


# Why Women Say No to Corporate Boards and What Can Be Done: “Ornamental Directors” in Asia

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## Abstract

Research indicates many women prefer being self-employed and entrepreneurs, creating value based on their personal beliefs, rather than sitting on boards as “Ornamental Directors”. Furthermore, the road to corporate boards for women has been long, tortuous, and bumpy, but needlessly so. Several theoretical explanations have been suggested for this situation, often with overlap and similarities. However, we believe that in other barriers are due to poor ‘signaling’ of success for female directors and structural issues. The messaging comes in the form of networks and nomination process bias, role model and mentor shortages, work–family balance, legal ambiguity, policies, and cognitive behavior. This leads to what we call the “Ornamental Director” syndrome.

## Keywords

Asia, boards, gender, women

## Introduction

Our research indicates many women prefer being self-employed and entrepreneurs, creating value based on their personal beliefs, rather than sitting on boards as “Ornamental Directors” (J. Lee, 2013), especially as boards can play only symbolic roles (Wu, 2001). This echoes the demeaning and derogatory nickname for female office workers of *shokuba no hana* (“office flower”) in Japan or *vask* (“for decorative purposes”) in China. Furthermore, the road to corporate boards for women has been long, tortuous, and bumpy, but needlessly so.

At least six theoretical explanations have been offered for the rough road as follows: “Homophily Principle” (Lazarsfeld & Meron, 1954), “Similarity-Attraction Theory” (Berscheid & Walster, 1969; Byrne, 1971), “Social Identity Theory” (Tajfel & Turner, 1986), “Unconscious Bias Theory” (A. Lee, 2005), “Social Cognitive Theory” (Bandura, 1986), and “Tokenism Theory” (Kanter, 1977) and whose impacts can be grouped by levels such as individual, board, firm, and industry/environment (Terjesen, Sealy, & Singh, 2009). The theories overlap in some aspects and are similar in terms of the underpinnings of bias and resulting influences and are also inter-locking and self-reinforcing in a mix of individual, organizational, and societal factors (Fagenson, 1990).

However, we believe that in addition to the so-called “glass” or “bamboo” ceiling (Federal Glass Ceiling Commission, 1995; Norris, 2011), other barriers are due to poor signaling (see “Signaling Theory” from evolutionary

biology and review by Connelly, Certo, Ireland, & Reutzel, 2011) of success for female directors and structural issues. Why wouldn’t women leave when they are being told in subtle and, sometimes not so subtle ways, that their futures are limited? The messaging comes in the form of networks and nomination process bias, role model and mentor shortages, work–family balance, legal ambiguity, policies, and cognitive behavior. This leads to what we call the “Ornamental Director” syndrome.

## Networks

Boards can rely on existing members for selection and do not have effective nominating mechanisms. As a result, male-dominated boards show preference to men and also use “old boy/school” networks. This is a vicious cycle: The fewer women, the less likely boards are to appoint women, the less likely women are inspired to join boards. To help counter this self-fulfilling prophecy, “Big Sisters” clubs and networks

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can help guide and inspire women, serving as platforms for female directors to share experience, expand inter-personal networks, and identify and develop potential directors. In addition, through publicizing and hosting keynote lectures and research, clubs can help educate social opinion and clarify gender misconceptions. Male board members should participate in networking sessions to expose them to the strengths of female directors and women to the workings of boards.

### *Role Models and Mentoring*

There are fewer female role models and mentors. Successful women can demonstrate how they create value as women, urge their companies to give more attention to developing female managers with well-designed career development plans and recommend suitable female candidates for boards. Female directors can motivate others to undertake higher corporate social responsibility (CSR), so that various stakeholders are able to recognize the value of females on boards. Another way of overcoming the poor signaling of successful women is for companies to improve the public image of female directors through well-designed public relations and marketing strategies (Pollak, 2000). Communication platforms can be set up for women to get to know more board directors. This will enable companies to identify potential directors and help females to broaden their vision and sharpen their strategic thinking. More cases of successful board diversity should be developed to increase the awareness of the value of women on boards.

### *Work–Family Balance*

Family responsibility has a greater influence on women in patriarchal and Confucian-influenced societies, such as in Asia. Deep-rooted customs where men are seen as superior to women and the traditional respect for seniority hinder unmarried female careers and drive many to return to families after marriage. Asian cultures, in particular, encourage high commitment to family roles, so fewer women stay long in their career, let alone in higher management positions. This directly reduces the chances to serve on boards as positions generally require extensive management experience. Indeed, many women are reluctant to assume board roles because they feel it will be harder to forge a satisfactory work–family balance. Corporate and public policies and social services, such as workplace crèches, longer maternity leave, paternity breaks, flexitime, and work arrangements, would help in the equitable handling of family responsibilities.

### *Legal Ambiguity*

Some restraints stem from legal ambiguity. Directors' legal obligations are sometimes not clearly defined. Thus, females,

with virtues of prudence and who are more law-abiding than men, are less motivated to get involved with board work when legal perimeters are ambiguous. For instance, in China, the fiduciary duties of directors are set out as to “bear the obligations of fidelity and diligence to the company” with personal liability for breaches, but what diligent obligations actually entail are not defined. This ambiguity should be addressed.

### *Policies*

Commonly governments have tried to help navigate the rocky road for females on boards by using policy. Some countries use quotas and legal requirements, a “hard approach,” to generate qualitative changes on the basis of quantitative ones (Community Business, 2013). Yet, forced quotas are wrong for some as they can use incorrect criteria and could over-promote. Also, a prerequisite for a quota system is a complete and sound corporate governance structure. Hence, companies should work on improving board operations and fostering more open and inclusive board cultures.

### *Cognitive Behavior*

Modes of thinking are gender-specific. Women are seen as generally more emotional and sensitive and due to their perceived “soft” nature then seen as having less authority and to be not quiet “managerial material.” Yet, female entrepreneurs often demonstrate stronger ability than men in handling workplace pressures (Johnson, 2013), which also indicates capability in dealing with work challenges. Women need to change traditionally perceived disadvantages into advantages, bring into full play the merits of their feminine characteristics, be resilient and courageous, foster their strengths, and circumvent weaknesses. Management development and training, presentations, seminars, workshops, and dialogue sessions to discuss the strengths of feminine values, such as being communal, collaborative, helpful, and nurturing (Eagly, 1987), as well as the outcome benefits of women on boards relating to individual and corporate performance, satisfaction, CSR, and so on, could all be organized and presented with full vocal and physical support by all senior management. Of course, our suggestions for “doing something” in terms of people becoming more aware of and learning about women on boards are cognitive-oriented (see Bartunek & Rynes, 2010).

### **Conclusion**

To sum up, for many women deciding to enter boardrooms or not is a tricky and challenging choice as the job has little attraction because they will not be taken seriously. The signals they are receiving early in their careers are telling them so—the “Ornamental Director” syndrome. So, “what is to

be done?” We are suggesting ways to change the message and quit driving women away. If companies remain inactive in making changes and under-estimate the benefits of gender diversity, women will continue to say no to board positions.

The most important changes need to be introduced and driven by governments and the state. This is both directly, such as by specific legislation, and indirectly, such as their own behavior and policies in practice. Both corporate (i.e., it may be “macho”) and national (patriarchal, Confucianist) cultures remain significant barriers to women directors. While tackling corporate cultures is difficult enough, making changes in societal cultures is even more problematic and long term, but doable.

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