The gender dimension of business elites: Italian women directors since 1934

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Abstract

Gender is an important, albeit understudied, dimension in the analysis of business elites. In this paper we analyse the importance of women in the board of directors of listed Italian companies since 1934. We show that women are less represented in boards in Italy than in other comparables OECD countries, but also that listed companies are less open to women than other centres of powers, such as the public administration and liberal professions. In addition, in a country where board interlocking is a key device to ensure separation between ownership and control, very few women holds multiple directorships. We then present the results of a prosopographical study on women directors in seven benchmark years: 1962, 1970, 1978, 1986, 1994, 2002, and 2007. We conclude with a discussion of various policy options to enhance board diversification in Italian listed companies.

Keywords: Gender, business elites, prosopographical study on women directors.
Introduction

The analysis of board directors is of great sociological, economic, and managerial interest. From the point of view of sociology, directors are key figures in a country’s elite and inclusion in the uppermost corporate echelons often represents the pinnacle of a management career and may be the springboard for a career elsewhere in society. In a classic of the genre, Zeitlin (1974) shows that the location of “the actual centers of corporate control” passes through the discovery of the “most effective kinship unit” and encourages “research into the web of kinship relations binding apparently unrelated individuals into a cohesive owning unit for purposes of control.” Many business scholars contend that boardroom behavior and dynamics can have an impact on corporate decision-making and hence the bottom-line. Corporate governance and the role and functions of boards of directors have emerged as critical topics for organizations and the broader society in which they operate. If companies grow their own talent, thereby increasing the range of perspectives, behaviours and solutions available at the top, this will also provide role models and inspiration to the rank and file lower down, helping retention and attracting the best new talent. Finally from a purely economic viewpoint, interlocking directorship networks is one measure of the deviation of the principle of one share-one vote – besides and above the traditional instruments based on pyramiding, voting pacts, and cross-shareholding. The larger the extent, depth, and stability of the connections among companies, the greater the concerns on the strength of their competitive behaviour.

For all such reasons, the study of directors is a key component in the research agenda on social elites. In particular, gender – defined as “the understanding produced by cultures and societies of human relationships, in this case between men and women [and] produced in complex ways within large epistemic frames that themselves have an (at least quasi-) autonomous history” (Scott 1999, p. 2) – is a complementary dimensions to others that have been used to understanding the ordering of the corporate world. The policy implications are also clear in so far as there appears to

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1 Based on in-depth interviews with top-flight executives and middle managers, Rosener (1997) argues that top women managers cope well with ambiguity, are comfortable sharing power, and tend to empower others – leadership traits that she contends lead to increased employee productivity, innovation, and profits. Indeed, after the corporate governance scandals, there was a small, but vocal group of people claiming that board diversity is a way to counteract the rubber-stamp mentality that seemed to have plagued corporate boards involved in misdeeds. Unfortunately, it is hard to test the proposition that more diverse boards prevent corporate misdeeds.
be a shortage of qualified and committed directors capable of bringing experience, knowledge, and time to these important jobs, increasing qualified women’s representation on corporate boards may produce positive results. Worldwide it has been noted that Women Board Directors (WBDs) are invariably few and far between. Blame for the low numbers of women of company boards can be partly attributed to the widely cited, but equally elusive, concept of the “glass ceiling”.

In this paper, we provide the first analysis of the gender composition of Italian boards. Italy represents an interesting case because the paucity of WBDs can be seen as one manifestation of a broader phenomenon, namely the lack of circulation in the country’s elite and the poor quality of corporate governance. Board diversity, including in terms of gender balance, can thus be seen as an issue for efficiency. In the next two sections we summarize international studies on women directors and the Italian literature on boards of directors. These short reviews highlight that gender composition is an issue in corporate governance (although the nature of the relationship remain partly unclear) and that some special features of Italian boards must be taken into account when analyzing gender issues. We then present a descriptive statistical overview of WBDs in Italian listed companies since 1934 and a prosopographic study to identify some of their characteristics (such as age, kinship linkages, education). We conclude with a discussion of policy options to improve gender balance in Italian listed companies’ boards.

**International studies of women directors**

A recent literature review identifies three main areas of research and policy interests – the numerosity of WBDs, their characteristics (and the recruitment process), and the impact of gender on corporate results (Burgess and Tharenou 2002).

Women representation on corporate boards differs widely across countries (Table 1). By way of first approximation, North America clearly comes ahead. In its 2005 *Census of Women Board

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2 For instance, David and Vicarelli (1994), among the first scholars to analyze the career path of highly-skilled women in Italy, do not consider managers. Fornengo and Guadagnini (1999) observe that most available information is on women entrepreneurs, rather than top executives (p. 62). Castagnoli and Scarpellini (2003) include a short section on women entrepreneurs who have been appointed *Cavalieri del lavoro* (pp. 472-9). In a symposium on female entrepreneurship, the 2007 issue of *Annali di storia dell'impresa* also includes a study on Marisa Bellisario, who was arguably the first Italian high-level woman professional manager (Curli 2007).
Directors of the Fortune 500, Catalyst found that women held 14.6% of all Fortune 500 board seats, up from 13.6% in 2003 and 9.6% in 1995, when Catalyst began its census. The rate of progress over the past decade has been, on average, one-half of one percentage point per year. Nonetheless, at the current pace, it could take 70 years for women to reach parity with men on corporate boards! Surveying the 2007 proxies of the S&P 500, Spencer Stuart, the executive-search firm, found that 9% had all-male boards. The number of women directors remains static, or grows only slowly, while the number of women trophy directors, those with four or more directorships, has increased rapidly (Branson 2006). In the UK, the number of women on FTSE 100 executive committees soared by 40% in 2006-07. The number of female-held directorships increased from 117 to 123 and that of women holding directorships has reached the 100 barrier for the first time. An encouraging sign is that the proportion of women among new appointments has increased substantially, with 20% of new FTSE 100 director appointments going to women – the highest level since the benchmarking report was first published in 2000. While the proportion of female-held directorships is still low (11%), the The Female FTSE Report 2007 highlights how the composition and balance of FTSE 100 boards has changed since 2000.

Table 1 - Women corporate board representation in selected OECD countries

<table>
<thead>
<tr>
<th>Country</th>
<th>Number of Companies</th>
<th>Number of Companies with Women Directors</th>
<th>Percentage of Companies With at Least One Women Director</th>
<th>Number of Board Seats</th>
<th>Number of Female Board Seats</th>
<th>Percent of Female Directors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia 1</td>
<td>200</td>
<td>100</td>
<td>50</td>
<td>1,487</td>
<td>129</td>
<td>8.7</td>
</tr>
<tr>
<td>Canada 2</td>
<td>500</td>
<td>264</td>
<td>52.8</td>
<td>4,225</td>
<td>508</td>
<td>12</td>
</tr>
<tr>
<td>France 3</td>
<td>40</td>
<td>31</td>
<td>77.5</td>
<td>551</td>
<td>44</td>
<td>7.9</td>
</tr>
<tr>
<td>Italy 4</td>
<td>296</td>
<td>179</td>
<td>60.5</td>
<td>4,347</td>
<td>291</td>
<td>6.7</td>
</tr>
<tr>
<td>Japan 5</td>
<td>2,396</td>
<td>72</td>
<td>3</td>
<td>43,115</td>
<td>81</td>
<td>0.2</td>
</tr>
<tr>
<td>Norway 6</td>
<td>521</td>
<td>387</td>
<td>74.3</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Spain 7</td>
<td>119</td>
<td>38</td>
<td>32</td>
<td>1,311</td>
<td>53</td>
<td>4</td>
</tr>
<tr>
<td>U.S. 8</td>
<td>500</td>
<td>447</td>
<td>89.4</td>
<td>5,636</td>
<td>823</td>
<td>14.6</td>
</tr>
<tr>
<td>U.K. 9</td>
<td>100</td>
<td>76</td>
<td>76</td>
<td>1,119</td>
<td>123</td>
<td>11</td>
</tr>
</tbody>
</table>

Sources:
2 Catalyst (2005), Census of Women Board Directors of Canada’s Financial Post 500.
3 In the Female FTSE Index, companies with the highest percentage of female board directors include Sainsbury’s (three female NEDs making up 30% of its board), closely followed by Astrazeneca, British Airways and ITV, all with three NEDs but slightly larger boards with women accounting for 27.3%.
The incidence rate in Scandinavia is similar to the Anglo-Saxon world, while it is significantly lower in Continental Europe. In France, for instance, only 8% of board seats are held by WBDs.\(^4\) The share is lower in Italy (6.7%) and Spain (4%), and close to nihil in Japan (0.2%). The make-up of the executive committee (the senior team chaired by the CEO) is important to analyse the talent pipeline to the main board. In 2006, only 53 FTSE-listed companies had females on their executive committee, a total of 70 women. This has increased to 60 companies in 2007, with 122 women making up 16% of senior executives, an increase of 40% on 2006.

A second area of research is the characteristics of those women that have succeeded in becoming members of company boards. Zelechowski and Bilimoria (2004) caution against exclusive reliance on numerical counts of WBDs. They study the qualifications of a sample of corporate inside directors of \textit{Fortune 1000} firms in 1998. Their results indicate that women insiders differ significantly from a random set of men insiders on several characteristics relevant to their dual positions as directors and officers of the corporation. While they do not differ on the experience-based qualifications of board tenure or corporate tenure, women insiders hold fewer directorships of other corporations, hold less powerful corporate titles, occupy disproportionately more staff functions, are less likely to be top earners of the corporation, and earn considerably less than men inside directors. In a study of 278 Canadian WBDs, Burke (1997) reports that most were nominated as a result of recommendations from current board members, CEOs, or someone who knew board members or CEOs. Thus personal relationships (the old boys’ network) as well as track records and appropriate expertise were important factors in board nominations. Women directors thought they had some influence on women’s issues with their boards and board companies. A majority believed that board members should be more diverse, including more women and fewer male CEOs. However they indicated several barriers faced by women in being

\(^4\) The sexual equality law voted by Parliament in February 2006 included the obligation for firms to seek «une composition équilibrée entre les femmes et les hommes» in boards (in fact imposing a 80% ceiling on same sex directors). One month later the Conseil constitutionnel argued against this provision on the grounds that it went against the \textit{principe d’égalité}. See « L’entreprise toujours économe de dirigeantes, » \textit{Libération}, 10 April 2007.
selected and nominated for board appointments. An exploratory study by Zelechowski and Bilimoria (2003), based on interviews with six women inside directors from Fortune 1000 corporations, highlighted the role of influence and inclusion as the critical factors that enhance or restrict the performance and contributions of women at the top of corporations. Unfortunately, answers to the vexing question of whether these women have gained board directorships in their own right as extremely competent managers, or whether they are mere token female appointments in a traditional male dominated culture, remains elusive.

A recent study by Catalyst concludes that WBDs align with strong performance at Fortune 500 companies and that financial measures excel where women serve. In terms of Return on Equity, companies with more WBD outperform those with the least by 53%, while in terms of Return on Invested Capital the differential is even wider (66%).\(^5\) Kramer et al. (2006) found that having three or more women on the board enhances corporate governance. The study was based on interviews with 12 CEOs, 50 women directors, and seven corporate secretaries of Fortune 1000 companies. Women are found to impact board governance in at least three ways: (1) by bringing different perspectives into boardroom discussions, including the perspectives of multiple stakeholders, (2) raising difficult issues – that proved less likely to be ignored when women are in the board room, and (3) by altering the dynamics in the board room to create more open and collaborative discussions, thereby allowing management to hear board concerns without feeling defensive. However, the study warns that a critical mass of WDBs is necessary to realize the positive impact of board diversity. The critical mass of three not only allows women the ability to voice their opinions without fear of backlash, but also ensures that their voices are heard and taken seriously. Because there are so few companies with that critical mass, we may be exaggerating the impact that diversity can have.

Moreover, the finding that gender diversity is positive is not uncontroversial. Rose (2007) does not find any significant link between firm performance as measured by Tobin’s Q and female board representation. This is also the case for board members’ educational background as well as the proportion of foreigners. The proposed explanation is that board members with an unconventional background are socialised unconsciously adopting the ideas of the majority of

\(^{5}\) Based upon the four-year average for ROE and ROIC for 2001-2004, and WBDs data for 2001 and 2003.
conventional board members, which entails that a potential performance effect does not materialise. Results from Adams and Ferreira (2007) show that firms with a larger fraction of female directors use restricted shares as a greater part of their compensation to directors; they reduce the relative importance of the fixed salary and keep the fraction of options more or less the same, implying that boards with a greater fraction of female directors will provide more pay-for-performance incentives. This in its turn has an impact on risk. The authors therefore conclude that changing the gender composition of the board may entail costs.6 Diverse boards may require additional incentives to work co-operatively and may require additional time to digest different viewpoints and resolve disagreements. At the same time, their data on attendance at board meetings suggest that women have higher expectations regarding their responsibilities as directors, which can lead the board to become more effective.

Finally, much is written about the gender-based duality of the leadership career and the overall gender gap in compensation. Adams et al. (2007) use the ExecuComp database of executives at 1,500 large US corporations from 1992 to 2004 to identify women CEOs and to examine gender differences in compensation of executives over that period. Women are not as highly compensated as men before becoming CEO but the few who reach the CEO position receive similar compensation as men. While women CEOs are younger on average than men, they have impressive work experience and education. Arulampalam et al. (2005) use harmonised data from the European Union Household Panel to analyse gender pay gaps by sector across the wages distribution for 11 countries and find that gender pay gaps are typically bigger at the top of the wage distribution, a finding that is consistent with the existence of glass ceilings.7

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6 However, the inner workings of any board are not subject to public scrutiny so the authors have not been able to provide direct evidence on the interaction between directors. What they have done instead is to look at the incentive schemes used by different companies and examine the relationship between those and the gender diversity on the boards. In their research, the authors found a “very strong and robust negative relationship between diversity and risk” as well as a positive relationship between incentive pay and diversity, findings which taken together are consistent with the conjecture that homogeneity and incentive pay are in fact substitutes.

7 In EU countries, the gender pay gap differs significantly across the public and the private sector wages distribution (Pissarides et al. 2005). At first sight Italy (and other Mediterranean countries) appears to be doing better in achieving wage equality between men and women. This is partly due to the higher overall wage compression effects of labour market institutions, but also to the nature of female employment rates in southern Europe. The women participating in southern Europe are on average more skilled because not as many unskilled women as in northern Europe participate. The gender wage gap is smaller for higher skills and as their participation rates increase and more unskilled women come into the market, the average gap should increase.
Studying Italian boards

The analysis of boards has a long tradition in Italy, starting with the pioneering work of Luzzatto Fegiz (1927). He studied their composition in 1923 and showed that quite a few directors sat on 15, 20, or even more boards. Luzzatto Fegiz concluded that a board with many members, while expensive, was “probably the least costly way to guarantee a new company those flexible linkages with other companies” that are necessary for it to grow (p. 200, our translation). Luzzato Fegiz classified directors according to various characteristics, but it is not surprising that gender was not one of them – at the time there were no WBDs in Italy. Seven decades later, Ferri and Trento (1997) similarly noted the presence of a small number of directors sitting on multiple boards.

In recent years, the literature has focused on the analysis of the interlocks, i.e. the links created between two firms when an individual belongs to the board of directors of both. Chiesi (1985) showed that the Italian interlocking directorates network in 1976 was the only national network in Western countries to split in two centers, which corresponded to state-owned and private-sector companies. Rinaldi and Vasta (2005) focus on the relationships between banks, insurance and holding companies and industrial companies. Using a database covering over 30,000 directors of Italian joint-stock companies for the years 1952, 1960 and 1972, the article confirms that in Italian capitalism interlocks played an important role in guaranteeing the stability of the positions of control of the major private companies and their connections with state-owned enterprises. The recent study by Badon (2007) allows to identify a number of sociological characteristics of Italian directors in 1961-72 – mature men, living in Northern Italy (and more precisely in Lombardy), from a privileged social background and with a rather high educational endowment, although with little international exposure.

Santella et al. (2007) analyse the 1998-2006 period. They find that over the entire period a high percentage of the Italian listed companies are connected with each other through a very small minority of directors. Such group of interlocking (overwhelmingly male) directors shows a remarkable stability over time with very few entrants and very few exits mainly related to the

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In fact, two Italian authors, Gaetano Mosca and Wilfredo Pareto, made pioneering contributions to the literature on the role of elites in politics.
passing away of the director. These “Lords of the Italian stockmarket” tend to belong to families of directors, with the first five families having more than 100 directorships in nine years. The highest level of connectivity concerns those companies that belong to the MIB 30/S&P-MIB 40 index, the Italian Blue Chips. In particular, practically all the financial Blue Chips are connected with each other through a web of directors continuously from 1998 to 2006.

Graph theory makes it possible to take into account the strategic allocation in a group of allied firms. Barbi (2000) moves the attention from the “number” of graph edges to the “importance” of each individual edge. Based on empirical analysis of all listed Italian companies between 1983 and 1998, her claim is that the different “importance” of links is captured by the concentration index that measures the asymmetric distribution of corporate links. Carbonai and Di Bartolomeo (2006) use this methodology to investigate the market structure of the non-life insurance business – a relatively contrated sector with a very weak degree of competition from firms active in other financial activities.

A few studies applied the prosopographical method of inquiry to business elites. On the basis of the analysis of a non-random sample of 190 pre-bellum top executives, Chiesi (1977) builds a quadruple typology of entrepreneurs – traditional, subsidized, private, and government-linked. Martinelli et al. (1981) use a mail questionnaire to study top managers in the largest Italian companies. Rinaldi (2004) studies 20 individuals – commonly referred to as big linkers (BL) – who held the largest number of board positions in Italian joint-stock companies in six benchmark years: 1913, 1927, 1936, 1952, 1960, and 1972. The paper analyses these figures by referring, for each benchmark year, to age, region of birth, education and training, parliamentary offices and titles of nobility. The paper then focuses on the distribution of BL by career sector and on the interlocking directorates existing between them.

The relevance of interlocks is not surprising when viewed against recent transformations in Italian capitalism (Bianchi and Bianco 2006). Despite the enactment of various reforms to sustain the “marketization” of corporate governance, Italian unlisted and listed companies showed limited changes in ownership and control structures. In listed unlisted companies, stability of control was
ensured in the past through an extensive use of pyramids, more recently by establishing shareholders’ coalitions of various nature, with an increasing relevance of bank-firm relationships.

**Women in Italian boards: explorative data analysis**

Women’s access to the labour market has been slower and more difficult in Italy than in other European countries. They were long excluded from certain professions, either *de jure* or *de facto*. For instance, while there were roughly 190,000 female accountants in the US in 1910, earlier that decade there were just 21 in Italy (Ruffoni 2006). In the case of lawyers, it was only in 1919 that women were admitted to the bar (Tacchi 2004). In addition, gender stereotypes, still deeply rooted in Italian society, are responsible for a postponement of a “new labour force creation” and for the under-representation of women in managerial positions and high level jobs (Maione 2000).

Childbirth, child rearing, work/life issues, and the phenomenon of women opting out of promising corporate careers altogether all combined to pressure women to adapt to male behavioural patterns in order to penetrate the labour market.\(^9\) And while education has played a fundamental role in increasing female participation and the service sector has provided the largest number of job opportunities, labour market rigidity and an efficient welfare state limited opportunities for part-time work and other flexible working arrangements (Ferrera, 2008).

Things have obviously changed in recent years, including for skilled personnel. In public administration, women accounted for 48.7% of non-managerial positions in 2002, although for managers the share is substantially lower at 26%.\(^10\) In the legal profession, the number of women skyrocketed from 3,077 in 1981 (6.6% of the total) to 72,813 in 2006 (41.1%). Almost 2/3 of law school graduates are women, and the percentage of those that are admitted to the bar is similar, although 35% only of female lawyers manage to set up an individual practice.\(^11\) At Bocconi University, the premium education institution for Italian managers, 7,685 women graduated

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\(^9\) Of course this is not an Italian exclusivity – Branson (2006) draws on behavioral psychology’s observation of women in the high-tech sector to show the pervasiveness of the “iron maiden” stereotype, which requires women to adopt an aggressive behaviour on the job to rise rapidly.

\(^10\) The first women director generals were De Cornè (Trade) and Forcignanò Brossi (Treasury), both appointed on 18 January 1980. Two decades later, there were still no woman first-rank directors (*dirigenti di I fascia*) in various sectors, including Police, Regions, national health system, research agencies, and Universities.

between August 2002 and July 2007, equal to 45% of the total.\textsuperscript{12} Data for Banca d’Italia paint an interesting situation. In 2007, the new governor appointed the first two female central directors – out of a total of five. On the other hand, out of the 185 administrators (\textit{Funzionari}) appointed by the banks that own the Banca d’Italia’s capital, only 12 are women (three are professors; five are \textit{dottori}, \textit{i.e.} hold a laurea degree; and four have no academic title, although one of them is a Cavaliere del Lavoro).\textsuperscript{13}

To the best of our knowledge, WBDs have not been studied in Italy so far.\textsuperscript{14} We study board composition of all Italian listed companies for two sub-samples. First, we compare benchmark years 1934, 1951, 1962, 1970, and 1978 using information contained in \textit{Indice e dati} and \textit{Calepino degli azionisti}, two annual publications by Mediobanca, the Milanese merchant bank. Second, we analyse yearly observations from 1986 to 2007 using data provided by CONSOB, the Italian equivalent to the US Securities and Exchange Commission.\textsuperscript{15}  \textsuperscript{16} A number of aspects related to type of positions held, size of companies, and roles are investigated.

The sample size composition (positions held) for all years considered varies between 1,337 (in 1934) to 4,347 (in 2007). Table 2 shows the number of positions held in 1934-2007 for both \textit{collegi sindacali} and \textit{collegi sociali}\textsuperscript{17} with a breakdown for gender. The composition of Italian Board of Directors has changed considerably since 1934. The number of WBDs in listed companies has reached 291 in 2007, accounting for the 6.7% of the total.

\textsuperscript{12} Mirka Giacoletto Papas, administrative director, Bocconi University, personal communication, 24 October 2007.  
\textsuperscript{13} See “Consiglieri superiori e Funzionari,” October 2006 listing.  
\textsuperscript{14} Carboni and Pavolini (2007) examine individual entries in \textit{Who’s who in Italy} and find that women in business (a category that is much broader than WBDs) account for 1.37% of the Italian elite. This means that women account for 7.71% of the Italian business elite. Livia Aliberti is conducting a research on WBDs in 2007 that is similar to ours, although limited to one year only (preliminary results in “Donne fuori Borsa,” \textit{Corriere della Sera}, 8 January 2008).  
\textsuperscript{15} The total number of listed companies went from 220 in 1986 to 296 in 2007. In 1986 there are 219 companies listed under \textit{collegi sociali} and 220 under \textit{collegi sindacali}. Banca Lombarda & Piemontese is in fact listed in the \textit{collegi sindacali} with only one sindaco effettivo.  
\textsuperscript{16} Last extraction on 19 November 2007.  
\textsuperscript{17} \textit{Collegi sociali} are the boards of directors, while \textit{collegio sindacale} is the Italian equivalent of the audit committee.
Table 2 - Total positions held in *collegi sindacali* and *collegi sociali*, by gender 1934-2007

<table>
<thead>
<tr>
<th>Years</th>
<th>Female</th>
<th>Male</th>
<th>Total</th>
<th>Female</th>
<th>Male</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1934</td>
<td>0</td>
<td>391</td>
<td>391</td>
<td>1</td>
<td>945</td>
<td>946</td>
</tr>
<tr>
<td>1951</td>
<td>0</td>
<td>466</td>
<td>466</td>
<td>4</td>
<td>1,083</td>
<td>1,272</td>
</tr>
<tr>
<td>1962</td>
<td>0</td>
<td>552</td>
<td>552</td>
<td>13</td>
<td>1,673</td>
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</tr>
<tr>
<td>1970</td>
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<td>479</td>
<td>480</td>
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</tr>
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<td>532</td>
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<td>68</td>
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<tr>
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<td>1,267</td>
<td>72</td>
<td>2,246</td>
<td>2,324</td>
</tr>
<tr>
<td>1996</td>
<td>44</td>
<td>1,207</td>
<td>1,251</td>
<td>73</td>
<td>2,195</td>
<td>2,279</td>
</tr>
<tr>
<td>1997</td>
<td>34</td>
<td>1,180</td>
<td>1,214</td>
<td>74</td>
<td>2,137</td>
<td>2,217</td>
</tr>
<tr>
<td>1998</td>
<td>38</td>
<td>1,182</td>
<td>1,220</td>
<td>78</td>
<td>2,214</td>
<td>2,294</td>
</tr>
<tr>
<td>1999</td>
<td>53</td>
<td>1,318</td>
<td>1,371</td>
<td>96</td>
<td>2,412</td>
<td>2,508</td>
</tr>
<tr>
<td>2000</td>
<td>77</td>
<td>1,448</td>
<td>1,525</td>
<td>114</td>
<td>2,666</td>
<td>2,781</td>
</tr>
<tr>
<td>2001</td>
<td>87</td>
<td>1,413</td>
<td>1,500</td>
<td>118</td>
<td>2,660</td>
<td>2,779</td>
</tr>
<tr>
<td>2002</td>
<td>84</td>
<td>1,414</td>
<td>1,498</td>
<td>121</td>
<td>2,696</td>
<td>2,818</td>
</tr>
<tr>
<td>2003</td>
<td>82</td>
<td>1,322</td>
<td>1,404</td>
<td>116</td>
<td>2,592</td>
<td>2,709</td>
</tr>
<tr>
<td>2004</td>
<td>95</td>
<td>1,308</td>
<td>1,403</td>
<td>122</td>
<td>2,564</td>
<td>2,687</td>
</tr>
<tr>
<td>2005</td>
<td>100</td>
<td>1,331</td>
<td>1,431</td>
<td>130</td>
<td>2,666</td>
<td>2,797</td>
</tr>
<tr>
<td>2006</td>
<td>121</td>
<td>1,347</td>
<td>1,468</td>
<td>133</td>
<td>2,674</td>
<td>2,807</td>
</tr>
<tr>
<td>2007</td>
<td>136</td>
<td>1,364</td>
<td>1,500</td>
<td>155</td>
<td>2,692</td>
<td>2,847</td>
</tr>
<tr>
<td><strong>GrandTotal</strong></td>
<td>1,151</td>
<td>28,229</td>
<td>29,380</td>
<td>1,984</td>
<td>62,029</td>
<td>64,013</td>
</tr>
</tbody>
</table>

Source: Authors’ elaboration on Mediobanca (various years) and CONSOB (2007).

The overall number of directors in Italian listed companies increased from 1,337 in 1934 to 4,347 in 2007. Figure 1 shows the male predominance in all years (96.8% of the total). The number of WBDs grew from a tiny 0.6% (13 individuals) in 1962 to 6.7% (291 individuals) in 2007.
Looking at the executive/non-executive breakdown, it is clear that women have been confined to non-executive positions for a long time, although this is now slowly changing. The total number of executive positions in 1986 was 223, of which only one held by a woman (collegi sociali, Table 3). Male predominance in the executive posts (88.3%) dropped to 75.1% in 2007, when, out of 579 total seats, 24 are occupied by women and 555 by men. Looking at the type of executive role held, in 20 years women have gained only one presidency, whereas their male counterparts have gained 30 more posts since 1986. In the collegi sindacali, the number of female presidents has risen to 9 in 2007, corresponding to 0.6% of total seats (no women presidents in 1986).


<table>
<thead>
<tr>
<th>Role</th>
<th>1986</th>
<th></th>
<th>2007</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
<td>Tot</td>
<td>Male</td>
</tr>
<tr>
<td></td>
<td>Tot seats</td>
<td>%</td>
<td>Tot seats</td>
<td>%</td>
</tr>
<tr>
<td></td>
<td>Tot seats</td>
<td>%</td>
<td>Tot seats</td>
<td>%</td>
</tr>
<tr>
<td></td>
<td>Tot seats</td>
<td>%</td>
<td>Tot seats</td>
<td>%</td>
</tr>
<tr>
<td>COLLEGI SOCIALI</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Executive</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>President</td>
<td>222</td>
<td>10</td>
<td>0.0</td>
<td>223</td>
</tr>
<tr>
<td>Pres &amp; Amm del</td>
<td>4</td>
<td>0.2</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>VicePres</td>
<td>17</td>
<td>0.8</td>
<td>0</td>
<td>17</td>
</tr>
<tr>
<td>VicePres &amp; Amm del</td>
<td>0</td>
<td>-</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Amm</td>
<td>24</td>
<td>1.1</td>
<td>0</td>
<td>24</td>
</tr>
<tr>
<td>Amm del</td>
<td>8</td>
<td>0.4</td>
<td>0</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>169</td>
<td>7.6</td>
<td>1</td>
<td>170</td>
</tr>
</tbody>
</table>

18 The executive and non-executive breakdown can only be measured for collegi sociali.
Table 4 shows the number of companies with WBDs. While in 1986 there were 183 companies (out of 220) with no women on their boards, the number dropped to 117 in 2007.

In 2007, the number of companies with at least one WBD has risen to 179 out of 296: there are 105 companies with a woman, 47 with two women, 17 with three women, nine with four women, and only one (Fondiaria SAI, an insurance company) with five WBDs (including two Ligresti sisters, that through PREMAFIN had a 50.068% stake at 21 March 2008). There are three companies (all of them with a two-person board) with a 50-50 gender split and seven where the female share of seats is equal to 30% or more.

### Table 4 – Women in the Board of Directors, 1986-2007

<table>
<thead>
<tr>
<th>Women on board</th>
<th>1986</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>companies</td>
<td>seats females</td>
</tr>
<tr>
<td>No women</td>
<td>183</td>
<td>0</td>
</tr>
<tr>
<td>1 woman only</td>
<td>31</td>
<td>31</td>
</tr>
<tr>
<td>2 women</td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td>3 women or more</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>220</td>
<td>44</td>
</tr>
</tbody>
</table>

Source: Authors’ elaboration on CONSOB (2007).
larger ones). By 2007, the relative female weight increased mainly for small boards: women gained 58 new seats on small boards and only 2 in larger ones. A detailed breakdown for *collegi sociali* is shown below.

Table 5 – Gender representation and board size for *Collegi Sociali*, 1986-2007

<table>
<thead>
<tr>
<th>Size of Board in <em>Collegi Sociali</em></th>
<th>1986</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>M (%)</td>
<td>F (%)</td>
</tr>
<tr>
<td>Below 10 people on board</td>
<td>938</td>
<td>22</td>
</tr>
<tr>
<td></td>
<td>98.7</td>
<td>2.3</td>
</tr>
<tr>
<td>Between 11-19 people</td>
<td>1,080</td>
<td>14</td>
</tr>
<tr>
<td></td>
<td>98.7</td>
<td>1.3</td>
</tr>
<tr>
<td>More than 20 people</td>
<td>155</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>99.4</td>
<td>0.6</td>
</tr>
<tr>
<td>Total</td>
<td>2,173</td>
<td>37</td>
</tr>
</tbody>
</table>

Source: Authors’ elaboration on CONSOB (2007).

A bit of further history is provided in Table 6. The first listed company to appoint a WBD was Paramatti, a Turin paint manufacturer. Maria Magnetti, for whom we have found no information other than that she was a “professoressa”¹⁹, sat on the board between 1932-1955. In fact, 33 years later Paramatti was also the first company to appoint a woman *sindaco*. The first woman to manage a company was Ada Prever Villa. The daughter of Giovanni Tron and Arturo Prever’s sister, at 18 she graduated from the *Istituto Nazionale per le figlie dei Militari Italiani* as a primary school teacher. Two years later she married Pietro Villa. The three families jointly owned Talco Grafite Val Chisone (TGVC), the talc and graphite company in Pinerolo. Following her husband’s death in 1937, she appears in company’s documents as a member of the board in 1939 already, with the power to execute the merger between TGVC and Enrico Tron & C., a Livorno company.²⁰ Together with her brother Arturo Prever, Ada was joint chair from 1947 until 1977 (remaining as honorary chairman until 1983). She steered TGVC through the years of maximum expansion and then the first years of crisis, until the 1970 recovery. Another important figure was

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Margherita Varzi, director of Manifattura Rossari Varzi since 1951 (at least). In 1953 this was also the first Italian company to have more than one WBD, when Alida Bordano Varzi and Paola Varzi joined their parents (the father became president in the same year). We could not find any information on Gudrun Hildebrandt, although we suspect she was the first foreign WBD. Finally, the first (and so far only) foreign female CEO was Sharon Hintze, an American who was hired at Barilla in 1999 only to resign before she had officially begun her job as CEO after disagreeing with the family.

Table 6 – WBDs in Italy: a history of firsts

<table>
<thead>
<tr>
<th>Event</th>
<th>year</th>
<th>company</th>
<th>Director(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company with 1 WBD</td>
<td>1932</td>
<td>Paramatti</td>
<td>Maria Magnetti</td>
</tr>
<tr>
<td>President</td>
<td>1947</td>
<td>Talco Grafite Val Chisone</td>
<td>Ada Prever Villa</td>
</tr>
<tr>
<td>CEO (Amministratore delegato)</td>
<td>1947</td>
<td>Talco Grafite Val Chisone</td>
<td>Ada Prever Villa</td>
</tr>
<tr>
<td>Company with 2 WBDs</td>
<td>1953</td>
<td>Manifattura Rossari Varzi</td>
<td>Alida Bordano Varzi, Margherita and Paola Varzi</td>
</tr>
<tr>
<td>Company with 3 WBDs</td>
<td>1953</td>
<td>Manifattura Rossari Varzi</td>
<td>Alida Bordano Varzi, Margherita and Paola Varzi</td>
</tr>
<tr>
<td>Member of the audit committee (Sindaco)</td>
<td>1965</td>
<td>Paramatti</td>
<td>Vittoria Cosma</td>
</tr>
<tr>
<td>Foreigner</td>
<td>1976</td>
<td>FIRS</td>
<td>Gudrun Hildebrandt</td>
</tr>
<tr>
<td>President of the audit committee</td>
<td>1988</td>
<td>Monrif</td>
<td>Annunziata Dal Sommo</td>
</tr>
</tbody>
</table>

Source: Authors’ elaboration on CONSOB (2007).

**Women in Italian boards: a preliminary prosopographical study**

Who are Italian WBDs? To know more on this, and in particular on the nature and strength of their knowledge and social assets, we carried out a prosopographical study in seven benchmark years: 1962, 1970, 1978, 1986, 1994, 2002, and 2007. For a total of 480 women directors, we collected data on age, family status (including kinship, marital status and number of children), and education. Information was gathered from numerous sources, including Consob, *Libro d’Oro della Nobiltà Italiana, Who’s who in Italy*, Roccella and Scaraffia (2003) and various online sources. Unfortunately, the exercise did not prove easy and we were left with many missing observations. Still, we think what we have is of some interest.

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21 She was also the mother of Achille Varzi, the legendary Grand Prix driver.

22 Barilla was also one of the first Italian-owned listed company to appoint a foreign CEO. Edwin Artzt, who had just retired as CEO of Procter & Gamble, America’s largest consumer-goods company, was hired by Barilla as its executive director in 1995.
A first interesting finding is that not only the average “age” for positions occupied by woman directors has been always lower than for those held by men, but has also that the former has declined over time, whereas the latter has increased. In 1986, the average WBD was 47-year old (54 for men). In 2007, the average age for men is 56 while for women it has dropped to 46.\textsuperscript{23, 24} The age range is broader for men in both 1986 (21-86, \textit{versus} 28-79 for women) and 2007 (19-94 and 22-85). The proportion of under-40 WBDs was 26\% in 1986, raising to 34\% in 2007. For men, the percentage remained stable at around 7\% in both benchmark years (Table 7).

\begin{table}[h]
\centering
\begin{tabular}{|c|c|c|c|c|}
\hline
& \textbf{1986} & & \textbf{2007} & \\
\hline
& Male \% & Female \% & Male \% & Female \% \\
\hline
below 40 yrs old & 9.4 & 34.5 & 9.8 & 34.3 \\
between 41 and 79 yrs old & 89.3 & 65.5 & 99.6 & 64.5 \\
over 80 yrs old & 1.3 & 0 & 1.8 & 1 \\
missing (numbers, excluded from \% above) & 768 & 9 & 130 & 3 \\
\hline
Total & 2,927 & 44 & 4,056 & 291 \\
\hline
\end{tabular}
\caption{Age group distribution by gender (all positions held), 1986-2007}
\end{table}

Source: Authors’ elaboration on CONSOB (2007).

In terms of age distribution, for WBDs the most populated group is 41-79 and has remained constant along the years. There are some outliers at the top-end of the age distribution for 2007 (three WBDs over 80, accounting for the 1\% of the total females), but no over-80 in 1986. In comparison, the 1986 age distribution for men is wider in both directions, suggesting the presence of some very young directors\textsuperscript{25} and some over-80\textsuperscript{26}.

\textsuperscript{23} In 1986, there are 2,971 records, of which 777 (26\%) missing records for the age variable (9 out of 44 for women and 768 out of 2,927 for men).

\textsuperscript{24} In 2007, there are 4,347 records, of which 133 (17\%) missing records for the age variable (3 out of 291 for women and 130 out of 4,056 for men).

\textsuperscript{25} There were 20 below-30 male directors holding 22 seats.

\textsuperscript{26} 22 positions held by 18 over-eighty directors.
Figure 2 – Box-plot of male and female age distribution, 1986-2007

Source: Authors’ elaboration on CONSOB (2007).

The following three tables show some socio-demographic characteristics for WBDs in the benchmark years. Unfortunately, we could only find few observations for the earlier benchmark years. Education is broken down into five groups: primary school, high school, university and higher, ordine dei professionisti examination, and university professorship. The education level of WBDs increased considerably in the later years. On the other hand, while in the United States nearly half of the women on Fortune 1000 boards come from either academia or nonprofits (Branson 2006), in Italy the percentage is much lower. Two of the few multi-directorship women that work in university are Luisa Torchia, administrative law professor and chairperson of the ACEA internal auditing committee,\(^\text{27}\) and Maria Martellini, a business economics professor in Brescia and revisore contabile in Milan.

Table 8 - Age group distribution of WBDs, 1962-2007

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>up to 40</td>
<td>na</td>
<td>1</td>
<td>4.8</td>
<td>na</td>
<td>8</td>
<td>20</td>
<td>25</td>
<td>29</td>
<td>70</td>
<td>40</td>
<td>84</td>
<td>33</td>
</tr>
<tr>
<td>between 41-79</td>
<td>1</td>
<td>8</td>
<td>2</td>
<td>8.7</td>
<td>5</td>
<td>22</td>
<td>26</td>
<td>65</td>
<td>54</td>
<td>63</td>
<td>102</td>
<td>59</td>
</tr>
<tr>
<td>80+</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>missing</td>
<td>12</td>
<td>92</td>
<td>18</td>
<td>86</td>
<td>18</td>
<td>78</td>
<td>6</td>
<td>15</td>
<td>6</td>
<td>7</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Tot</td>
<td>13</td>
<td>21</td>
<td>23</td>
<td>40</td>
<td>86</td>
<td>174</td>
<td>256</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\(^{27}\) Since 2004 Torchia is also a director of Cassa Depositi e Prestiti, a specialized lender that enjoys a dominant position in the public-finance sector.
In a country like Italy where family capitalism plays such an important role, it would be very interesting to find the relative importance of WBDs who are linked to the controlling investor by family links. Unfortunately, Table 10 does not allow to determine the exact number of women with no affiliation to the family owning the company – the problem is that the complement to the “kinship” category is the “missing values” one. With this caveat in mind, the percentage of WBDs for which we could establish kinship links with families owning the companies dropped from 92% in 1962 to 28% in 2007.

**Policy implications**

Data examination makes clear that in Italy the share of elected board positions held by women in listed companies is still very small. Before making any suggestion on what what changes are needed and how relevant actors might accomplish them, it is important to highlight why some action is in order. The puzzle – not only in Italy, by the way – is two-fold.
On the one hand, women are completing MBA\textsuperscript{28} and Law degrees in record high numbers, so if they struggle to attain director positions in the corporate world it is not because the pool of qualified women from which companies can draw is insufficient. In fact, one can argue that, if there is a market failure, it goes in the reverse way – some of these highly-qualified women will find themselves doing a job for which they are over-qualified. On the other hand, financial studies that conclude that companies managed and governed by a varied array of individuals – including in gender terms – do better than those with a less diverse management should induce captains of industry to open their boards to women. The market seemingly recognizes such benefits, so in theory no market failure here (benefits are private) … except that in practice firms do not act correspondingly. This second puzzle is probably even more relevant in Italy, where diversity is not a buzzword yet – in terms not only of gender, as we showed, but also of age, nationality, race.\textsuperscript{29}

Different strategies have been proposed to increase the number of WDBs, ranging from voluntary or semi-voluntary actions, to mandatory legal instruments.\textsuperscript{30} With no pretence of comprehensiveness, here are some possible routes that may be considered in Italy.

At one extreme are vague suggestions for corporations to include at least one, and perhaps two, women members of the board in the nominating and governance committees. Because there aren’t many current or retired female CEOs and CFOs, positions that are traditionally the breeding ground for people of all genders chosen for a board of directors, companies that want to name

\textsuperscript{28} In the US, certain occupations within business (not just executive management but also consulting, private equity, and investment banking) have come to require the MBA credential as a prerequisite for entry (Khurana 2007). With 25 and later 36% female MBA matriculates, and 33% and later 49-51% in law, by the 21\textsuperscript{st} century the expectation was that great numbers of women would populate the CEO suites and boardrooms in the U.S. (Branson 2006).

\textsuperscript{29} The problem is far from new, as suggested by this 45-year old quote from Giorgio Bocca, a famous Italian journalist – “this is the kind of [corporate governance], the gerontocracy that works in Turin and Milan: the king CEO, the trusted female secretary, and schoolmates as top managers. And then there is the Genoa-type gerontocracy, that borders on psychopathology. In many Genoese companies, especially in shipping, a despotic dynasty chief holds the bar, with an iron fist, using a bunch of gransdsons and great-grandsons as crew, paid like dogs and treated even worse. To these old men, the public limited company looks like a dangerous novelty” (1963, p. 321, our translation). Nonetheless, changes occur – according to The Economist’s 1972 survey of Italy, “industry used to be run until a few years ago by a lot of old men with only a few young exceptions. By and large the 70- and 80-year-olds have been replaced by men in their 40a and 50s, and some younger ones like Umberto Agnelli” (“The big gaps,” 15 April).

\textsuperscript{30} Another set of recommendations directs itself toward women who aspire to the boardroom and/or the CEO suite. In turn, they must be aggressive, then diplomatic and statesmanlike, and then aggressive once more, but in an entirely different mode than before, as they progress toward the top. A third set outlines what women might do in their public personae.
women directors discover that they have to work harder to find them. The search for the corporate savior, as Khurana has termed the process whereby boards and consulting firms find CEO candidates, by its nature tends to exclude women. Reexamining this process is doubly necessary if capable women executives are to have equal opportunity to reach the very top and if the pool of suitable female candidates for director positions is to be enlarged. Women who aspire to the boardroom should focus on the decision-making processes nominating committees—usually dominated by white men—employ when voting on membership. But this a completely voluntary way to proceed.

A more activist approach passes through codes of practice and good governance. In Spain, the 2006 Code calls on listed their boards to actively seek out female candidates whenever a board vacancy needs to be filled, especially for independent directorships. When women directors are few or non-existent, the board should state the underlying reasons and the Nomination Committee should take explicit steps to ensure that the process is not biased.\textsuperscript{31} The Finnish Corporate Governance Recommendation for Listed Companies (December 2003) states that the age mix and the proportion of both sexes can also be taken into account in the composition of the board (Recommendation 15); the Swedish Corporate Governance Code for Listed Companies (2004) requires an equal gender distribution on the board to be an aim (3.2.1). In the UK, the Resource Centre for Women in Science, Engineering and Technology, the government’s lead organisation for the provision of advice, services and policy consultation regarding the under-representation of women in science, engineering and technology (SET), has produced a Good Practice Guide to Inclusive Boardrooms which details key recommendations for developing female talent within SET.\textsuperscript{32}

Finally, at the other extreme stand \textit{de jure} obligations to appoint WBDs. Norway first introduced a law in 2003 to oblige companies to appoint women to at least 40\% of their directorships, setting

\textsuperscript{31} The 2007 Spanish Equality Law recommends that companies appoint a sufficient number of WBDs to reach a balanced (40\%) presence of women and men within eight years of the entry into effect of this act (Art. 75).

\textsuperscript{32} On the other hand, while the Higgs Review notes that “the very low number of female non-executive directors is striking in comparison with other professions and with the population of managers in UK companies overall” (p. 42), it limits to “skills, knowledge and experience” the range of characteristics that the nomination committee should balance before making an appointment (suggested Code provision A.4.3). There was an attempt to draw up a list of 100 women who might be candidates for boards, though Laura D’Andrea Tyson, who was charged with finding candidates, decided in the end that such a list was unnecessary.
a deadline of summer 2005 for private sector firms to comply voluntarily.³³ In January 2006, the failure of companies to act – about half of the companies on the stock market still had no WBDs – prompted the Equality Minister to take the draconian step of threatening firms with closure. The government is considering extending the law to family-owned companies as well.

How well would these various solutions work in Italy? In the executive labor market, collusive closure may allow actors to obtain unearned advantages. Khurana and Piskorski (2004) suggest that, under certain cultural conditions, such closure may arise through a series of self-reproducing social constructions that restrict access to a position to those who conform to certain socially defined criteria. In this setting, gradualism based on endogenous and piecemeal changes – in other words, leaving the evolution of corporate governance to the self-interested behaviours of companies – risks taking a very long time.³⁴ The 2006 Borsa Italiana’s Corporate Governance Code is based on the “comply or explain” principle.³⁵ Articles 2 and 6 deal with board composition and directors’ appointment, respectively. The former makes no reference to “diversity” (let alone to gender issues) and the latter does not require the creation of formal Nomination Committees.³⁶

We therefore think that a bolder approach, namely gender-based affirmative action, is needed. Some would argue that quotas impose an onerous system on companies, without truly advancing the cause of women’s equality.³⁷ We beg to disagree. In Italy (and possibly elsewhere), the

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³³ State-owned firms had time until 2004; by end-2005 they had 45% female representation on their boards. A third of the country’s MPs are women and nine of the 19 cabinet ministers are women. See “Norway shatters the glass ceiling – but will it promote women’s cause?,” The Independent, 8 March 2006. In Finland and Sweden, 40% of State nominated board members are women. The Danish legislation has since 2000 required when possible a balanced participation of men and women on the boards of public companies with the State as majority owner.

³⁴ Casarico and Podestà (2008), in their discussion of female participation to the labor market in general, note that cultural traits are rooted in the past and take a very long time to change.

³⁵ The Code was prepared by three experts and endorsed by a 25-member committee – all 28 of them are men. They were assisted by a Working Group composed of 13 men and three women (Maurizia Angelo Conneno, Head, Legal, Compliance and Corporate Affairs Department, Unicredit; Livia Gasperi, Director, Corporate Actions & Corporate Supervision Division, Borsa Italia; and Marcella Panucci, Director, Legal Unit, Confindustria).

³⁶ In 2007, 35 listed compagnie had a Comitato per le proposte di nomina (30 in 2006) and in 14 cases the committee was merged with the Comitato per le remunerazioni. Out of the other 240 companies that do not have such bodies, 184 justify the choice – the presence of a majority shareholder, the existence of a party list system to elect board members, or other norms that already regulate their choice. See Assonime (2007).

³⁷ See http://www.lavoce.info/commenti/281000095.html for some reactions to this proposal when one of us made it in October 2007 (Goldstein 2007). Alesina et al. (2007) in particular argue that the tax system, by lowering the relative “price” of woman work, would produce the intended results with fewer negative consequences in terms of resources allocation.
problem of low female representation is obviously not limited to boards. Gender quotas, requiring a minimum number of women in electoral lists, have been introduced for elections at different levels of government. This type of quotas does not ensure in an open list electoral system that women will get more votes. This effect will depend on the extent to which there is an anti-female bias among voters. Bonomi et al. (2006) set up a random utility model for voting behavior which they tested on the elections for regional councils in 1995 and 2000. They show that a higher share of women in party lists leads to a significant increase in the probability that voters will choose a female candidate. While this implies that there is not a perfect gender bias against women, this finding also suggests that change does not happen automatically – that in the face of strong path-dependence, some form of intervention is needed.  

38 Other important factors influencing voters’ behaviour are the length of the party list (the longer the party list, and thus the greater the size of electoral districts, the lower the probability of voting for an incumbent candidate) and the position of the party in terms of liberal values. The more liberal the party, the higher the probability that a woman will be voted.

39 The inner working of the glass ceiling is studied by Duflo and Topalova (2004) in a paper on the impact of reservation for women in India’s Village Council (Panchayat) head positions. They find that – even though they appear to be at least as effective leaders along observable dimensions, and are less corrupt – women rarely win elections because residents of villages headed by women are less satisfied with the public goods, including goods that are beyond the jurisdiction of the Panchayat. They call this “unappreciated service”.

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Conclusions

Women’s presence in the boardroom is important, for individual companies no less than for society as a whole, and deserves to be treated as a hot and timely subject of our times. This paper provides the first analysis of this issue in the case of Italy, making it clear that not only there are fewer WDBs than in most other comparable nations, but also that business appears to trail behind the public administration and liberal professions in making its elite representation more gender equal.

We realize that there are a number of limits to the study. We have covered relatively large Italian companies that are publicly traded; thus, smaller firms and privately-held firms are not included. From a methodological viewpoint, more detailed analyses of positions held by women directors across years, possibly using interlocking techniques, would identify the links they establish – a social network approach may provide extra explanations for male predominance. In addition, our data do not allow for an analysis of pay differentials between Italian male and female directors. More fundamentally, exploring in greater depth why women have failed to progress in Italy’s boardrooms in the numbers we would have expected, demands future research by scholars versed in different disciplines, including law, social psychology, linguistics, sociology, and other fields. In particular, our study does not discuss sexual harassment, although “harassment undoubtedly is a reason why some women have not advanced upward through the ranks” (Branson 2006, p. 3). Family status and participation in social organizations such as Soroptimist are other dimensions that ought to be considered in greater detail. In a nutshell, the low representation of women on Italian company boards requires further examination.

In other countries, a number of prominent Chairmen, Chief Executives and women directors have actively engaged in championing the gender diversity debate, mentored aspiring women directors and managed their boards in exemplary ways. In such contexts, it is probably sufficient to give the market a chance to prove its effectiveness to improve gender balance in boards. Not so in Italy, we think. Despite the recent appointment of Emma Marcegaglia at the helm of Confindustria,

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40 Branson (2006) researched 2,000 published U.S. Court of Appeals cases under Title VII of the Civil Rights Act of 1964, to identify patterns of acts and practices whereby corporate actors (bosses, supervisors, corporate officers, CEOs) build and then keep in place glass ceilings, floors, and walls, which confine women in business and inhibit their advancement.
which attracted considerable media interest worldwide, a more active approach is warranted, and the discussion on the possibility and the suitability of a quota system should not be taboo.

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