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► **To cite this version:**

Michel Ferrary. The French approach to promoting gender diversity in corporate governance. European Management Journal, 2024, 10.1016/j.emj.2024.05.008 . halshs-04601341

HAL Id: halshs-04601341

<https://shs.hal.science/halshs-04601341>

Submitted on 4 Jun 2024

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Contents lists available at [ScienceDirect](https://www.sciencedirect.com)

European Management Journal

journal homepage: www.elsevier.com/locate/emj

Reflections on Europe - Practitioner-based article

The French approach to promoting gender diversity in corporate governance

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ARTICLE INFO

Keywords:

Gender diversity
Corporate governance
Mandatory quotas

ABSTRACT

An increasing number of countries are adopting policies on gender diversity in corporate governance. Some regulators believe that non-binding recommendations, or 'soft law', are sufficient and that stakeholder social pressure will promote diversity. Others argue that 'hard law' is needed, including mandatory quotas with sanctions for non-compliance. Both sides believe that increasing gender diversity on boards of directors is necessary to promote diversity in executive committees and other top management positions. Empirical evidence from France sheds light on this debate. Initially, the country supported the 'soft law' approach. However, following the Norwegian example, France passed the Copé-Zimmermann law in 2011, which imposed a mandatory quota of 40% gender diversity on boards of directors by 2017. In 2021, the French parliament passed the Rixain law, recognising the limited progress of the previous law and setting a mandatory quota of 40% on boards by 2029. This law was the first of its kind in Western countries.

1. Introduction

At the beginning of the 21st century, there was growing social pressure in Western countries to promote women in corporate governance bodies (Hughes, Paxton, & Krook, 2017). Before this, the representation of female executives on the board of directors and executive committees was under 10% (Terjesen, Aguilera, & Lorenz, 2015). The need for gender equality in society drove the push for diversity. More women are highly educated and capable of handling corporate responsibilities, making them equally competent and qualified for top corporate positions. Research shows that gender diversity can improve organisational performance (Herring, 2009). By bringing different skills, knowledge, experience, beliefs, values, and leadership styles, gender diversity can enhance firm performance (Hoobler, Masterson, Nkomo, & Michel, 2018; Post & Byron, 2015). Therefore, promoting gender equality in corporate governance is reinforced by a business case for gender diversity (Ali & Konrad, 2017; Ferrary & Déo, 2023). Gender diversity is supported by both social justice and business performance (Dobija, Hryckiewicz, Zaman, & Puławska, 2022).

Policymakers are guided by two different philosophies: 'soft law' and 'hard law' (Allemand, Bédard, Brullebaut, & Deschênes, 2022; De Cabo, Terjesen, Escot, & Gimeno, 2019). The former restricts policymakers to

formulating recommendations on gender diversity and relying on social pressures from stakeholders to encourage employers to implement diversity management practices. The latter advocates for mandatory quotas with sanctions for non-compliance to compel corporations to increase diversity. The main difference between the two perspectives is the mandatory aspect (Hughes et al., 2017). Both perspectives aim to increase gender diversity on the board of directors, with the expectation that having more women in top-level corporate governance will lead to a trickle-down effect, promoting women to executive committees and other high-level managerial positions (Ali & Konrad, 2017; Tyrowicz, Terjesen, & Mazurek, 2020).

In 2006, Norway became the first country to set a mandatory 40% quota for women on the boards of large private companies. Following Norway's example, several European countries passed laws imposing similar mandatory quotas (Huse & Seierstad, 2013). It is now possible to evaluate and compare the consequences of the two approaches. In this regard, France provides an interesting case study. Initially, the government favoured a 'soft law'. However, in 2011, the French parliament passed the Copé-Zimmermann law, which imposed a mandatory quota of 40% for boards of directors for any private company generating more than 50 million euros in revenues and employing more than 500 permanent workers for three consecutive years. In 2021, France became the

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<https://doi.org/10.1016/j.emj.2024.05.008>

Received 28 May 2024; Accepted 28 May 2024

Available online 29 May 2024

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first country to pass a law that imposed a quota for women on executive committees of private companies employing more than 1000 permanent workers for three consecutive years, the Rixain law. By analysing gender diversity in the 40 largest French companies listed on the CAC40¹ over 15 years (2008–2023), this study aims to contribute to the ongoing discussion about the effectiveness and limitations of women's quotas in promoting gender diversity.

In the first part, I present the convergence and divergences of the two perspectives and their diffusion in European countries over the last twenty years. In the second part, I focus on the French example from 2008 to 2023 to analyse the evolution of policymakers' beliefs and the impact of mandatory quotas on gender diversity. Finally, I discuss general findings and perspectives on diversity and mandatory quotas to provide a better understanding of the evolution of European policymakers' mindset and contributions (and limits) of mandatory quotas to promote gender equality. The French case highlights the different corporate paths toward gender diversity.

2. Two perspectives on the promotion of gender diversity in corporate governance

2.1. The soft law perspective

The soft law perspective can take different forms. In principle, it means no binding regulation by the state. It assumes that social pressure from stakeholders (employees, trade unions, customers, media, shareholders, etc.) and the market's invisible hand are strong enough to promote gender diversity in top management positions. Soft law consists of formal or informal recommendations, non-binding agreements, or quotas not sanctioned by policymakers (governments or employers' organisations). To support social pressure, some regulators have forced companies to publish data on gender diversity to promote a "name and shame" mechanism. From this perspective, corporate social responsibility in relation to gender diversity depends on the social pressure generated by stakeholders.

Employers who oppose mandatory quotas informally support the soft law approach. They advocate self-regulation and propose their code of conduct to public policymakers (Allemand et al., 2022). They also argue that they have a limited pool of female talent to recruit for their board of directors or executive committee (Ahern & Dittmar, 2012). Some business leaders even argue that quotas are undemocratic, discriminatory and undermine merit (Dubbink, 2005).

In neoliberal countries, governments are reluctant to regulate any aspect of business activity and tend to trust employers' self-regulation (Bertrand, Black, Jensen, & Lleras-Muney, 2019). Policymakers limit their actions to recommendations and non-binding regulations. The US and European countries such as the UK, Austria, Denmark, Finland, Greece, Ireland, the Netherlands, Poland, Portugal, Sweden and Switzerland have not imposed mandatory quotas with sanctions.

2.2. The hard law perspective

Hard law means that policymakers regulate and enforce mandatory quotas through legislation, including penalties for non-compliance. Mandatory quotas aim to overcome unconscious bias by forcing employers to implement gender diversity. Two types of unconscious bias have been identified. First, the theory of homophily emphasises that people prefer to work with sociologically similar people (McPherson, Smith-Lovin, & Cook, 2001). Men who dominate corporate governance bodies (board of directors and executive committees) unconsciously tend to recruit similar people, thus excluding women. Mandatory quotas

aim to convince corporate leaders that the organisation they lead could be more inclusive without losing, and in some cases even increasing, efficiency (Dobija et al., 2022). Second, cultural stereotypes internalised by women make them less likely to aspire to top management positions (Hughes et al., 2017). Quotas offer new professional opportunities and open up new career aspirations for women.

As mentioned, Norway created the conditions for a successful gender diversity law (Bertrand et al., 2019). First, in 2003, the country opted for a non-binding regulation and recommended targets. However, in 2006, seeing no real progress (only 17% of directors were women), it switched to the hard law by mandating a 40% quota for women on boards by 2008, with a strong sanction for non-compliance: the company could be dissolved. By 2008, all companies covered by the law complied and none of them was dissolved for incompliance with the quota.

Given the success of the law in Norway in promoting gender diversity, several other European countries have followed a similar mandatory path (Belgium, France and Italy in 2011, Spain and Germany in 2015 and Austria in 2018). The positive business impact of gender diversity on boards (Bertrand et al., 2019; Desvaux, Devillard-Hoellinger, & Baumgarten, 2007) increased the economic legitimacy of women on top managerial positions and limited debates on tokenism or women competences.

2.3. Convergence between the two perspectives: a threshold condition and a trickle-down effect

Several scholars support the critical mass assumption, postulating that until a certain threshold of women in a group is reached, they will not influence the group's functioning and performance. In her seminal article, Kanter (1977) argues that a critical mass condition of 20–40% is required before a minority group begins to affect the organisation's functioning and influence the power structure and decision-making processes. Since then, scholars have empirically shown that diversity impacts collective decision-making and performance only when a critical mass of more than 30% is reached (Joecks, Pull, & Vetter, 2013; Kirsch, 2018). Below a certain threshold, minority employees often do not speak up in meetings (Westphal & Milton, 2000). Empirical research on the threshold condition has mainly focused on boards of directors. Torchia, Calabrò, and Huse (2011) find that when there are three or more women on the board, firms are more innovative than fewer women. Using data on 2400 Italian family-controlled firms, Amore, Garofalo, and Minichilli (2014) show that the interaction between a female CEO and an increasing number of women on the board significantly and positively affects firm productivity.

These conclusions seem to have influenced regulators in Europe. Non-binding recommendations or mandatory quotas call on employers to achieve 30% or 40% female board representation. Regulators expected that mandatory quotas on the board of directors would have a trickle-down effect on other organisational levels of firms, especially on executive committees (Ali & Konrad, 2017; Tyrowicz et al., 2020). Gender quotas on boards of directors were expected to increase the number of women in leadership positions, allowing them to join forces to support other women as candidates or top-level employees (Wang & Kelan, 2013). Female directors could be vocal advocates for female candidates for top leadership positions or to promote human resource (HR) policies that help to promote more women to senior levels, thus contributing to more gender diversity in the organisation (Bertrand et al., 2019). This advocacy is why policymakers focused their regulation on the board of directors and did not regulate the other levels of the organisation. In other words, gender diversity at the highest level of corporate governance would have a trickle-down effect, spreading a more inclusive culture.

2.4. Preliminary conclusions on the impact of regulation

After more than 20 years of experience and comparison between

¹ The CAC 40 index represents a capitalization-weighted measure of the 40 most significant stocks among the 100 largest market capitalizations on the Euronext Paris.

countries imposing mandatory quotas and those that do not, some conclusions can be drawn about the impact of gender diversity regulation on corporate governance:

The countries that have achieved gender diversity on boards have legislated mandatory quotas and significant sanctions (Bertrand et al., 2019; De Cabo et al., 2019). The other countries, which limited their intervention to non-binding recommendations, slightly increased diversity and remained far from equality (Sojo, Wood, Wood, & Wheeler, 2016). Social pressure and the “name and shame” mechanism had no impact on gender diversity. “Old boys’ networks” and cultural biases cannot be overcome by societal pressure from stakeholders alone (Allemand et al., 2022). As discussed, Norway drove the shift in European policymakers’ thinking from soft to hard law to promote gender diversity; the failure of non-compulsory legislation led policymakers to switch to hard law.

There is a learning effect between European countries. Norway has set the pace, and other countries are learning from its success; gradually, several countries are moving from a soft to a hard law philosophy. They also recognised the limitations of the Norwegian example. For example, Norway only gave companies two years to reach the 40% quota. In retrospect, this appears to have been too short for employers to comply by recruiting and training enough female directors. Some firms struggled to find competent directors, and some even argued that this hampered firm performance (Ahern & Dittmar, 2012; Matsa & Miller, 2013). Building on the Norwegian experience, the other countries specified a phase-in period for compliance, typically between three and five years (Hughes et al., 2017).

A quarter of a century later, gender diversity on boards appears to have increased much faster in countries with mandatory quotas. After ten years of discussion, such evidence led the European Commission to adopt a directive in November 2022 to improve the gender balance on the boards of listed companies in Europe. The directive requires member states to target listed companies to have at least 40% of non-executive directors of the under-represented gender by June 30, 2026. The European Directive requires Member States to lay down rules on sanctions applicable to infringements by listed companies. The sanctions must be effective, proportionate and dissuasive. Such penalties may include fines or the possibility for a court to annul a decision on the election of directors taken in breach of the national provisions adopted. However, the expected trickle-down effect has not materialised. Quotas on board did not spill over to other organisational levels (Eurostat, 2020). More women directors did not lead to more women in executive committees and other top management positions. The ability of female directors to influence HR policy remains limited, even when they represent a critical mass on the board. This failure calls for a different approach from policymakers.

A closer analysis of one particular country could highlight the evolution of policymakers’ attitudes towards promoting diversity and inclusion in corporate governance. As France was the first country to impose a mandatory quota for women on executive committees, it is worth analysing the French regulator’s decision and its impact on gender diversity.

3. The French approach to gender diversity in corporate governance

3.1. Methodology

An analysis of the 40 largest listed companies in the French CAC40 index illustrates the impact of gender diversity regulation on corporate governance. It makes sense to focus on gender diversity in the largest and most prestigious companies, which are at the heart of the national economy, offer a wide range of career opportunities and are the employer of choice for French students and professionals.

Data on boards of directors, executive committees and white-collar workers were collected from 2008 to 2023 in each company’s

Universal Registered Documents (UDR) for this research. The use of public data allows us to overcome a common barrier to gender studies; due to the topic’s sensitivity, employers are often reluctant to provide data for research (Schoen & Rost, 2021). The UDR is a mandatory public document filed with the French tax authorities. In France, the white-collar population is defined by law (“Ingénieurs & Cadres”) and could be associated with the middle management population. This standardisation makes employers comparable. As done in a previous study (Ferrary, 2018), we assume that the data allows us to measure the “glass ceiling” as the difference between “diversity” (percentage of women in the white-collar population) and “inclusion” (percentage of women in the executive committee). The middle management population represents the talent pool from which employers typically promote executive directors. The difference between the percentage of women in middle management and the percentage of women in the executive committee is seen as a proxy for the glass ceiling.

At the beginning of the 2000s, the two corporate governance bodies (board of directors and executive committee) of the 40 companies were characterised by a low percentage of women (in 2008, on average, 8.5% of the board of directors and 6.3% of the executive committee were women, with some companies having no women in either body) (Fig. 1). In 2011, the French Congress passed a law (Copé-Zimmerman law) imposing mandatory quotas on the board of directors (20% women by 2014 and 40% by 2017) for listed companies or companies with more than 500 employees (250 employees after 2014) or 50 million in revenue. The law provides for significant sanctions if the targets are not met. After 2017, any appointment of a new director who does not contribute to meeting the quota would have been cancelled and directors would not receive their fees until board diversity complies with the law. In 2019, the potential sanctions was increased by the law: any decision taken by a board that does not comply with the quota would be cancelled. All employers have respected the law and regulators did not have to enforce it. The severity of the sanctions may have prevented companies from infringing the law.

The French case is a kind of “natural experiment” (Rosenzweig & Wolpin, 2000) to analyse the impact of soft and hard law on gender diversity in corporate governance. At the beginning of the 2000s, boards and executive committees were under stakeholder scrutiny and societal pressure to promote gender diversity in corporate governance. In 2011, however, the mandatory quota affected only the board of directors. Comparing the evolution of the board of directors affected by the hard law and the executive committee remaining under the soft law allows to compare the efficiency of the two legal perspectives.

3.2. Strengths and weaknesses of mandatory board quotas

In 2010, when the Copé-Zimmermann law was under discussion in Parliament, employers tried to prevent the law by advocating self-regulation. MEDEF and AFEP, the two largest employers’ federations, jointly published a code of conduct requiring their members to achieve 40% gender diversity on their boards. However, this requirement was not mandatory, and the code of conduct was seen as preventing the French government from passing a law on the issue. Despite this opposition, the law was passed in 2011.

By 2014, the 40 companies in the CAC40 had an average of 28.1% female directors, above the 20% target set for that year, and by 2017, they had reached the mandatory quota of 40% on the board. Based on the Norwegian example, the French government gave companies more time to reach quota. It allowed the training market to help employers implement the quota by training competent female directors. In the six years between 2011 and 2017, several training programmes were created by higher education institutions (for example, the *Institut d’Etudes Politiques de Paris* or the *ESSEC Business School*) to train female directors.

A more detailed analysis shows that all dimensions of the board of directors that are not regulated by law have not become more diverse.

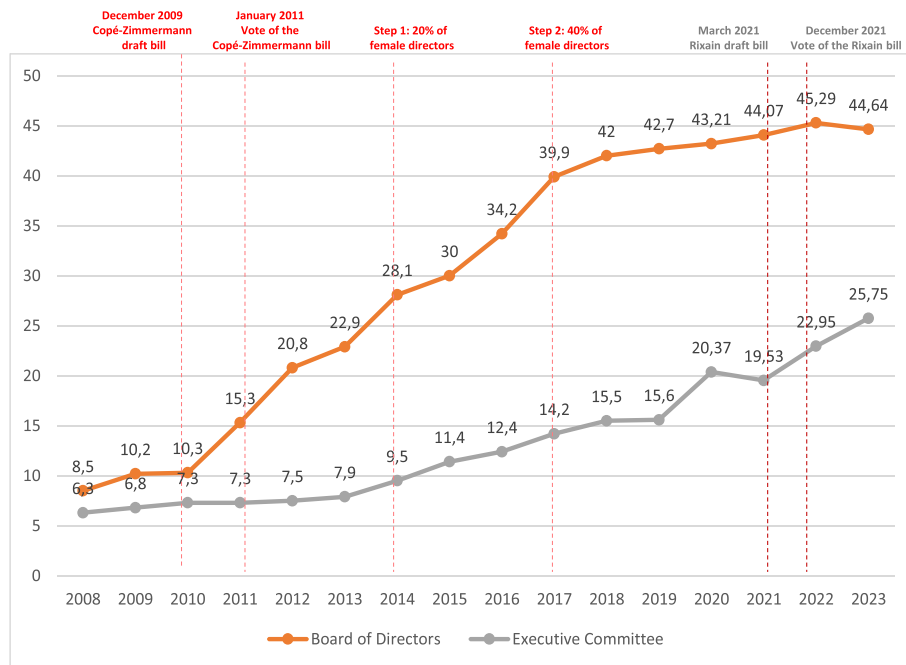


Fig. 1. Evolution of gender diversity on the boards of directors and executive committees of the CAC40 companies from 2008 to 2023.

For example, the chairman of the board of directors is not regulated by any quota, and in 2023, only 5% of the CAC40 (2 out of 40) will still be chaired by a woman. Similarly, the board of directors is made up of several committees, such as the “Appointments, Compensation and Governance” committee, the “Finance and Audit” committee and the “Strategy” committee. The law does not regulate gender diversity on these committees, which is why men predominantly chair them. Similarly, the mandatory quota does not apply to all board members but only to those representing traditional shareholders. Censors are also members of boards that are not affected by quotas. For example, the three censors on the LVMH board are men; if they are counted, the entire board is below 40% (same for Sanofi). Similarly, directors representing the French state and those representing employees are not affected by gender quotas, so the six directors representing the state or employees are all men at Renault.

In 2017, four companies included in the French CAC40 did not comply with the 40% quota. The four companies were headquartered in countries that did not have a mandatory quota at the time, allowing companies not to comply with a hard law: Airbus (Netherlands), ArcelorMittal (Luxembourg), STMicroelectronics (Switzerland) and TechnipTMC (UK). Stellantis is an interesting case that illustrates the reluctance of some employers to comply with the law and find a way out of regulation. When the company was Peugeot-Citroen and headquartered in France, it complied with the 40% quota for female directors. In 2021, the carmaker merged with Chrysler-Fiat and moved its headquarters to the Netherlands, a country without a quota. As a result, the percentage of women on the new board located in Netherlands fell to 27% in 2023 (3 women out of 11 directors).

The French case also contrasts the effectiveness of soft and hard law in increasing gender diversity in corporate governance. Under the hard law, the board of directors meets the 40% quota, but the executive committees remained under the soft law and only faced social pressure in favour of gender diversity. Gender diversity in executive committees has evolved slightly; in 2017, women still make up only 14.2% of executive committees (Fig. 1). There has been no trickle-down effect from the board of directors to executive committees.

Recognising the problem, in 2021 France became the first country to introduce legislation (Rixain law) to impose mandatory gender quotas on executive committees of companies with more than 1000 employees

(30% in March 2026 and 40% in March 2029). If the 40% quota is not reached by March 1, 2031, the employer could be fined up to 1% of its labour costs. While the targets of 30% in 2026 and 40% in 2029 may seem far-fetched, the law already has an impact and gender diversity has recently increased. In 2019, when the French government launched a political debate on gender quotas in executive committees, women represented an average of 15.6% of this management body in the forty companies. The law was adopted in 2021 and by 2023 the percentage of women had already reached 25.75% (Fig. 1).

3.3. Fairness of mandatory quotas and heterogeneity of the pool of female talent

Employers implement gender diversity management practices such as mentoring programmes for women, preferential consideration for women in hiring or promotion (where candidates are equally qualified), or programmes to prepare women for management or leadership roles (Schoen & Rost, 2021). However, an employer’s ability to appoint women to senior management depends partly on the pool of female middle managers. There are huge differences between employers regarding diversity in the middle management population. For example, in the CAC40, LVMH, a luxury company, employs 65% female middle managers, while AccelorMittal, a steel company, employs only 16%. This difference between employers is significant; some have a smaller pool of female middle managers to draw from than others.

In the case of mandatory quotas, all employers have to comply with the same regulation. However, not all employers face the same conditions to improve gender diversity in top management positions. For example, they do not all have the same pool of female talent to promote women to the executive committee. However, gender diversity in middle management is only partly dependent on management practices. It also depends on exogenous factors, such as heterogeneity between men and women regarding educational choices and career preferences (Ferrary, 2018). Taking such exogenous factors into account raises the question of the fairness of similar quotas imposed on all employers. Some employers have large pools of female middle managers because they recruit mainly from educational programmes with a high percentage of female students (e.g., business schools) and are an employer of choice for women rather than men. Conversely, other employers

recruit from educational programmes with a limited number of female students (e.g., engineering schools) and are employers of choice for men rather than women.

Gender diversity in middle management therefore depends on three mechanisms (Ferrary, 2018). One is endogenous and linked to employers' recruitment preferences and HR practices, which can be more or less discriminatory. Two other exogenous mechanisms can influence employers' gender diversity: employees' education and career preferences. External societal mechanisms affect the presence of women in the labour market and top management teams (Tyrowicz et al., 2020). First, gender diversity depends on whether an employer recruits graduates of STEM (science, technology, engineering and mathematics). Female students are underrepresented in STEM education programmes. In France, according to the *Conférence des Grandes Ecoles*, in 2022, female students represented 33.3% (min: 7.8%, max: 79.5%) in engineering schools and 48.8% (min: 37.7%, max: 59.1%) in business schools. Engineering schools are characterised by a wide range and some are well below the average (17% of female students at *Polytechnique*, 18% at *CentraleSupélec*, 16% at *Ecole Supérieure des Arts et Métiers*). Employers in the high-tech, automotive, aeronautical, railway, energy and construction sectors recruit mainly engineers and STEM graduates. They therefore have a more limited pool of female talent than employers recruiting from business schools, such as those in banking, luxury goods, cosmetics, communications or consumer goods.

Women and men also have different career preferences and are attracted to different industries. UniversumGlobal surveyed more than 25,000 graduates in management and engineering about their employer of choice. Among engineers, female and male graduates have very different preferences. For example, Renault (automotive) is ranked 10th for male engineers and only 31st for female engineers. Similarly, Alstom (transport) ranks 27th for male engineers and 67th for female engineers. Conversely, L'Oréal (cosmetics) is number 1 for female engineers and 35 for male engineers, or Danone (consumer goods) is number 20 for female engineers and 67 for male engineers.

In conclusion, when it comes to the supply of middle managers from the labour market, it seems that few women are graduating from engineering schools and the few that are there do not want to work for industrial employers. These employers have a limited pool of female talent due to exogenous factors and therefore have more difficulty promoting women in their management. Given this heterogeneity related to

exogenous mechanisms (educational and professional gendered preferences), it may seem unfair to apply the same gender diversity quota to all employers. Employers who oppose mandatory board quotas argue that they have a limited pool of female talent to recruit and promote executive directors. But are companies with fewer female middle managers characterised by fewer female executive directors?

These exogenous barriers are not insurmountable and some employers with a limited pool of female middle managers can articulate HR practices to promote female managers. Conversely, some employers may not use their large pool of female talent. Taking into account exogenous (educational and occupational preferences) and endogenous mechanisms (HR practices), a typology of four categories of diversity and inclusion is established (Fig. 2). "Diversity" is related to the percentage of women in middle management and "inclusion" to the percentage of women in the executive committee. The difference between the two percentages is a proxy for the "thickness of the glass ceiling".

1. *Uniformity and Exclusion (or Manly)* are employers with a limited pool of female middle managers (Uniformity) because they mainly recruit STEM graduates and are not attractive industries for women. In addition, they do not make a strong effort to promote women through dedicated HR practices, who are consequently rare or absent in the executive committee (Exclusion). Employers such as ArcelorMittal, Bouygues, Stellantis or ST Microelectronics are examples of this category.
2. *Uniform and Inclusive (or Amazons)* are employers with a limited pool of female middle managers for the same reasons as the previous one, but who conversely develop HR practices (career development, training) to promote women to the executive committee (inclusion). These employers have developed diversity and equality management practices (Ali & Konrad, 2017) to promote female executives. Employers such as Orange, Schneider Electric, Engie or Dassault Systèmes belong to this category.
3. *Diversity and Inclusion (or Womanly)* are employers with a large pool of female middle managers (diversity), because they recruit mainly from business schools and are in industries that are very attractive for women. They use their pool of female talent in middle management to promote women to the executive committee (inclusion). Employers such as Vivendi, Kering, Hermès, L'Oréal, Danone, Carrefour, BNP Paribas, Publicis, Pernod Ricard, Air Liquide, Cargemini, Renault, TotalEnergies, Sanofi, Unibail, RW, Axa, Eurofins Scientific, Société générale, Teleperformance, Veolia, Alstom, Worldline, Safran, Vinci, Airbus, Thales, Alstom, Safran, Veolia, STMicroelectronics, ArcelorMittal, and LVMH are examples of this category.

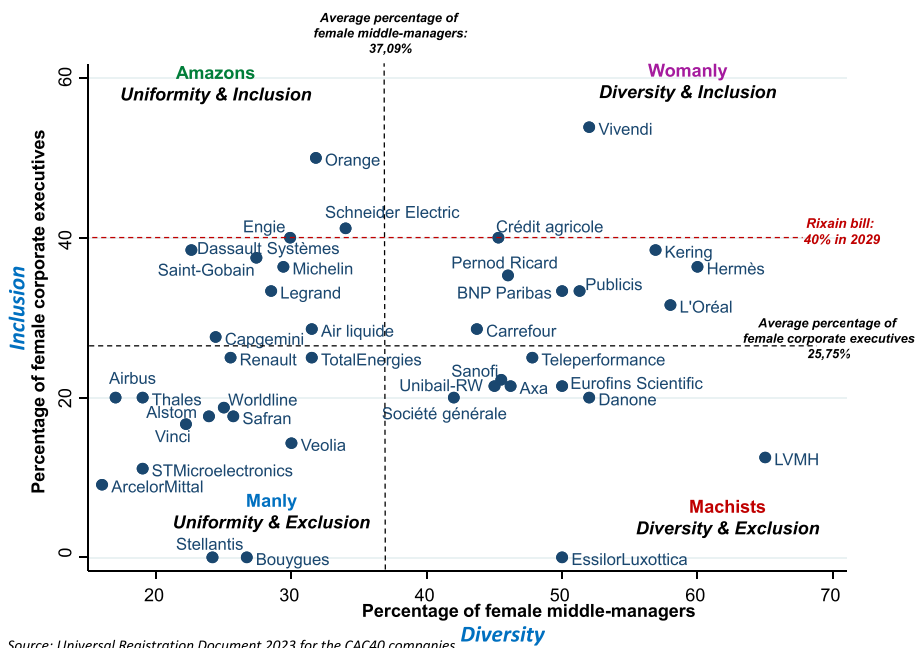


Fig. 2. Diversity and inclusion among CAC40 employers in 2023.

4. *Diversity and Exclusion (or Machos)* are employers with a large pool of female middle managers (diversity) for the same reasons as the previous category, but they do not use this pool to promote women to the executive committee (exclusion). These employers have not developed diversity and equality management practices (Ali & Konrad, 2017) to promote female executives, even though they have a talent pool. Employers such as LVMH, EssilorLuxottica, Danone or Eurofins Scientific fall into this category.

A company-level perspective shows that while a large pool of female talent may help, there is no correlation between the pool of female middle managers and gender diversity on the executive committee. Some companies with a large pool have very few female executive directors and fall into the category of employers who discriminate against women with a thick glass ceiling. Conversely, some employers with a limited pool of female middle managers can be inclusive in promoting women to the executive committee. Few employers even have a percentage of female directors that exceeds the pool of female managers (for example, Orange has 50% female directors and only 31.8% female middle managers). This deficit could be interpreted as a glass ceiling that discriminates against men regarding access to the executive committee. If this situation is widespread among employers, quotas must be formulated in a neutral form, such as gender quotas, and not in an oriented form, such as women's quotas, to maintain a balanced diversity.

The French case leaves us with two questions about fairness. At the organisational level, is it fair to impose the same quota on employers with heterogeneous gender diversity? At the individual level, is it fair to promote more women to the executive committee that they represent in the middle management population?

4. Conclusion: The future of European regulation and the challenge for higher education to promote gender diversity in corporate governance

The French case reinforces a well-accepted finding from academic research: mandatory quotas are critical to increasing gender diversity in corporate governance. Just as the Norwegian example has spread across Europe and prompted the European Commission to legislate on boardroom quotas, one might expect the French law on executive committee quotas to spread across European countries and lead to a European directive on the subject. However, the increase in gender diversity seems to be a result of legal constraints rather than a fundamental change in organisational culture in favour of more diversity. In this case, diversity in corporate governance may be superficial and women may fill non-strategic positions to comply with the law (Donia & Tetrault Sirsly, 2016).

Moreover, quotas in governance bodies cannot solve everything first, because legislation cannot regulate every aspect of organisations. Secondly, gender diversity cannot be reduced to discrimination by employers. Part of diversity depends on exogenous factors, such as educational choices and career preferences, which employers have little control over and depend on other societal institutions, such as family and school. Gender diversity in corporate governance depends only partly on companies' HR practices (endogenous mechanism). Educational choices and career preferences are exogenous mechanisms created by society (family, school, media, films, etc.) over which employers have limited influence and which cannot be changed by mandatory laws forcing female students to choose STEM education or women to work in specific industries. Part of the solution to this challenge depends on higher education institutions to change gender preferences in education. Instead of using the law to impose quotas on employers, the government could mobilise the education system, from kindergarten to higher education, to change gendered social representations and steer more women and fewer men towards STEM fields.

Last but not least, the fight against climate change could also attract more women to engineering schools. This major challenge is a societal

one that is dovetailed with care issues. Since women are more sensitive to care issues (Jackson, 1993), which explains, for example, why there are so many women in medical schools, we might expect more female students to turn to STEM education in the future to contribute to the fight against climate change and to solve the talent shortage faced by industrial employers.

Future research could explore in which way gender diversity affects corporate governance functioning. Does diversity affect interactions between directors and top executives? A more qualitative perspective could explore and compare positions and origins of female and male members of corporate governance bodies. Do women occupy strategic positions or are they tokens to comply with the law? Are women promoted from inside or recruited from outside?

CRedit authorship contribution statement

Michel Ferrary: Conceptualization, Methodology, Writing – original draft.

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