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*This was the largest transfer of power since women received the right to vote in 1913.*

— Elin Hurvenes, Founder, Professional Boards Forum

## Boardroom Change in Norway

On a February afternoon in 2002, Norway's minister of trade and industry, Ansgar Gabrielsen, crossed paths with Alf Bjarne Johnsen, a political correspondent for one of Norway's most popular newspapers, *Verdens Gang*. As they exchanged greetings, Gabrielsen said, "I want to see you in my office in a couple of hours. I have big news for you."<sup>1</sup> When they met later that day, Gabrielsen discussed what he saw as a major problem in Norway. Women held 6% of board seats, and that number had only increased by approximately 3% each decade.<sup>2</sup> Therefore, Gabrielsen wished to institute a quota to raise the representation of women on boards. Johnsen was stunned by the news, but he was even more surprised to learn that "Gabrielsen had not discussed his plan with anyone else in his own party – not even the prime minister."<sup>3</sup> However, according to Gabrielsen, "Sometimes you have to create an earthquake, a tsunami, to get things to change. If a left-wing feminist had come out with something like that it would have been dismissed as just another scream in the night."<sup>4</sup> The next morning, the headlines read, "The Minister of Trade and Industry Is Sick and Tired of the Men's Club: Wants to Force Women into Boardrooms."<sup>5</sup>

### Gender Equality in Norway

#### *A Welfare State*

In the 1960s, Norway discovered vast oil resources along its coast in the North Sea. As a result, "the country registered an enormous budget surplus, for its small population of [approximately] 4.7 million."<sup>6</sup> With these vast resources, Norway created a welfare state, under which certain "public welfare policies were crucial for women's liberation and gender equality."<sup>7</sup>

For example, Norway adopted a very generous parental-leave plan to assist parents with work-life balance. Parents received 80% pay for 56 weeks of leave, and 100% pay for 46 weeks; 9 weeks were reserved for the mother (3 weeks before childbirth, and 6 weeks after); and 10 weeks were reserved for the father. A father could not transfer his allocated leave to the mother; if he did not take the time off, those weeks were "forfeited." This was called the "Father's Quota." By 2008, 90% of fathers used their allocated 10 weeks leave.<sup>8</sup>

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Professor Jay W. Lorsch and Research Associate Melissa Barton prepared this case. HBS cases are developed solely as the basis for class discussion. Cases are not intended to serve as endorsements, sources of primary data, or illustrations of effective or ineffective management.

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Also, a parent could take paid leave when a child was sick, a mother could leave work for two hours each day to breast-feed, and most importantly, child care was highly affordable. Some companies even provided their employees with kindergarten facilities. As a result, 80% of women in Norway worked outside the home.

### *Political Power*

Women also held significant power in Norway's political arena. Beginning in the 1960s, a women's movement emerged within the country. "Women activists were integrated into party politics and their impact was great."<sup>9</sup> For example, the Gender Equality Act was enforced in 1979 with the purpose of improving the position of women in society (see **Exhibit 1** for a summary of the Gender Equality Act).

Then, in 1981, the country elected its first woman prime minister, Gro Harlem Brundtland. As prime minister, Brundtland increased the number of women serving in the cabinet to 40%.<sup>10</sup> Since then, "No other prime minister has dared to have a cabinet with less than 40 percent women."<sup>11</sup> In addition, beginning in 1985, all public committees were required to include at least 40% women.<sup>12</sup>

Women rose through the ranks of the public sector; however, this success did not fully transfer to the private sector. The workforce remained divided: "There were some jobs that were typically women's jobs, like teachers, nurses, and positions in restaurants and hotels. Also, the few women who took leadership positions within the business community were often responsible for HR management, marketing, and support functions."<sup>13</sup> There was speculation about why this was the case, and according to a study conducted by Catalyst, women were held back because of their lengthy parental leave, inability to promote themselves, exclusion from informal networks, naïveté about company politics, and lack of role models.<sup>14</sup>

## **Norwegian Corporate Governance**

Corporate governance in Norway differed from that in the United States. According to the Norwegian Public Limited Companies Act, shareholders and company employees played an enhanced role in the election of board members, and many large investors served as board members themselves.

### *The Corporate Assembly and the Nominating Committee*

A company with more than 200 employees elected a corporate assembly comprising at least 12 members. One-third of these members were elected by and from the employees, while the remaining two-thirds were elected by shareholders at the annual general meeting. The shareholders elected members to the corporate assembly based on recommendations from the nominating committee.

The primary responsibilities of the corporate assembly were to elect the board of directors and the chairman (however, the corporate assembly did not elect all board members, because some directors were elected from and by the employees<sup>15</sup>) and to supervise the board of directors.

The members of the nominating committee were shareholder-representatives elected at the annual general meeting. No more than one director could serve on the nominating committee, while no members of the management team could serve on this committee. Also, at least one member of the nominating committee could not be a member of the corporate assembly.<sup>16</sup>

According to interviews with Norwegian directors, many nominating committees consisted primarily of men. For example, Ase Aulie Michelet, former CEO of Marine Harvest, said, "These men often sought and recommended directors from predominantly male networks, thus contributing to the problem of unequal gender representation on boards" (see **Exhibit 2** for a depiction of the process by which directors were elected).

### *The Board of Directors*

The board of directors was the supreme governing body. "The board had the ultimate responsibility for the management of the company and for supervising its day-to-day management and activities in general."<sup>17</sup> At least two directors were required to be independent of the company's major shareholder, and the majority of directors needed to be independent of the management team.<sup>18</sup> A director could serve for a maximum of four years, and shareholders reevaluated each board member every two years. The board size in Norway was, on average, six to seven directors.<sup>19</sup>

## **Shock Waves in the Business Community**

After the headlines broke in February 2002, the country experienced an intense period of public debate, which appeared all over the media. "This debate was characterized by the polarization of supporters and opponents."<sup>20</sup> The most noteworthy supporters were politicians, while the most vocal opponents included business leaders and large shareholders. Interestingly, "women's organizations were largely inactive, and some speculated that this was because they saw the issue as primarily affecting elite women."<sup>21</sup>

It was surprising that the announcement of a board quota startled so many in the business community because the recruitment of women to corporate boards had been discussed for many years. However, according to Kim Wahl, a director and founder of IK Investment Partners, "The quota proposal came as a surprise because many people did not believe that the government would muster enough support for this or at least would implement it more gradually."

The conversation had first begun in Norway in 1999 when Valgerd Svarstad Haugland, the minister for gender equality, proposed that such a quota be incorporated into a revision of the Gender Equality Act. Haugland called for at least 25% female representation on boards. However, the proposal was excluded from the revisions to the Gender Equality Act because various legal aspects of the quota needed to be discussed and evaluated by lawmakers. Shortly thereafter, it was decided that this quota should become part of the Public Limited Companies Act, not the Gender Equality Act, and that it should be raised to 40% to align with the quota for public committees. Haugland's successor, Laila Dāvøy, continued to advocate for the adoption of the quota, but no great progress was made until Gabrielsen made headlines in February 2002. As Annette Malm Justad, former CEO of Eitzen Maritime Services, said, "There had been a lot of talk about getting women onto boards, but nothing changed. The quota was a nontraditional approach, but if you are serious about change, you have to take a stand."

### *The Supporters*

Norway's leaders long believed that "reaching balanced [gender] participation was an important factor in the creation of wealth in society, and that it was important to make use of all the human resources in [the] country, not just half of [them, especially because women outnumbered men at higher education institutions in Norway]."<sup>22</sup> Some said that "diversity made business sense, and that it was critical for better decision-making, skilled staff, and better governance and better companies."<sup>23</sup>

Gabrielsen, in particular, was a strong proponent of this line of thinking: "When I introduced the quota, my main concern was profitability rather than women's rights. Ruling out half of the population hurt companies financially in the long run."<sup>24</sup> He was especially inspired by studies conducted in the United States regarding women in top management positions. According to such studies, "companies with the highest representation of women on their top management teams experienced better financial performance than the group of companies with the lowest women's representation."<sup>25</sup>

In addition to these arguments, politicians said that this was a matter of justice and democracy: "The heavy male domination on corporate boards was unacceptable, and was a possible indication of unfair gender discrimination." They also believed that "gender-equal participation in economic decision making was crucial for Norwegian democracy."<sup>26</sup>

### *The Opponents*

According to Bjarne Aamodt, chairman of Stattnet SF and former chairman of EDB Business Partners, many leaders in the business community said, "This is doomed for failure!" First, they believed that it was inappropriate for the state to interfere with the private sector. In an interview, the legal counsel of the Oslo Stock Exchange said, "We think this threatens shareholder democracy."<sup>27</sup> Shareholders were forced to give up the right to elect the directors that they saw fit on the boards of the companies that they owned. Meanwhile, the former chief executive of Den Norske Bank, the largest bank in Norway, said, "Norway will stand out as an odd country in the international markets. This quota could lead to share dumping because investors would be less inclined to invest in firms that prioritized a gender ratio on their boards."<sup>28</sup> <sup>29</sup> Finally, Hilde Myrberg, a director and senior vice president of corporate governance at Orkla ASA, said, "I didn't initially like the quota because it went against the principles of free enterprise."

Meanwhile, others said that it would be impossible to find enough capable women, especially in the oil, technology, and gas industries. As Kim Wahl said, "The first step should have been to develop a talent pool of women in executive positions. Directors need previous experience as executives. Otherwise, boards, as a whole, would become less experienced." Wahl added, "This was a chicken and egg question. Should we have waited for women to gain sufficiently many high-level management positions before instituting a quota? If we waited 15 or 20 years, would we have even needed a quota? Probably not."

Another serious concern was that women would force experienced and competent men off boards, particularly major shareholders. According to an investor, "The board is the executive power of the company, so if you are the owner and you want to exert power in the company, then you take a seat on the board. That's the way it is."<sup>30</sup>

Finally, some believed that the government was taking the wrong approach in its attempt to institute change. For example, the Confederation of Norwegian Enterprise (NHO) "favored a more flexible approach, such as, organizing networking events where private owners could meet potential female candidates"<sup>31</sup> (See **Exhibit 3** for examples of cartoons that appeared in the media during this time.)

## **The Public Limited Companies Act**

However, these critics did not prevent progress from being made. In December 2003, the Norwegian Parliament amended the Public Limited Companies Act in order to achieve greater representation of women on corporate boards. The prime minister, Kjell Magne Bondevik, and his

“center-right coalition government” faced opposition, but they were successful largely because there was enough “broad political support in Parliament.”<sup>32</sup> Representatives from the Progress Party were the only members to vote against the reform.<sup>33</sup>

Looking back, many found it surprising that the quota was championed by Trade and Industry Minister Gabrielsen, who was a member of the Conservative Party. Gabrielsen said, “I was one of the conservatives in the Conservatives. And I was from the South [Norway’s “Bible Belt”]. And I was a man. And I was religious. So everything was wrong.”<sup>34</sup>

### *Who?*

The quota applied to all state-owned companies and all public limited companies (PLCs) in the private sector. There were approximately 600 PLCs. “No rules [were established] for privately-owned limited liability companies because most of these were small family enterprises and the owners were themselves board members.”<sup>35</sup> Norway had approximately 200,000 limited liability companies.

### *What?*

The rules were as follows:

- If a board had 2–3 members, both sexes needed representation.
- If a board had 4–5 members, each sex would be represented by at least 2 representatives.
- If a board had 6–8 members, each sex would be represented by at least 3 representatives.
- If a board had 9 members, each sex would be represented by at least 4 representatives.
- If a board had more than 9 members, each sex would make up at least 40% of representatives.

### *When?*

All state-owned companies were required to meet the quota by January 2006. At the time of the quota’s passage, state-owned companies were farther along in achieving greater female representation; therefore, they were given less time to meet the quota. Meanwhile, the quota would not be enforced in the private sector if these companies voluntarily complied by July 2005. However, by that time, only 13.1% of companies had met expectations; therefore, these companies were given until January 2008 to reach 40% representation (see **Exhibit 4** for a timeline of the legislation).

### *Consequences*

If a company did not comply, it was given two four-week notices before the government took action. If the company still had not complied, it would be taken to court and dissolved.<sup>a</sup> Also, a company would not be able to register on the Oslo Stock Exchange unless it met these board requirements. This caused some discontent in the business community. According to members of the NHO, the punishment was out of line. “It was science fiction to think that the government was going to shut down a company that employed thousands of people over this.”<sup>36</sup> However, dissolution had been used by the Norwegian legal system since 1977; therefore, this consequence was not necessarily extreme.

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<sup>a</sup> The law also stated that a company would not be forced to close if dissolution was not in the public’s best interest.

## The Recruitment of Women Directors

### *Professional Boards Forum*

“Where will we find the women?” This was a common cry following the quota’s passage. In response, Elin Hurvenes, a former consultant, founded Professional Boards Forum. She created networking events in order to connect female board candidates with owners. Hurvenes wished to offer women greater exposure because she thought that “women were not very good at networking for themselves, and had been waiting for a knock at their doors.” She created fun and innovative experiences, in which she set up case assignments so that women could complete tasks and demonstrate their skills.

Professional Boards Forum received support from the Ministry of Trade and Industry, the NHO, and companies such as Telenor, Hafslund, Hydro, and AIG. By 2010, the forum had contributed, directly and indirectly, to approximately 200 board appointments. Also, after the first few sessions, Hurvenes polled the women attendees to find out why some women had not received board positions. She learned that these women often had outside commitments, such as a new job or young children, that were taking up a large portion of their time. According to Myrberg, “Balancing family life and work remained a big issue. But, as long as you could stay on the back burner at work, and never fully leave when you had children, then it was easier to move up in management.”

### *Female Futures Program*

The NHO was Norway’s “major organization for employers and the country’s leading business lobby.” Historically a very conservative organization, it represented over 20,000 companies. According to its philosophy, the organization intended to “create and sustain conditions that secured the competitiveness and profitability of business and industry, and thereby maintain the basis for a good standard of living, sound economic growth and sustainable development.”<sup>37</sup>

In 2003, the NHO established the Female Futures Program in order to help with the recruitment of women to board positions. The program was “a leadership and boardroom competence development program.”<sup>38</sup> A company could nominate women from within its organization to take part in the program. Those who were nominated worked out an agreement with their employer to set post-program goals, whether it was to obtain a board seat or to move up higher in their company. The program lasted for one year and included the following training and networking events:

- Kick-off day (1/2 day)
- Leadership development and network building (5 days)
- Boardroom competence (8 days)
- Course in rhetoric (2 days)
- Arena Female Future—national gathering for the participants and their superiors (1 day)

The program was ultimately a success. It reached its height between 2003 and 2005, when most companies were searching for female directors. In the following years, the program continued, but fewer companies participated. By May 2010, 700 companies and 1,250 women had participated, and of those participants, 62% had either been promoted or elected to a board. In addition to the training program, the NHO created a database of the résumés of “experienced businesswomen for companies

looking for board candidates,”<sup>39</sup> and joined forces with the Professional Boards Forum. Many women who completed the program were offered the opportunity to attend the forum for even greater exposure.

### *Bringing Women into the Boardroom*

According to Aamodt, “We had to dig a little deeper to find women candidates, but we were never dissatisfied with their performance when they joined our board.” Also, during the recruiting process, some found that woman tended to take more time than men to evaluate and accept a board position. Aamodt added, “Women were more reluctant because they wanted to make sure that they felt competent enough to serve”; they took the opportunity “very seriously and wanted to make sure that they had enough time to devote to the job.”

Hurvenes also pointed out that “women needed to interview the board back and ask why they were offering a seat. They needed to make sure that they were going to be utilized properly and were not being used to fulfill the quota.” Ultimately, women needed to understand their fit with the board. Justad added, “The quota gave qualified and experienced women the opportunity to be elected, which effectively was not there before, but, once they took a board seat, they could not trouble themselves with the thought that they were only there to fill legal requirements.”

## **A Changing Landscape**

By April 2008, all state-owned companies and PLCs had met the quota (see **Exhibit 5** for the percentage of women on boards of public limited companies between 2002 and 2009). In the meantime, “some companies had chosen to delist in order to avoid compliance with the quota, while others had expanded the size of their boards to avoid kicking off men,” said Hurvenes. The number of PLCs decreased from 600 to 480 between 2002 and 2008. However, the law also caused some companies, not subject to the quota, to add more women to their boards. “These companies were simply influenced by what was happening in society.”<sup>40</sup> By 2008, women represented 21.8% of the directors of privately owned limited liability firms.<sup>41</sup>

In addition, many of those in the business community, who had initially expressed dissatisfaction with the legislation, began to speak favorably of the quota because it had produced positive results. According to a report by a European political foundation, Friedrich-Ebert-Stiftung, “A kind of conversion story seemed typical, which was along the following lines: I used to be very critical of quotas, but today, after experiencing the changes going on in business life and in corporate boards in particular, it was clear to me that this was an important and necessary move.”<sup>42</sup> Norway ranked far above the rest of the world in female representation on boards (see **Exhibit 6** for comparative statistics in selected countries).

### *The Dynamics in the Boardroom*

After more women were recruited to serve, the dynamics in the boardroom began to change. Aamodt said, “Women were complementary to male directors. They emphasized the softer subjects such as employee and customer relations, marketing, and crisis management. They were also more focused on the long-term sustainability of the business, not just the bottom line.” Michelet added, “Women often focused on people and processes.”

Also, Norway’s Institute for Social Research ran a study on the effects of the quota, and its preliminary findings showed that “women made boards more efficient, they developed the function

of the board, and they reduced conflicts."<sup>43</sup> In addition, according to a study conducted by Kate Sweetman, a former editor of the *Harvard Business Review*, women often:

- Demanded more facts and details.
- Asked more questions.
- Acted more independently.
- Didn't drive for prestige as much as men did.
- Tended to be more honest about their shortcomings.<sup>44</sup>

Although women added these new dimensions to boards, one director noted in an interview that "she was often alone when she wanted to address topics that were not of high importance to men. Our different perspectives sometimes lead to disagreements over what should be included on the board agenda."<sup>45</sup> However, this may not have represented the feelings of most women because, according to the study conducted by the Institute for Social Research, 83% of women said that their suggestions were accepted on boards, 90% said that they rarely or never felt like they weren't being heard, and 99% would recommend to other women that they become directors.<sup>46</sup> Overall, these changes meant that board members needed to be more aware of the way that they conducted themselves when working with a more diverse group of individuals.

### *Moving up the Corporate Ladder*

The quota did not greatly influence the number of women earning high-level management positions. By 2009, approximately 16% of CEOs in NHO companies were women, and 22% of middle managers in NHO companies were women.<sup>47</sup> This was an increase of only a few percentage points from the early 2000s. According to Aamodt, "The speed of change was much slower than what many people expected; but it would likely take a few more years to determine the effect of the quota in this area." Jannik Lindbæk, former chairman of Statoil and Den Norske Bank, agreed: "This is part of a great transition. The presence of women on boards makes them more visible to move up the ranks in management." According to Wahl, "The quota had more merit as a long-term plan." Finally, Myrberg added, "Women needed a critical mass to make a difference, and it will take some time to reach that point."

Also, most directors agreed that it would not be possible to institute a quota at the management level. Lindbæk said, "An individual must get these positions out of respect for her qualifications." Despite this lack of progress, directors noticed that a few more women were becoming chairwomen. According to a director, "After women served for a few years on boards, it was only natural for them to take this next step."<sup>48</sup> By 2008, women held 5% of the chair positions in PLCs, compared to 2.6% in 2004.<sup>49</sup>

### *Professional Board Service*

An unintended consequence of the quota emerged shortly after it came into effect. Companies had only a few years to recruit women to their board seats. According to a director, this was a short time to reach 40% representation. He said, "When you have to find women quickly, it is difficult to find candidates with the appropriate experience and leadership skills. The system was force-fed with women directors."<sup>50</sup>



According to Wahl, “Many highly qualified women took on too many board positions, a challenge not least for the women in question.” These women came to be known as the “golden skirts”<sup>51</sup> in the Norwegian business community, and were described as professional board sitters.<sup>52</sup> However, some believed that this was not as severe a consequence as often portrayed, because the women with long lists of directorships often had positions in smaller companies, trusts, foundations, and property companies in addition to Oslo Stock Exchange-listed companies. The Oslo Stock Exchange did not permit one individual to take on that many positions in all listed companies.

### *The Composition of Norwegian Boards*

Again, it was very difficult to discern the impact of the quota in the short term. However, in May 2010, two University of Michigan professors, Kenneth Ahern and Amy Dittmar, published a study that attracted a great deal of attention and media speculation. The study found that “the constraint imposed by the law resulted in a significantly negative impact on firm value. The value loss was not caused by the sex of the new board members, but rather by their younger age and lack of high-level work experience.”<sup>53</sup> For example, on Norwegian boards, 29% of men were over the age of 60, while only 6% of women were in that same age bracket.<sup>54</sup>

Dittmar said, “It was not that women were worse performers on boards, but rather that the supply of women candidates was not the same as the supply of men. It was disappointing that that was the case in this day and age, but it seemed to show that the glass ceiling had still been in place.”<sup>55</sup> Directors in Norway expressed this same concern. For example, Wahl said, “While securing highly qualified women board seats and necessary boardroom diversity, this quota was, in some cases, the same as promoting junior executives to serve as CEO.”

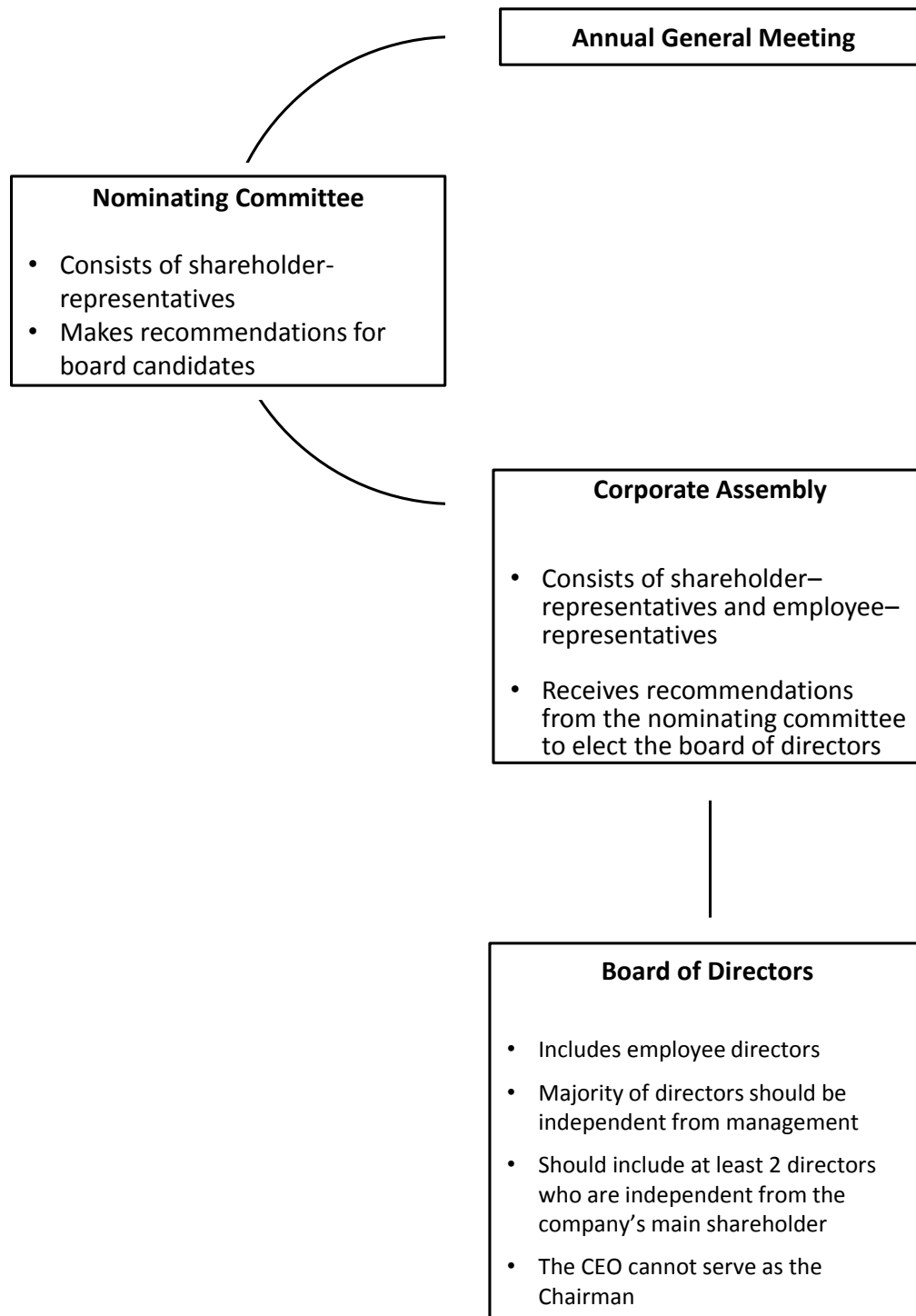
Norway was the first country to take legal action in order to increase female representation on boards, and the quota’s positive results caused many other nations to examine their situations and consider similar policies. According to employees at the Ministry of Trade and Industry, Norway was seen as a role model, and the minister of trade and industry answered questions from all over the world (see **Exhibit 7** for a summary of policies in other nations).

**Exhibit 1** Abbreviated Summary of the Gender Equality Act

<b>The Gender Equality Act</b> <i>(Passed in 1979, Last Amended in 2005)</i>	
<b>1. Purpose of the Act</b>	<ul style="list-style-type: none"> <li>This Act shall promote gender equality and aims in particular at improving the position of women.</li> </ul>
<b>1a. Duty to promote gender equality</b>	<ul style="list-style-type: none"> <li>Public authorities and employers shall make active, targeted and systematic efforts to promote gender equality in all sectors of society and within their enterprise, respectively.</li> <li>Enterprises that are subject to a statutory duty to prepare an annual report shall, in the report, give an account of the actual state of affairs as regards gender equality in the enterprise.</li> </ul>
<b>2. The scope of the Act</b>	<ul style="list-style-type: none"> <li>This Act shall apply to all areas, except for the internal affairs of religious communities.</li> </ul>
<b>3. General clause</b>	<ul style="list-style-type: none"> <li>Direct or indirect differential treatment of women is not permitted.</li> <li>Different treatment that promotes gender equality in conformity with the purpose of this Act is not a contravention.</li> </ul>
<b>4. Gender equality in connection with employment</b>	<ul style="list-style-type: none"> <li>A job vacancy must not be advertised as being restricted to one sex only unless there is obvious reason for doing so.</li> </ul>
<b>5. Equal pay for work of equal value</b>	<ul style="list-style-type: none"> <li>Women and men in the same enterprise shall have equal pay for the same work or work of equal value.</li> <li>Whether the work is of equal value shall be determined after an overall assessment in which importance is attached to the expertise that is necessary to perform the work and other relevant factors, such as effort, responsibility and working conditions.</li> </ul>
<b>6. Equal right to education</b>	<ul style="list-style-type: none"> <li>Women and men have an equal right to education.</li> <li>Employers shall treat women and men equally as regards training, further education and leave of absence in connection with education.</li> </ul>
<b>7. Teaching aids</b>	<ul style="list-style-type: none"> <li>In schools and other education institutions, the teaching aids shall be based on gender equality.</li> </ul>
<b>8. Associations</b>	<ul style="list-style-type: none"> <li>An association shall be open to women and men on equal terms when 1) the membership of the association is of significance for the individual member's opportunities for work or professional advancement or 2) the object of the association is essentially to contribute to the solution of general social problems.</li> <li>Gender-based harassment and sexual harassment are not permitted.</li> </ul>
<b>9. Enforcement of the Act</b>	<ul style="list-style-type: none"> <li>The Equality and Anti-Discrimination Ombud and the Equality of Anti-Discrimination shall monitor and contribute to the implementation of this Act.</li> </ul>
<b>10–15. Repealed in June 2005</b>	
<b>16. Burden of proof</b>	<ul style="list-style-type: none"> <li>If there are circumstances that give reason to believe that there has been direct or indirect differential treatment in contravention of the provisions of the Act, such differential treatment shall be assumed to have taken place unless the person responsible proves on a balance of probabilities that such differential treatment nonetheless did not take place.</li> </ul>
<b>17. Liability for damages</b>	<ul style="list-style-type: none"> <li>Any job seeker or employee who has been subjected to treatment in</li> </ul>

<b>The Gender Equality Act</b> <i>(Passed in 1979, Last Amended in 2005)</i>	
	contravention of provisions of this Act by an employer or a person acting on the latter's behalf may demand compensation and redress regardless of the fault of the employer.
<b>18–19. Repealed in June 2005</b>	
<b>20. The geographical extent of the Act</b>	<ul style="list-style-type: none"> <li>The Act shall apply in Norway, on Svalbard and on board Norwegian vessels and aircraft in areas that are not subject to the sovereign right of any state.</li> </ul>
<b>21. Representation of both sexes in all public committees</b>	<ul style="list-style-type: none"> <li>When a public body appoints or elects committees, governing boards, councils, boards, etc. each sex shall be represented as follows:             <ul style="list-style-type: none"> <li>If the committee has 2 or 3 members, both sexes shall be represented.</li> <li>If the committee has 4 or 5 members, each sex shall be represented by at least 2 members.</li> <li>If the committee has 6 to 8 members, each sex shall be represented by at least 3 members.</li> <li>If the committee has 9 members, each sex shall be represented by at least 4 members, and if the committee has a greater number of members, each sex shall be represented by at least 40% of the members.</li> </ul> </li> </ul>

Source: "The Act relating to Gender Equality," Information from the Government and Ministries, <http://www.regjeringen.no/en/doc/Laws/Acts/The-Act-relating-to-Gender-Equality-the-.html?id=454568>, accessed March 2011.

**Exhibit 2** Norwegian Corporate Governance Election Process

Source: Norwegian Corporate Governance Board (NUES), "The Norwegian Code of Practice for Corporate Governance," October 21, 2010, [http://www.nues.no/filestore/Anbefaling\\_Eng\\_2010.pdf](http://www.nues.no/filestore/Anbefaling_Eng_2010.pdf), accessed February 2011.

Exhibit 3 Examples of Cartoons That Appeared in the Media



Sources: European Professional Women's Network, Vincent Braconnier and Cecile Demailly (Vinch & Carmen),  
Courtesy of [www.EuropeanPWN.net](http://www.EuropeanPWN.net).

**Exhibit 4** Timeline of Legislation

**1999:** Valgerd Svarstad Haugland first proposed a quota for women representation on corporate boards to be incorporated into the Gender Equality Act.

**February 2002:** Gabrielsen announced his intention to put an end to the “Old Men’s Club.”

**December 2003:** Parliament amended the Public Limited Companies Act to call for greater representation of women on boards.

**January 2004:**

- State-owned enterprises were given until January 2006 to comply.
- PLCs were given until July 2005 to voluntarily meet the quota.

**July 2005:** 13.1% of PLCs had met the quota.

**January 2006:**

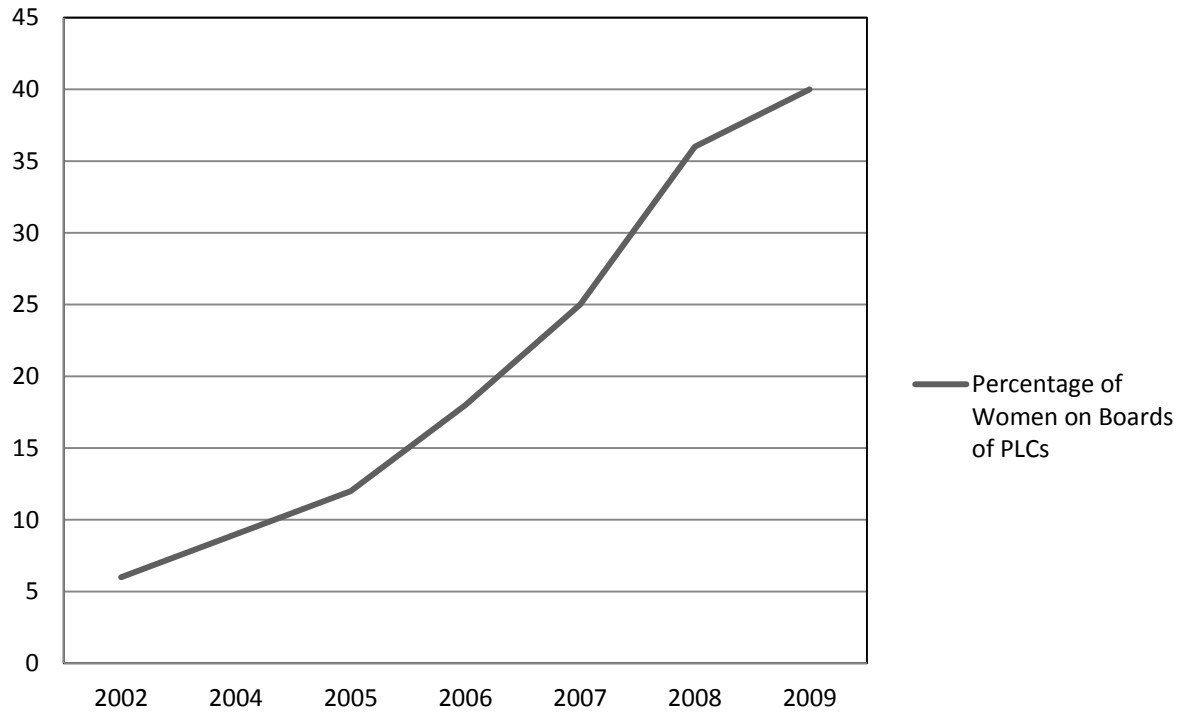
- All state-owned enterprises had met the quota.
- PLCs were given until January 2008 to comply.

**January 2008:**

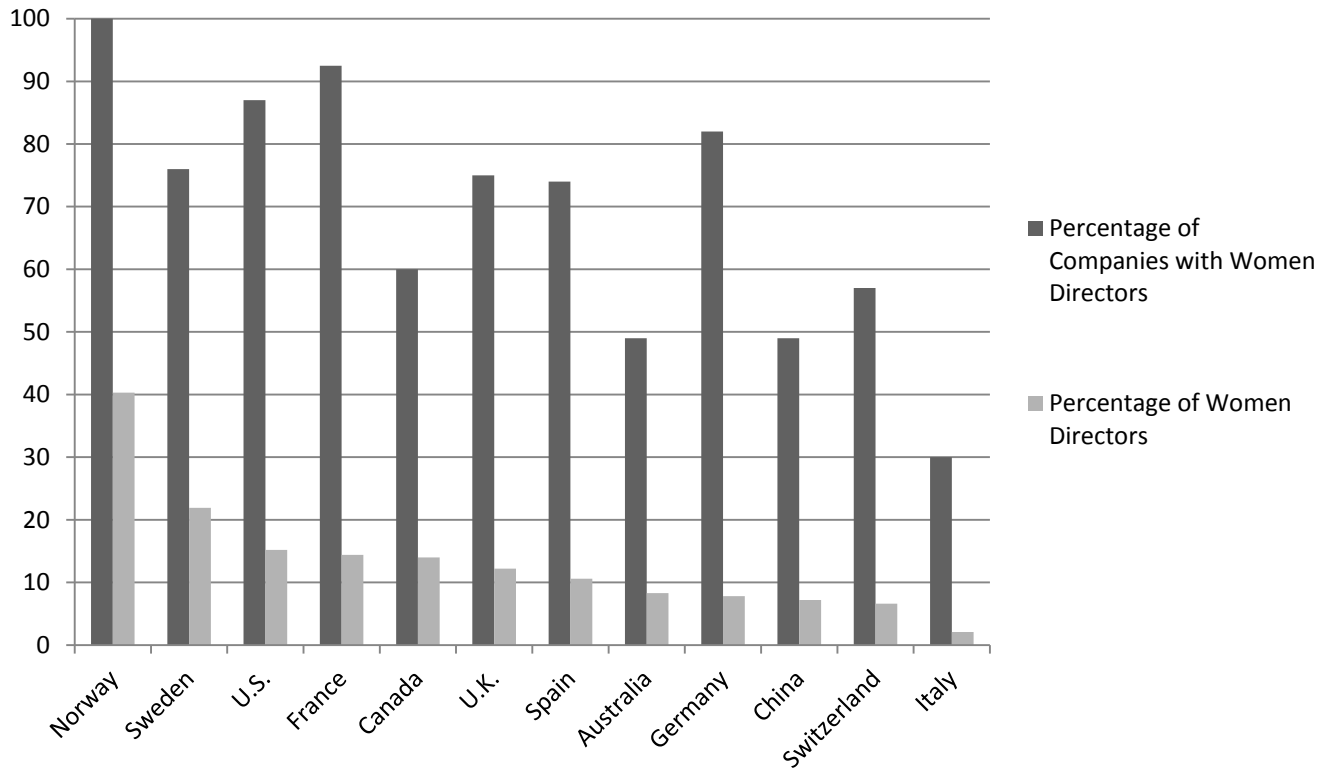
- Almost all PLCs had met the quota.
  - 77 companies were given notices.
  - 12 companies were given second notices.

**April 2008:** All PLCs had met the quota; no company was dissolved.

Source: Casewriter.

**Exhibit 5** Percentage of Women on Boards of Public Limited Companies, 2002–2009

Source: Aagoth Storvik and Mari Teigen, "Women on Board: The Norwegian Experience," Friedrich Ebert Stiftung, June 2010.

**Exhibit 6** Comparative Statistics of Selected Countries, 2010

Source: Corporate Women Directors International, "Accelerating Board Diversity, 2010," *Directors & Boards Magazine* Vol. 34, No. 5 (2010): 24.



**Exhibit 7** Policies in Other Nations

<i>Finland</i>	In <b>2004</b> , the government recommended that state-owned companies reach 40% female representation on their boards, and this was reached by 2006. Then, in 2008, all listed companies were asked to elect at least one woman to their boards by January 2010, or explain why these chose not to comply.
<i>Spain</i>	In <b>2007</b> , Spain required that women represent 40% of board positions by 2013.
<i>Australia</i>	In <b>2009</b> , the Australian Exchange (ASX) called on companies to increase the number of women on boards and in upper management. Companies were not required to comply, but they were asked to explain their cooperation or lack thereof.
<i>Iceland</i>	In March <b>2010</b> , the Parliament passed a law stating that companies with more than 50 employees must have 40% of both genders on their boards by September 2013.
<i>France</i>	In January <b>2011</b> , the government passed a law requiring that all companies that are listed have over 500 employees or have over 50 million Euros in revenue elect at least 40% women to their boards within 6 years.
<i>Sweden</i>	The country had created incentives to encourage companies to elect more women directors. For example, the government previously instituted board education programs for women.

Sources: Leena Linnainmaa, "The Finish Experience in Promoting Women on Company Boards," The Finland Chamber of Commerce, [http://www.keskuskauppakamari.fi/site\\_eng/Media/Speeches/The-Finnish-experience-in-promoting-women-on-company-boards](http://www.keskuskauppakamari.fi/site_eng/Media/Speeches/The-Finnish-experience-in-promoting-women-on-company-boards), accessed March 2011; Catalyst, "Women on Boards," December 2010, [http://www.catalyst.org/file/440/qt\\_women\\_on\\_boards.pdf](http://www.catalyst.org/file/440/qt_women_on_boards.pdf), accessed March 2011; and "France sets quota for women on big companies' boards," Reuters, January 13, 2011.

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