

There is something about networks:

Effects of political and regulatory pressure on women's board networks *

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Abstract

This paper analyzes the impact of the political and regulatory pressure to increase the presence of women on boards by various European countries on female directors' centrality on the European board member's network. We use a longitudinal approach, following the evolution of the main topological measures of a European global director network (that is made up of listed firms of 39 countries and 4 territories in Europe obtained from Boardex) from 1999 to 2014. This results in an extensive sample of 425,322 observations of board of director positions, corresponding to 41,107 different directors of which 11.9% are women.

The results of the panel data models show that although affirmative action has accelerated the representation of women on boards, it has had different effects on their location on the network. This way, Corporate Governance Codes recommendations to promote gender diversity on boards have a positive direct effect on those centrality measures that are more related with visibility (degree) and closeness in the network (what we interpret as measures of 'soft' influence), whereas Board Gender Quotas produces a clear increase in those other measures that denote real power (betweenness as meaning control of flows, and eigencentrality measuring how well connected a director is).

Key words: Boards of Directors; Women on Boards; Social Networks; Gender Quotas; Governance Codes

JEL Codes: D85; G34, G38; J16; J71

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We are thankful to Ruth Sealy, Diana Bilimoria and those attending EURAM 2018, and AoM 2018 for their comments and suggestions. This research has received financial support by the Spanish Government (Ministerio de Economía, Industria y Competitividad –Agencia Estatal de Investigación) and the European Union (FEDER) for their financial support (FEM2017-83006-R); Banco Santander (XIV Call for research mobility grants CEU-Banco Santander), and from Cátedra Universidad CEU San Pablo – Mutua Madrileña.