider business audience along with some interpretation about what that could mean for future discussion and practice at board level.</p> <p>It seems particularly timely given the growing number of developed economies that have introduced gender quotas for listed company boards - an intervention that has not yet reached our shores but may do should we not make faster progress.</p>		
How was I identified and why am I being invited to participate in this research?		
<p>You were identified from information about board members on listed company websites,</p> <p>AND</p> <p>You are either a male non-executive director and the New Zealand listed company board(s) you serve on are male-only OR a male non-executive director and at least one of the New Zealand listed company board(s) you serve on are mixed-gender.</p>		
How do I agree to participate in this research?		
<p>I will email you to arrange an appropriate time and venue convenient to you for the interview. You can sign, scan and return the attached Consent Form by email or I can collect it at the interview. Please note that your participation in this research is voluntary and whether or not you choose to participate will neither advantage nor disadvantage you or any company you direct. You are also able to withdraw from the study at any time without disadvantage. If you withdraw from the study before work has begun on producing the findings then you will be offered the option to have any data that is identifiable as belonging to you removed. However, one work has begun on producing the findings removal of data may not be possible.</p>		
What will happen in this research?		
<p>I will interview you and digitally record the interview which will then be transcribed. You will have the opportunity to review the transcript of your interview. I will interview 8-10 male directors in total, some of whom serve on male-only listed company boards and others who serve on mixed-gender listed company boards.</p> <p>I will review the transcripts of all interviewees, first using software to code and categorise the data, then conducting an analysis of themes and comparison between the two groups of interviewees. Finally I will interpret the data and link it to existing related research before completing my thesis.</p>		
20 August 2018	page 1 of 3	This version was edited in July 2016

Continued...

What are the discomforts and risks?

- The time commitment of approximately 45 minutes
- There is a low risk that a participant may feel a minor level of discomfort during the interview due to the potential commercial and social pressure surrounding the topic and / or the gender of the interviewer (female) given the topic
- There is a low risk that a participant could experience a degree of censure by the media or business colleagues due to readers of the research attributing opinions to them as a male director and consequently considering them in a negative light

How will these discomforts and risks be alleviated?

- I will keep to the interview schedule, and meet you at an appropriate venue convenient to you
- My focus is on the value of your frank contribution as a current male director to better understanding the situation in the boardroom so future dialogue and action is better informed – my role is to be curious and constructive
- You do not have to answer any question and you can withdraw from the research at any time (see above for details)
- I will make considerable efforts to ensure you are not identifiable by what you say although please note that cannot be absolutely guaranteed. The measures I will undertake include:
 - Using a pseudonym for you
 - Not including any descriptions of you or any boards on which you serve in identifiable detail
 - Giving you an opportunity to review the transcript of your interview
 - Not disclosing your name or the name of any company on whose board you sit in the research report or to any third party
 - Taking care to ensure you and any companies you direct are not made indirectly identifiable from any other content disclosed in the research report e.g. quotes.

How will my privacy be protected?

- I will make considerable efforts to protect your privacy although please note it cannot be absolutely guaranteed. The measures I will undertake (in addition to those listed above) include:
 - Using coded file names and storing the coding details separately from your data
 - Storing your Consent Form separately from your data
 - Password-protecting files
 - Insisting upon Confidentiality Agreements for any third party transcription services
 - Storing your data in locked facilities provided by the AUT Faculty of Business, Economics & Law until its destruction after a mandatory six year period

What are the benefits?

Apart from the benefits to myself including the opportunity to pursue a personally interesting and useful topic while attaining a Master's Degree, I aim for this research to benefit the research participants and the wider community.

Participants will have access to a summary of the research findings which may provide them with useful material to engage their colleagues, reflect upon their boardroom practice, and perhaps consider changes in approach.

This research seeks to contribute to addressing a gap in current research and to informing practical changes that may lead to more women taking up directorships. My aim is for the research findings to be shared with organisations like the Institute of Directors and NZX Limited, and to be covered in business media and presentations.

What are the costs of participating in this research?

The interview will take approximately 45 minutes of your time. If you wish to review a copy of the transcript from your interview that may take up to one additional hour.

Continued...

What opportunity do I have to consider this invitation?

I would be grateful if you would respond to this invitation by return email.

Will I receive feedback on the results of this research?

If you would like a summary of the research findings, please tick the relevant box on the Consent Form and I will send it to you as soon as it is completed.

What do I do if I have concerns about this research?

Any concerns regarding the nature of this project should be notified in the first instance to the Project Supervisor:

Dr Irene Ryan Email: Phone: :

Concerns regarding the conduct of the research should be notified to the Executive Secretary of AUTEC:

Kate O'Connor Email: Phone: :

Whom do I contact for further information about this research?

Please keep this Participant Information Sheet and a copy of the Consent Form for your future reference. You are also able to contact the research team as follows:

Researcher Contact Details:

Heidi Rosser Email: Phone:


Project Supervisor Contact Details:

Dr Irene Ryan Email: Phone: :

Approved by the Auckland University of Technology Ethics Committee on 22 November 2017

AUTEC Reference number 17/393.

Appendix H: Consent form



Consent Form

Project title: *A direct line: Why so few women on boards? Male directors explain.*

Project Supervisor: *Dr Irene Ryan*

Researcher: *Heidi Rosser*

- ☐ I have read and understood the information provided about this research project in the Participant Information Sheet dated 17 June 2018.
- ☐ I have had an opportunity to ask questions and to have them answered.
- ☐ I understand that I will be interviewed by the researcher for approximately 45 minutes.
- ☐ I understand that notes may be taken during the interview and that it will also be audio-taped and transcribed.
- ☐ I understand that I will receive a copy of the transcript of my interview, and an opportunity to verify it.
- ☐ I understand that while neither I nor the boards on which I serve will be named or described in identifiable detail, and other considerable efforts will be made to protect my confidentiality, it cannot be absolutely guaranteed.
- ☐ I understand that taking part in this study is voluntary and that I may withdraw from the study at any time without being disadvantaged in any way.
- ☐ I understand that if I withdraw from the study before work has begun on producing the findings then I will be offered the option to have any data that is identifiable as belonging to me removed. However, once work has begun on producing the findings, removal of my data may not be possible.
- ☐ I understand that upon completion of the research project, my data will be stored by the Project Supervisor at AUT for at least six years and then she will destroy my data.
- ☐ I agree to take part in this research.

I wish to receive a summary of the research findings (please tick one): Yes ☐ No ☐

Participant's signature:

Participant's name:

Participant's Contact Details:
.....

Date:

Approved by the Auckland University of Technology Ethics Committee on 22 November 2017
AUTEC Reference number 17/393

Note: The Participant should retain a copy of this form.

Appendix I: Initial coding spreadsheet

Interview file name	Male-only mixed or both	OPEN SECTION - Why no women	Quotes	OPEN SECTION - Why so few women	Quotes	OPEN SECTION - Difference between male-only & mixed	Quotes
Interview 1							

Interview file name	STRUCTURED SECTION - Experience A/D/U	Quotes	Experience needed	STRUCTURED SECTION - Personal attributes A/D/U	Quotes	Personal attributes needed	STRUCTURED SECTION - Networks A/D/U	Quotes	Networks needed	STRUCTURED SECTION - Interest A/D/U	Quotes	Interest in other boards
Interview 1												

Interview file name	STRUCTURED SECTION - Female role models A/D/U	Quotes	Need female role models	STRUCTURED SECTION - Recruitment process A/D/U	Quotes	Recruitment process barriers	STRUCTURED SECTION - Chair A/D/U	Quotes	Chair barriers	STRUCTURED SECTION - The board A/D/U	Quotes	Board barriers
Interview 1												

Interview file name	OPEN SECTION (macro) - Limited external influences A/D/U	Quotes	External influences	OPEN SECTION (macro) - Opinion on NZX measures	Quotes	OPEN SECTION (macro) - Opinion on gender targets	Quotes	OPEN SECTION (macro) - Opinion on gender quotas	Quotes	OPEN SECTION (macro) - Opinion on State Sector diff	Quotes	CONCLUDING SECTION - Additional points	Quotes
Interview 1													

Appendix J: Ethics approval



AUTEC Secretariat

Auckland University of Technology
D-88, WU406 Level 4 WU Building City Campus
T: +64 9 921 9999 ext. 8316
E: ethics@aut.ac.nz
www.aut.ac.nz/researchethics

22 November 2017

Irene Ryan
Faculty of Business Economics and Law

Dear Irene

Ethics Application: 17/393 **A direct line: why so few women on boards? Male directors explain**

I wish to advise you that a subcommittee of the Auckland University of Technology Ethics Committee (AUTEC) has **approved** your ethics application.

This approval is for three years, expiring 22 November 2020.

Standard Conditions of Approval

1. A progress report is due annually on the anniversary of the approval date, using form EA2, which is available online through <http://www.aut.ac.nz/researchethics>.
2. A final report is due at the expiration of the approval period, or, upon completion of project, using form EA3, which is available online through <http://www.aut.ac.nz/researchethics>.
3. Any amendments to the project must be approved by AUTEC prior to being implemented. Amendments can be requested using the EA2 form: <http://www.aut.ac.nz/researchethics>.
4. Any serious or unexpected adverse events must be reported to AUTEC Secretariat as a matter of priority.
5. Any unforeseen events that might affect continued ethical acceptability of the project should also be reported to the AUTEC Secretariat as a matter of priority.

Please quote the application number and title on all future correspondence related to this project.

AUTEC grants ethical approval only. If you require management approval for access for your research from another institution or organisation then you are responsible for obtaining it. You are reminded that it is your responsibility to ensure that the spelling and grammar of documents being provided to participants or external organisations is of a high standard.

For any enquiries, please contact ethics@aut.ac.nz

Yours sincerely,



Kate O'Connor
Executive Manager
Auckland University of Technology Ethics Committee

Cc: hrosser@xtra.co.nz; Judith Pringle

Appendix K: Data recording and storage protocol


Data recording & storage protocol

1. I will inform the participants on the Participant Information Sheet that I will record our interview including details about transcription, notes, data storage & destruction, and confidentiality (see attached Participant Information Sheet)
2. I will obtain explicit consent for the above on the Consent Form (see attached Consent Form)
3. I will remind the participants before commencing the interview that I will be recording the interview.
4. I will use two data recording instruments – a purpose-designed digital voice recorder and also a voice recording application on my smart phone as back up
5. I will also take field notes to assist in an appropriate flow of interview questions and also to briefly note observations and ideas
6. I will save and password-protect two copies of the voice primary voice recording to my laptop and a USB stick using a coded file name, and check them for clarity and completeness before deleting the original recording on the digital voice recorder and my smart phone
7. I will transcribe the voice recordings, or if necessary, arrange to have them transcribed. I will then remove any potentially identifying material from the transcripts before they are used in the final report. I will save and password-protect two copies of the transcripts to my laptop and a USB stick using a coded file name.
8. I will type up my field notes. I will save and password-protect two copies of the notes to my laptop and a USB stick using a coded file name
9. I will store the recordings, transcripts, notes, and coding details in separate folders on my laptop and a USB stick.

Continued...

10. After analysis has been completed, the data (recordings, transcripts, and notes) will be stored for at least six years on a USB stick and kept in a locked cabinet in my primary supervisor's office within the AUT Faculty of Business, Economics & Law.
11. The coding details and Consent Forms will be stored separately from the data on a USB stick and hard copy file respectively, kept in a locked cabinet in the secondary supervisor's office within the AUT Faculty of Business, Economics & Law.
12. The primary supervisor will ensure the destruction of the data files after six years. She will destroy the electronic files by deleting them.
13. The secondary supervisor will ensure the destruction of the coding details and Consent Forms after six years. She will destroy the electronic files by deleting them and the hard copy files by shredding them.

Appendix L: Third-party confidentiality agreement



AUT
TE WĀNANGA ARONUI
O TĀMAKI MAKĀU RAU

Confidentiality Agreement

Project title: *A direct line: Why so few women on boards? Male directors explain.*

Project Supervisor: *Dr Irene Ryan*

Researcher: *Heidi Rosser*

☒ I understand that all the material I will be asked to transcribe is confidential.

☒ I understand that the contents of the recordings can only be discussed with the researcher.

☒ I will not keep any copies of the transcripts nor allow third parties access to them.

Transcriber's signature: *L. K. Millar*

Transcriber's name: *Lenna K. Millar*

Transcriber's Contact Details: *113 Smithfield Rd*
Wangancui 4501

Date: *16-11-18*

Project Supervisor's Contact Details:
Dr Irene Ryan, Senior Lecturer in Management at Auckland University of Technology (AUT)
Email: iryan@aut.ac.nz
Phone: +64 9 921 9999 extension 7852

Approved by the Auckland University of Technology Ethics Committee on 22 November 2017
AUTEC Reference number 17/393

Note: The Transcriber should retain a copy of this form.