

Women on Board in Norway

EWMD International invited Marit Hoel to speak about the Change in Norway. In Brussels she gave a lively presentation on June 20th at the 25th International EWMD Conference. EWMD members had celebrated women in business and politics who had been visible the last 25 years and shaped beliefs and became role models.

Marit Hoel made clear: The whole movement of change in Norway started from the male conservative Minister for Trade and Industry Mr. Ansgar Gabrielsen in 2002, who is the father of four children. It was his idea and he announced it to the press and started the discussion not alone in his party. Finally law was passed in 2003 with the blessing of the socialist parties, but his own party opposed it. First the government tried to avoid the law and gave way to a free organisation of the matter from within the companies. The deadline was 2005. If the companies would reach 40 % or women on the board, the law would not be needed. But the system did not change itself. The law became effective in 2005 and offered 2 years for transition time. The law affected around 600 firms, many of them large public limited companies that between them employ around half of the Norwegian workforce.

Of course people offended this idea, but most of them men in business. Any threat from outside a system to change is not welcomed. This is one of the simplest rules in system theory and of course so system likes to be changed. It is threatening. Another rule is that systems hardly change from within and this is true for many other companies and initiatives. (Anti-Smoking-law, safety-belt in cars, pollution Co2, waste-management)

Mr Gabrielsen, who is now health secretary, proposed the law because he felt drastic action was required. As he pointed out in an interview with the Guardian in 2005, "I could not see why, after 25 years of having an equal ratio of women and men in universities and with having so many educated women with experience, there were so few of them on boards. "To me, the law was not about getting equality between the sexes, it was about the fact that diversity is a value in itself, that it creates wealth," he said. "From my time in the business world, I saw how board members were picked: they come from the same small circle of people. They go hunting and fishing together, they're friends." www.guardian.co.uk/business/2005/aug/10/workandcareers.genderissues

What made it a success, as Hoel pointed out, was that Gabrielsen sets the law of the structure of a company. So far this was about capital, legal regulations, balance-sheets and now about board structure. It was not only about the number of board members but about their sex. The politicians did not intervene in how to run a business, but who takes care to control corporate governance. It is the board who decides, which person will be the chairman/women and who will be the CEO for the operation. And Gabrielsen knew why: New eyes and ears from outside the system will see old relations and habits to be questioned. Call it corruption, nepotism or just old boys network, it works as long as everybody plays the same game.

There was no way out anymore and companies had to follow if they would not like to be dissolved due to disregard of regulations. The level of women on the boards was only 6,8 % in 2002 and was very smoothly increasing. A lot of companies still hoped that the law would be changed again (as impossible to follow) or they believed that the government would not sue them. When the deadline came near the government made clear that they would punish companies. They applied and all of a sudden women came on board – in January 2009 the press announced a ratio of 39,8 % of women on board of Norwegian companies of.

Go Nordic – “Thanks to the Norwegian Government's courage and success, others are following their lead. The **Swedish Government** is proposing that companies listed on the Stockholm Stock Exchange that do not have 40 per cent of women on their main boards by 2010 should be fined until they do, and **the Spanish Parliament** has passed legislation calling for 40 per cent board participation by 2015.” Read this very interesting Australian Article on ABC.Net, as Australia failed to take legal actions and did not move the ratio as planned. Quotation from
<http://www.abc.net.au/news/stories/2008/06/11/2270878.htm>

From a change perspective this reminds very much to the EU-Law for “Non-Smoking”. It worked out and what surprised most is the strictness in Italy and the huge discussion and regulation specialties in Germany. But it worked and people like it and smokers accept it.

Somehow it is much more difficult with “Gender-issues” as this is not only a behaviour but a belief in yourself as a men and a women. It is much deeper and more frightening. And due to that Margit Hoel knows: “In general, quotas backed by legislation seem to be one of the most significant ways of effecting change. “The gender balance strategies of companies alone through flexible working and mentoring and so on seem to have very limited success.” Read the long interview on BBC News By Stephanie Holmes
<http://news.bbc.co.uk/2/hi/business/7176879.stm>

Article by Claudia Schmitz, EWMD

Marit Hoel, Director of the Corporate Diversity Council in Norway
<http://www.corporatediversity.no/news.html>

Ansgar Gabrielsen * [Erklärung in Verbindung mit der Anhörung des Rechtsausschusses in Germany \(german\)](#) . Hintergrund meines Vorschlags zur gesetzlichen Regulierung einer besseren Gleichstellung der Geschlechter in den Führungsgremien ... (Datei zum downloaden –gem) <http://www.bundestag.de/Ausschuesse/a06/anhoerungen/Archiv/3...>