

2. Corporate quotas and the diffusion of gender diversity in leadership across organizations

Aim: To explain to what degree and how the introduction of corporate boardroom quotas in the Netherlands resulted in the diffusion of gender diversity in corporate leadership across organizations

Theoretical background:

The Netherlands recently introduced corporate boardroom quotas in leading large businesses to increase the representation of women in corporate leadership. Outside elite corporations, however, the impact of quota on gender diversity in leadership remains unknown. Does the broader business community adopt a more gender-diverse hiring practice for top management positions? And do individual organizations and their leaders play a role in the diffusion of gender diversity in leadership?

Early institutional scholarship argued that new legislation generates uncertainty in organizations, propelling them to mimic the responses of others in their field. Such processes were thought to lead to the diffusion of new organizational practices and the growing similarity of organizations. Later work, however, showed diverse organizational responses to institutional change. This holds true in particular for novel and less stringent regulations, like gender quotas, as these provide room for divergent local interpretations and strategic answers. Recently, institutional scholars have shifted focus to analyzing how corporate and individual actors and their inter-relations shape institutions' influence on local, organizational-level practices. The proposed Ph.D. project contributes to this new line of research by studying how diverse responses to corporate boardroom quota regulations (e.g., compliance or resistance) can be explained by the interplay between firms' and directors' characteristics, behaviors, and relations in the field. More specifically, the research project investigates how quota-targeted firms' characteristics (e.g., status and performance) and their response to quota regulations jointly influence hiring behaviors and publicly disclosed gender diversity targets in their field. Moreover, the project analyzes whether characteristics of top managers (e.g., their gender, seniority, past experiences) and their network relations - through past and current service on directorate boards- play a role in the diffusion of gender-diverse hiring practice and diversity targets in organizational fields.

Using longitudinal microdata on firms and their top management that covers the implementation period of quota regulations in the Netherlands, the project furthers our knowledge about the efficacy of quota regulations. In addition, it delivers new insights into actor-level and institutional processes that contribute to organizational practice diffusion and shape gender inequality in corporate power positions.

Research design:

The project investigates the impact of Dutch diversity and quota regulations (2013-). It utilizes longitudinal administrative microdata on Dutch businesses and their leaders (e.g., appointments, wages, and demographic characteristics) provided by Statistics Netherlands. In addition, we will reconstruct inter-organizational networks of Dutch companies from directors serving on multiple boards (interlocking directorates) and past and ongoing executive mobility between firms. The Dutch Social and Economic Council diversity reporting platform provides data on firms' published diversity targets, which will be linked to administrative data. The project will rely on multilevel and social network analytical methods.

Literature:

- Benton, R. A. (2021). Women in the inner circle: Gender and director networks after the fracturing of the corporate elite. *Organization Science*, 32(6), 1492-1522.
- Dobbin, F., Kim, S., & Kalev, A. (2011). You can't always get what you need: Organizational determinants of diversity programs. *American Sociological Review*, 76(3), 386-411.

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