

## Table of Contents

<b>1</b>	<b>Introduction .....</b>	<b>1</b>
1.1	Background .....	1
1.2	Problem .....	2
1.3	Purpose .....	3
1.4	Delimitations .....	3
<b>2</b>	<b>Theoretical Framework .....</b>	<b>4</b>
2.1	Network as a Predictor of Employment .....	4
2.2	Weak and Strong Ties .....	4
2.3	Men vs. Women .....	6
2.4	Homophily .....	7
2.5	Board Members .....	8
2.6	Female Presence on Corporate Boards .....	9
2.7	Female Effects on Board Governance .....	12
2.8	Women Quota on Boards .....	14
2.9	Career Theory .....	15
2.10	Mentorship .....	17
<b>3</b>	<b>Method .....</b>	<b>18</b>
3.1	Research Method .....	18
3.2	Research design .....	18
3.2.1	Cross-sectional design .....	18
3.2.2	Survey .....	19
3.2.3	Survey length .....	20
3.2.4	Questions .....	20
3.2.4.1	Questions on Skills and Expertise .....	21
3.2.4.2	Homophily and General Network Questions .....	21
3.2.4.3	Network Questions .....	22
3.2.4.4	Amount of time .....	22
3.2.4.5	Emotional Intimacy .....	23
3.2.4.6	Intimacy .....	23
3.2.4.7	Reciprocal Services .....	23
3.2.5	Pilot study .....	23
3.2.6	Contacting Respondents .....	24
3.2.7	Sampling .....	25
3.2.8	Response Rate and Issue of Non-Responses .....	25
3.2.9	Missing data .....	26
<b>4</b>	<b>Results &amp; Analysis .....</b>	<b>27</b>
4.1	Demographics .....	27
4.2	Network .....	27
4.3	Experience .....	28
4.3.1	Education .....	28
4.3.2	Professional Background .....	29
4.4	Homophily .....	33
4.5	Strength of the Ties .....	34
4.5.1	Frequency of Interaction .....	35
4.5.2	Level of intimacy .....	35
4.5.3	Emotional Intensity .....	36
4.5.4	Reciprocal Services .....	37
4.5.5	Conclusion Strength of Ties .....	37

<b>5</b>	<b>Limitation and Future Research.....</b>	<b>39</b>
<b>6</b>	<b>Discussion.....</b>	<b>41</b>
<b>7</b>	<b>Conclusion.....</b>	<b>44</b>
	<b>References.....</b>	<b>46</b>
	<b>Appendix 1.....</b>	<b>50</b>
	<b>Appendix 2.....</b>	<b>58</b>

## Tables

<b>Table 2.1</b> Percentage of Female Directors in Companies Listed on OSE 2000-2007.....	14
<b>Table 2.2</b> Proportion of Female Directors in Listed Companies by Stock Exchange.....	14

## Figures

<b>Figure 2.1</b> Structural Holes.....	6
<b>Figure 2.2</b> Women Representation on Corporate boards.....	9
<b>Figure 2.3</b> Percentage of Companies by Number of Women Directors.....	11
<b>Figure 3.1</b> Question Three Based on Granovetter's Network Theory.....	22
<b>Figure 4.1</b> Information About Board Openings.....	28
<b>Figure 4.2</b> Level of Education, Percentage by Sex.....	29
<b>Figure 4.3</b> Percentages, Number of Years Active as Board Member.....	30
<b>Figure 4.4</b> Percentage of Self-perceived Expertise Brought to the Boardroom.....	31
<b>Figure 4.5</b> Contacts by Sex.....	34
<b>Figure 4.6</b> Length of Relationship, in Years .....	35

# 1 Introduction

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*This section introduces the reader to the current situation of women representation in corporate boards, the general gender perspective and the importance of network for career advancement.*

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## 1.1 Background

Men rather include men than women in their networks when the same expertise and rank is considered (Ibarra, 1992). The well-debated existence of the “old boys’ network” could be denoted as a barrier that prevents women to break the glass ceiling i.e. hinders career advancement. Men’s central position in network inhibits women of the same rank and expertise to have equal opportunities of career advancement (Ibarra, 1992; Sealy, 2010). Ibarra (1992) argue that human capital, such as a person’s personal traits and competences, automatically translate into network access for men while it does not for women.

It was not until 1972 that the first female director, Catherine B. Cleary, of a Fortune 500 company was assigned at General Motors (Catalyst, 2011). Much has happened since and during the last decades the world has moved towards a more gender-equal corporate environment (Lagerlöf, 2003). Women’s educational level and corporate experience, factors traditionally argued as barriers for women to break the glass ceiling (Chugh & Sahgal, 2007), have improved and can no longer be blamed as the predominant factor to justify the glass ceiling effect (Zelechowski & Bilimoria, 2004). Despite the movement towards gender-equality men still, to a greater extent than women, occupy executive, top management and board positions (Adams & Ferreira, 2009; Chugh & Sahgal, 2007).

This study focuses on the observation that there is a low representation of women on corporate boards. “...the percentage of female directors in Australia, Canada, Japan, and Europe is estimated to be 8.7%, 10.6%, 0.4%, and 8.0%, respectively.” (Adams & Ferreira, 2009, p. 291). For listed companies in Sweden the percentage is higher but still only one in five board members is a woman and only one in twenty of these women hold a position as a chairman. Quotas are by some argued to be a necessary omen to obtain a gender-equal environment in the boardroom while others do not consider this as a solution. “I DON’T like quotas but I like what quotas do,” announced the European Union’s justice commissioner, Viviane Reding (The Economist, 2012, March 10). The gender debate on corporate boards is in focus in media around the world and Sweden is no exception. Many share the same opinion, as Reding and there are those who oppose quotas even stronger, among them are Annie Lööf, current minister of Enterprise, in Sweden. Lööf believes quotas, of any kind, to be detrimental for ownership rights (Sabuni & Lööf, 2012, February 10). Susanna Campbell, CEO of Ratos, named the most powerful businesswoman in Sweden by Veckans Affärer, have a similar standpoint (Carpman, 2012, March 6). While Per Schlingmann, former secretary-general of the Swedish Moderate Party, announced

that more women have to enter the Swedish boardrooms or they will consider to reevaluate the current legal regulation (Dagens Nyheter, 2010, January 1).

The movement of women into the board room is unexplainably slow (Chugh & Sahgal, 2007), and as quotas may not be an optimal solution, barriers for why women are excluded from the boardroom must be enlightened.

## **1.2 Problem**

Our society can be viewed as a market where people socially interact by the exchange of a range of resources, tangible and to a large extent intangible, such as ideas, thoughts and intimacy. In this market, some people, or groups, are more prominent, have higher income, and receive faster promotions (Burt, 2000). These people have historically been men. A step in receiving fast promotions is the entrance into management positions. While women have made their way into management positions during the last decades, the transition to the boardroom is still unexplainably slow. According to Burt (1995), differences in income level and promotion rate is the result of a person's human capital, which is defined by a person's level of intelligence, attractiveness, educational level, skills and the ability to express her-/himself. Educational level and experience, denominators of corporate intelligence, have been shown by previous research to be fairly equal between women and men (Zelechowski & Bilimoria, 2004). The human capital concept does no longer explain why more men than women 'make it to the top'. As a complement to the human capital argument, we will turn to the concept of network, which basically claims that people who are better connected, receive better returns (Burt, 2000; Forret & Dougherty, 2001) and network has been shown as a predictor of career advancement (Kirchmeyer, 1998).

Traditionally women have faced unequal opportunities to enter inner organizational networks (Lyness & Thompson, 2000). Network is of importance as one attempts to climb the professional ladder. Furthermore does the range (Forret & Dougherty, 2001) and importance of network activities increase with professional level (Arthur, 1994). There are several reason why women are excluded from inner organizational network opportunities for example; homophily, the tendency to associate with those who are likeminded (Ibarra, 1992, 1997), and the fact that women are more bound to home due to childcare duties (Forret & Dougherty, 2001).

In this study we emphasize the importance of network in relation to board appointments. While the importance of network for career advancement is known, research fails to prove the existence of a systematic exclusion of women by men in networks (Ibarra, 1992). Moreover there is little research on how women and men who have made it to the top make use of and value their network connections. The limited research in this area is due to the fairly recent movement of women into senior management positions. As there is evidence of differences between women and men's way to stay connected and how they use their network on lower levels (Ibarra, 1992), the question still stands – are women on the top using their network differently than men on the top?

As aforementioned corporate differences between women and men have diminished over time, while women representation on corporate boards remains low. Countries such as Norway and Spain have imposed quotas to reinforce equality. While this is a proven way to increase the amount of women on corporate boards, other issues due to quotas become apparent. For example a limited number of women now occupy many board positions, which may imply that the same women hold many of these new positions are preventing new entrances to the board, for men as well as for other women (Jansson, 2010). In 2008 Norway imposed a 40% women representation quota on listed corporate boards. Spain has followed with the aim to attend the same goal by 2015. The EU, as well as several European countries debates whether to follow the same route. Sweden, despite a reputation of being one of the most gender-equal countries in the world, had in 2010 approximately one woman out of five board members in the listed companies (Stiernstedt, 2010, April 2).

### **1.3 Purpose**

The purpose of this study is to increase the knowledge about the nature of personal connections that board members on top corporate boards in Sweden hold with the contacts that have been of most importance for their board appointment. This study explores similarities and differences in career background, skills, expertise and networking structure of women and men on top corporate boards in Sweden. We intend to use the information to add additional knowledge that can account for the slow progress of gender equality on corporate boards.

### **1.4 Delimitations**

This study is geographically and physically limited to board members that serve on mid and large cap companies trading on Nasdaq OMX Stockholm. The nature of the population in Sweden may reduce the generalizability of the study, as Swedish norms, rules and regulations effect behaviors and system for how the board members are elected. Sweden is especially interesting to study due to the generally high level of gender equality. As the population consists of board members from top corporate boards, we cannot determine if the results apply to companies that have a considerably lower stock market value or for companies that are not publicly listed. Although, we study a highly homogenous population, which allows us to generalize the answers to all board members on top corporate boards in Sweden. Additionally, this study is limited to the self-perceived importance of contacts, experience and expertise rather than the actual importance, thus background, experiences and sex of the respondents could influence their answers.

This study concerns board members' nature of personal connection to their contacts, while it does not aim to map all the connections and then illuminate the contacts of importance, but rather to seek the contacts of self-perceived importance. Board appointments seldom rely on an all-internal recruitment, the connections board members have to their most important contacts are external of nature, and it is almost impossible to map comprehensively.

## 2 Theoretical Framework

*This section discuss earlier empirical findings on career theory, gender perspective, gender impact on corporate boards, skills expected by board members and career denominators, with a focus on the importance of network. The theory is summarized in a set of assumptions, which highlights the areas of our study.*

### 2.1 Network as a Predictor of Employment

The importance to focus on network has increased in society as the job-market move towards boundaryless employment. A person's network is seen as a source of information, where job opportunities and promotion rate increase with the range of the networks. Additionally, individuals with expansive networks add value in the eyes of prospective employers (Arthur, 1994; Arthur, Claman, DeFillippi, & Adams, 1995). Network characteristics has long been a predictor of employment (Granovetter, 1973), and associated with career development such as promotion rates, bonuses and job mobility (Burt, 1997). This is also observed in Sweden; data from Trygghetsrådet show that 58% of reemployed people in Sweden got their new job through contacts (Trygghetsrådet, 2012). Research has also highlighted the self-perceived importance of an extensive internal and external network for career success in today's marketplace. This stress the importance of networking both inside and outside the organization (Eby, Butts, & Lockwood, 2003).

Network has taken on many shapes over time and has a range of different definitions. We define network at its most simple form based on Borgatti & Foster (2003, p. 992) "...a set of actors connected by a set of ties.". Others focus more on the professional importance of network, such as Forret and Dougherty (2001), who define network as the ability to develop and maintain relationships with others to gain advantage in one's work or future career. As one advance in the career ladder and enter the board room the importance of network increases while meritocracy decreases (Sealy, 2010). Network is argued to be a positive denominator of career advancement due to the ability to access information, resources and career sponsorship (Seibert, Kraimer, & Liden, 2001). Hence, we assume that network is of importance for board members.

*Assumption 1: Network is an important attribute for board members.*

### 2.2 Weak and Strong Ties

Most previous research on networks is based on Granovetter's (1973) fundamental findings. Granovetter (1973), revealed that depending on the nature of one's network the possible outcome of job opportunities differ. His study on networks at a personal level is based on the frequency of social interaction, emotional intensity, intimacy and reciprocal services which translates into what he refers to as weak and strong ties. Granovetter (1973) found that weak ties, compared to strong ties, enhance the likelihood for people to get employed. Strong ties are often linked to small closed groups, where the participants tend to move in the same circles, share and have access to too

much of the same information, which generates redundant information. Weak ties on the other hand, are characterized by infrequent interaction with low emotional intimacy, and links people that belong to different network circles which thereby bridge the information flows and generate new information.

According to Granovetter (1973) strong ties are usually held within smaller groups with face-to-face interactions. When two people are connected with a strong tie they have more frequent social interaction, have a higher level of intimacy, emotional intensity and they exchange reciprocal services. Frequency of interaction is a measurement of how often one meet their contact. Intimacy is defined as mutual confiding, that is how comfortable two people are to share different types of information. Emotional intensity is the type of interaction pattern that two contacts have with each other while reciprocal service concerns the exchange of favors. Additionally, strong ties tend to improve the likelihood that a person also knows the friends or co-workers of that contact, as they move in the same circles. Weak ties exist between people with low frequency of social interaction and intimacy. Granovetter (1973), divides weak ties into two subgroups; weak non-bridging ties and weak bridging ties. Weak non-bridging ties are ties between people that are not directly connected to each other but through another person. Weak bridging ties are defined as a direct connection, but with few other connections to the person, examples for this is business related connection. In our study we focus foremost on strong ties and bridging weak ties, which we hereafter refer to as weak ties.

Granovetter's (1973) theory have been further developed by Burt (1995), who build on the importance of weak ties with his model of structural holes (see fig. 2.1). Burt's (1995) model builds on brokerage opportunities, that is when a person makes use of other people's network, similar to what Granovetter (1973) refers to as weak ties. No, or weak, connections between people are seen as holes in the network structure (Burt, 1995). Weak ties link groups of people from different network circles together (Granovetter, 1973), which enhance the information flow. Since the people in the two circles do not have any ties between the circles other than through the two holding the weak ties, the persons with the link over the structural hole, holding the weak ties, control the information flow, which enhances their job opportunities. This does not necessarily mean that the people in the different circles are unknown to each other.

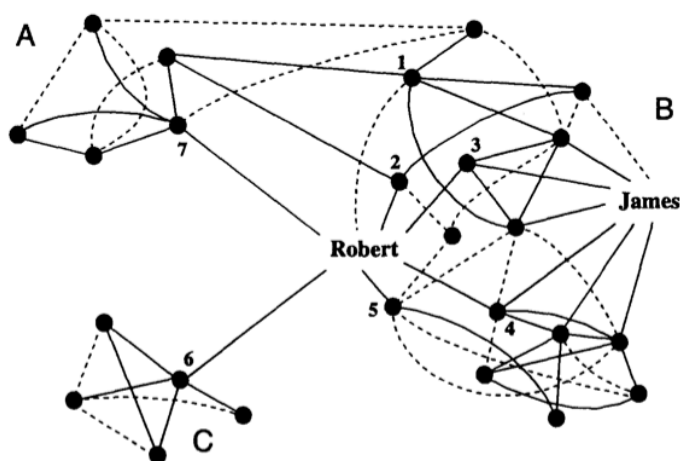


Figure 2.1 Structural Holes

Source: Burt (2000, p. 349)

To conclude, the strength of ties to one's contact can impact what information one have access to, where weak ties are positively related to information flow, giving a person a potential advantage of control. Therefore, we assume that the board members in our sample are connected with their contacts of importance, foremost with weak ties.

*Assumption 2: Board members are connected to their contacts of importance with weak ties.*

## 2.3 Men vs. Women

Women and men have shown differences in the way they network (Timberlake, 2005). Forret and Dougherty (2001) propose that cooperation, relationship building and to facilitate the development of other people are connected to feminine traits rather than masculine. However, Forret and Dougherty (2001) found that when it comes to socializing men are more likely to participate than women. This may be a consequence of the fact that women are more bound to home, due to child-raising responsibilities and other household related issues. They conclude that men enjoy more advantages than women given that social interactions provide work related information (Forret & Dougherty, 2001). Additionally, the differences in how women and men network have shown to affect the prospects for increased corporate authority and career advancement towards senior executive positions (Timberlake, 2005). Lyness & Thompson (2000) found that female executives, although having the same career history as men face greater obstacles in the corporate environment. Women are excluded from informal network circles in comparison to men; they face social isolation, stereotyping and performance pressure to a higher degree than men. Furthermore women report a higher importance of developing relationships and keeping good track records compared to men (Lyness & Thompson, 2000). Additionally women have been

shown to gain from a high visibility and a family association for their entrance into the board room (Sheridan & Milgate, 2005).

Granovetter (1973) argues the importance of weak ties when it comes to information about new jobs. Ibarra (1997) has extended this research by using the same variables as Granovetter and claims that high potential women and men in middle-management positions differ in their use of network. She claims that high potential women with managerial positions have a higher proportion of very strong ties than men in the same position. In this study Ibarra (1997) control for hierarchical rank and occupation as these have previously been argued as predictors of how network is used (Ibarra, 1992). Women in middle management positions network to a greater extent with men compared to women who do not hold a management position. Furthermore, high potential women network more with people from the opposite sex than men do. This confirms Ibarra's (1992) previous studies on homophily, further explained in the next section.

Differences in network behaviors between women and men leads us to the assumption that women will have stronger ties to their most important contacts for their board appointment compared to men. Additionally, more women find themselves excluded from informal networks, hence, we assume that more women will perceive network as a barrier for their board appointment. Furthermore, we assume that women are more likely to have a family association to the board they serve on.

*Assumption 3: Women hold stronger ties to their most important contacts compared to men.*

*Assumption 4: More women, than men perceive lack of network as a barrier for their board appointment.*

*Assumption 5: Women are more likely to have a family association to the board that they serve on.*

## **2.4 Homophily**

The notion of the "old boy's network" can be referred to as homophily, that is the tendency to socialize with others that are similar to yourself, such as; business students socializing with other business students or soccer players socializing with other soccer players. Ibarra (1992), attempts to distinguish how women and men chose their network at the workplace in relation to homophily. Ibarra (1992) observed differences between how women and men choose their network and the ability for them to access informal networks. She argues the importance of more research to determine if men exclude women or not. Despite the limitations of her research we believe her findings to be of interest for our study. Ibarra (1992), found that rather than making the choice based on gender, both women and men make rational choices based on higher-status instrumental contacts. Women in general are a less desirable choice to include in the network for both women and men, since men in the study hold the majority of the

formal positions. Furthermore, both women and men prefer men, when both sexes hold the same expertise and rank. This increased the men's position of centrality within the company compared to women. In other words human capital does not automatically translate into network access for women while it does for men. Women gain legitimacy by the notion of their access to the network. Ibarra (1992) concludes that men benefit more than women when they are connected with strong ties to their male contacts, than women do with their female contacts. This finding was not confirmed by Ibarra (1997) when she examined high potential middle managers.

To summarize, it has not been proven that women are excluded in networks due to the fact that they are women, although they are shown to have a harder time to access informal networks and have a stronger need to access the network to prove legitimacy (Ibarra, 1992). This leads us to the assumption that both women and men in our sample value the contact with men in relation to their board appointment higher than the contact with women. We assume the proportion of male contacts is larger than female contacts.

*Assumption 6: Male contacts are valued higher than female contacts for the appointment as a board member for both women and men.*

## **2.5 Board Members**

The board functions primarily as a control organ and monitor management as legitimacy for shareholders, while at the same time they are expected to bring unique resources to the firm (Huse, 2007). Board members are supposed to provide the firm with one or more of the following points:

- Business related expertise (insiders)
- Different perspectives (support specialists)
- Ties to other firms and external partners (community influential)

(Hillman, Cannella, & Harris, 2002; Hillman, Cannella, & Paetzold, 2000)

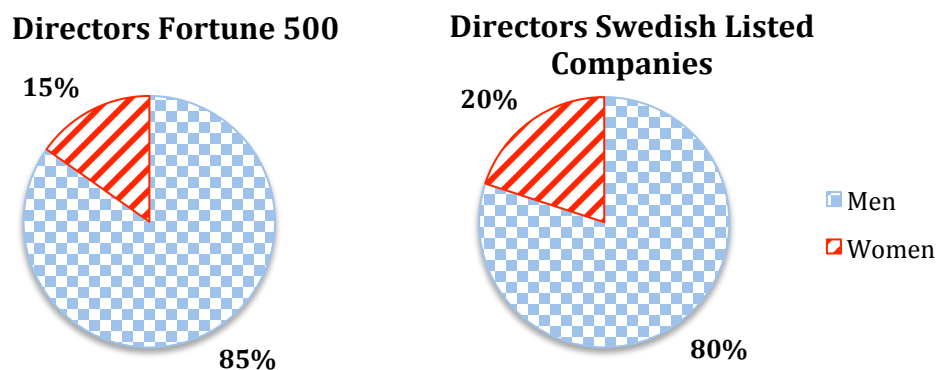
Most of the times business expertise is enhanced from the board members that hold or have held the position as a CEO or a senior manager, as they are familiar with the decision-making processes from inside the firm or from other firms. Different perspectives are brought into the board through support specialized in law, banking, public relations, or incurrence company representatives. The community influential is most often political leaders, university faculty or leaders in social or community organizations. These board members are the once that provide legitimacy, a non-business view, influence powerful groups and provide connections to external parties (Hillman et al., 2000). Peterson & Philpot (2007) found that men are more likely to be on an executive committee compared to women who more often serve on the 'public-affairs type committees'. This suggests that women and men are often appointed different

roles, whereby our assumption is that men to a higher degree than women contribute with business related expertise to the board.

*Assumption 7: Men are more likely to bring business related experience to the board, in the form of company and industry specific knowledge, compared to women.*

## 2.6 Female Presence on Corporate Boards

Men have a higher likelihood to be appointed as a board member than women, even when controlled for experience-based characteristics (Bilimoria & Piderit, 1994). Hillman et al. (2002) controlled for race and gender and found that white men on corporate boards on Fortune 1000 companies are more likely to have a business background as an executive, while women in general come from non-business careers. In Sweden only 3% of the CEO's in companies listed on Nasdaq OMX Stockholm were women (SCB, 2010). In 2008 U.S. women held 15,2% of the board positions on Fortune 500 companies and 90% of the companies had at least one female director (see fig. 2.2). However, less than 20% of the companies had three women or more on the same board (Catalyst, 2009). For the Swedish listed companies the number was slightly higher, approximately 20% of the directors on the boards were women (SCB, 2010).



*Figure 2.2 Women Representation on Corporate Boards.*

Source: Re-production from Catalyst (2009) and SCB (2010)

Women representation is found to depend on several factors. Terjesen and Singh (2008) demonstrate how the presences of female directors is an effect of social, political and economical structures across countries. They examine corporate boards in 43 countries and looked at a set of variables from the macro environment; the historical presence of women in political leadership positions, differences in pay between women and men and the presence of women in senior management positions. Terjesen and Singh (2008) found that countries with high representation of women on a senior management level are more likely to have women on their board of directors. Surpris-

ingly countries with a longer tradition of women active in political leadership position have less women representation on the board of directors (Terjesen & Singh, 2008).

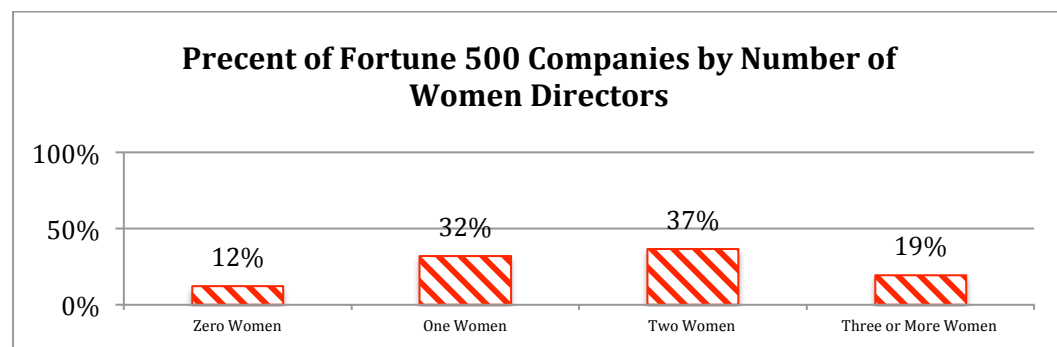
In countries where the wage gap is small between women and men, there are in general more women on the corporate boards (Terjesen & Singh, 2008). The reason why countries with equalized wages have more women on board of directors is credited to the fact that pay equality can be seen as equality in work and opportunities (Terjesen & Singh, 2008). Despite the fact that EU introduced an equal pay directive already in 1975, there is still in general a wage gap of about 15% in EU. While the absolute wage distribution in Sweden differs between women and men, the relative wage gap is still low compared to other countries (Albrecht, Björklund, & Vroman, 2003). This may explain why Sweden has a comparably high number of female directors (Terjesen & Singh, 2008). However, research has found that there is a larger wage gap at the top of the distribution curve in Sweden, which could instead indicate that a glass ceiling exists also in Sweden. This can be a possible explanation to why there is a slow increase of women in the boardroom in Sweden. Other studies has not found a specific pattern of the glass ceiling effect, but established that women in Sweden face disadvantage even at the lower levels in the occupational hierarchy (Bihagen & Ohls, 2006). Due to the relatively equal wage distribution even at the bottom, it is expensive for women with the ambition to make a career to hire help (Albrecht et al., 2003).

Goodman, Fields and Blum (2003) demonstrate that women are less likely to have a top management position in companies that are in manufacturing industries. The manufacturing industries also have fewer women in lower levels of management. Another perspective is brought by Hillman et al. (2007) who looked at organizational predictors for what situations female directors are more likely to be included in the boardroom and found that; larger firms are more likely to have women on their board of directors than smaller firms. Hillman et al. (2007) suggest that this is due to societal pressure, having women on the board function as a signal of organizational commitment for women towards suppliers, investors, customer and potential employees, as larger firms face higher societal pressure. Industries that have a large employment base of women is another factor found to determine the proportion of female directors on boards (Hillman et al., 2007).

Goodman et al. (2003) argue that the glass ceiling is an effect of organizational characteristics and practices which in turn affect female presence in top management. In general, organizations with women who hold low-level management positions tend to also have women in top-level management positions. Furthermore, there are more women at top management positions in companies with high turnover of management positions and lower management salaries on average. Consequently, women tend to have top management positions that are both less secure and are remunerated less than those occupied by men. According to Goodman et al. (2003) human capital theory explain this phenomena with the fact that women voluntarily exchange higher salary for the possibility to 'move in and out' of the workforce. However, Goodman's et al. (2003) hypothesis is that there is little evidence that women in top management posi-

tions voluntarily opt for such a flexibility or willingly choose lower paying positions. Researchers have found evidence of inequality for women; Correll, Benard & Paik (2007) found that there is a motherhood penalty for women. Holding qualifications and background constant in a rigid study of job applications they found that women who are mothers are seen as both less competent and less committed than women with no children however, men do not face a similar discrimination. In fact, men who have children are seen as more committed and they are also given higher starting salaries.

There is a steady, but slow, increase of women on corporate boards (Farrell & Hersch, 2005). Boards with no women are much more likely to appoint a female to the board compared to a firm who already has one or more women on the board. Additionally, if a woman leaves a board this increases the likelihood of a new woman being appointed as a board member. Farrell and Hersch (2005) propose that although board diversity may not serve as a value enhancing strategy in itself, outside pressure forces corporate boards to appoint women as board members. Societal pressure could explain the result that the likelihood of an additional woman to be appointed to boards decrease when a woman/en already serves on the board (see fig. 2.3).



*Figure 2.3 Percentage of Companies by Number of Women Directors.*

Source: Re-production from Catalyst (2009)

To summarize; women face a higher chance to become appointed management positions and make it into the boardroom in countries where the wage gap is small between women and men, in companies where there is a high turnover of management positions and in service industries. It can be argued that women choose such a disadvantageous destiny with lower salaries, but this may instead be the effect of an existing glass ceiling. While there is an increase of the overall number of women that enter the boardroom the amount of women present in each board is still low. Overseeing the positive denominators in Sweden there is still a low number of female CEOs in Sweden, which may affect the low number of female directors. Hence, we assume that women are less likely to have a business background as a CEO within the company. As women are found to gain more board positions faster than men we assume that women on top corporate boards hold several board positions.

*Assumption 8: Men come from a business executive background to a higher extent than women.*

*Assumption 9: Women directors hold several board positions.*

## **2.7 Female Effects on Board Governance**

There is ambiguous evidence whether female presence in the boardroom significantly improve financial performance in comparison to a board of directors that entirely consist of men (Erhardt, Werbel, & Shrader, 2003; Shrader, Blackburn, & Iles, 1997). Some argue that diversity, in the form of women representation, on boards have a positive impact not only to workforce diversity but for overall organizational and financial performance, including return on investment and return on assets (Erhardt et al., 2003). Farrell & Hersch (2005) found that women generally serve on better performing firms, but they fail to establish evidence that a gender diverse board is a value enhancing strategy. Other argue that diversity on corporate boards have negative, or no, impact (Campbell & Minguez-Vera, 2008; Shrader et al., 1997). Campbell & Minguez-Vera (2008) cannot find that women's presence on corporate boards has an effect on firm value, measured by Tobin's q. Whereas Shrader et al (1997) found that women on boards impact financial performance negatively.

Lückerath-Rovers (2010) found that Dutch companies who have one or more female directors on their board is positively related to return on equity. He examined data from 2007 from both Catalyst and McKinsey. From the Catalyst report he concluded that return on equity, return on sales and return on invested capital are higher for companies with female directors, but total shareholder return is less. For the McKinsey data Lückerath-Rovers (2010) found that companies with female directors performance is above average for both return on equity and earning before interest and taxes. Lückerath-Rovers (2010) also found that the likelihood to have women on the boards increases with firm size and board size. Kang, Ding, & Charoenwong (2010) found that Singaporean investors embrace board diversity and appointment of female directors especially when these women are outside directors, or when they do not have any executive connection. The firms experienced an abnormal return on the day of the announcement of a women director and the following day (Kang et al., 2010). Srinidhi, Gul, & Tsui (2011) found that board of directors with women have higher earnings quality, i.e. less volatile income. This suggests that female directors provide better overview for investors.

Overall, the research on the financial impact of women's presence in corporate boards gives contradicting results. Consequently there has been a debate on what role women actually serve on corporate boards. Research argues that women are merely tokens, and are appointed board positions due to societal pressure (Hillman et al., 2007). Women directors themselves have supported the idea that they act as tokens (Huse & Solberg, 2006). In a qualitative study on women directors, the women often felt that they were appointed as tokens, however, some of the women claimed that this had enabled them an opportunity to prove themselves and show proof of their experience

and knowledge (Huse & Solberg, 2006). In boards with only one woman, the woman can be seen as a token and, hence, according to Mariateresa et al. (2011, p. 312) “categorized, stereotyped or ignored by the majority of the group”. Huse and Solberg (2006) acknowledge Scandinavian female board director’s perception of the “old boy’s network”, power games and the importance of alliance creation. Based on their experience, they found that men tend to discuss and form decision alliances of issues prior to the actual board meetings. Suggesting that the decision-making arenas are not excluded to the boardroom, but it also takes place outside the boardroom prior to, or after, board meetings.

Several scholars have shown evidence that contradicts women’s role on boards as merely that of a token (Daily, Certo, & Dalton, 1999; Hillman et al., 2002). Daily et al. (1999) found when analyzing data from late 1980s to mid 1990s for Fortune 500 companies in the United States that the role of female directors is changing. Over the years an increasing number of women directors come from business backgrounds, or have resource dependent linkages, which are relevant to their roles as directors. Their skill can serve as a proof for the fact that women are not just tokens and on the board due to political correctness. Hillman et al. (2002) found that women on corporate boards more often hold advanced degrees and are more likely to come from non-business backgrounds when examining women and minorities on the boards of Fortune 1000 companies in the United States. To some degree this confirms the belief that women must have higher expertise and have to achieve significantly more than their white male counterparts to be considered for board positions. However, women who tend to have high education and occupational expertise bring more resources to the board than just the additional perspective and validity because of their gender (Hillman et al., 2002).

According to the women that Huse & Solberg (2006) interviewed, they felt that they contribute by bringing in more cohesiveness to the board. Although, they were familiar with the glass-ceiling effect, the women found it irrelevant to their own situation. Mariateresa et al. (2011) argue that by increasing the number of women on the board of directors one increase the possibility to benefit from increased diversity, personal characteristics and skills. Arfken et al. (2004) discuss the importance of diversity to reduce group think, as well as the importance of diversity to improve the quality of decision-making and innovation. Diversity helps bringing a wider representation of companies’ key stakeholders such as customers and suppliers. The board is obliged to act bearing the interest of internal and external stakeholders in mind. Heterogeneous boards can ensure to make more thoroughly discussed decision. More women in corporate boards would indirectly increase the perspective and differences in skills and background (Mariateresa et al., 2011). Corporations with three or more women on their boards have a higher level of organizational innovation (Mariateresa et al., 2011). Additionally, diverse group dynamics that are achieved through diversity in the board of directors have a positive impact on the board as a controlling function (Er-

hardt et al., 2003). Moreover, large firms are more likely to have women on their board than smaller firms, due to societal pressure (Hillman et al., 2007).

To conclude; there are ambiguous results on how women contribute to the board. It seems that women have to hold higher educational level to prove legitimacy to enter the boardroom, this is an indication that women cannot simply be considered as tokens. Hence, we assume that the women in our sample will on average hold higher educational level compared to men.

*Assumption 10: Women on boards have a higher level of education than men.*

## 2.8 Women Quota on Boards

Norway is a current example on how quotas can be highly efficient in creating gender equality on corporate boards. In 2003 a law was passed that all public limited companies (ASA) should have at least 40% women on their board of directors or they will face legal repercussions. Despite hefty debates about the efficiency of a quota in Norway it soon proved successful, by February 2008, 93% of all companies had complied with the quota. From the time the law was passed in 2003 until 2007 when the law was officially implemented, there was a rapid change of the distribution of women on boards. From 2002 to 2004 the number of women on the board of directors more than doubled. From 2002 until 2007 that same percentage almost had a five time increased from 7,5% to 37%, which clearly demonstrates the effectiveness of the quota implementation (see table 2.1) (Vinnicombe, 2008).

*Table 2.1 Percentage of Female Directors in Companies Listed on OSE 2000-2007*

	2000	2002	2004	2005	2007
<b>Percentage of women on board</b>	6.4%	7.5%	15.9%	24.1%	37%

Source: Re-production from Vinnicombe (2008, p. 84)

As a comparison, between 2004 and 2007, the number of women in Danish and Swedish boards only increased by a few percentages (see table 2.2) (Vinnicombe, 2008).

*Table 2.2 Proportion of Female Directors in Listed Companies by Stock Exchange*

	Copenhagen	Oslo	Stockholm
<b>2004</b>	8.5%	15.9%	16.1%
<b>2007</b>	10.0%	37.0%	19.2%

Source: Re-production from Vinnicombe (2008, p. 84)

Quotas have had a positive impact to increase the proportion of female directors in countries such as Norway and Spain, however, arguments against quotas are many. Some argue this to be only a cosmetically reform which do not deal with the underlying problem of the glass ceiling effect, but rather increases the discrimination of women. This build on the notion that there are not enough women available to fill the portion of women needed on boards when the quota is imposed. The quota implemented in Norway has caused lower specific company expertise level on the boards, which could further risk lowering the credibility of women over all. Additionally some companies in Norway resigned from the stock market, due to the quota implementation, which could harm the companies' growth in the long run (Jansson, 2010). When the law was first implemented there were 611 companies listed on the stock exchange but at the end of 2007 this number had decreased to 487. In 2007 alone as many as 79 companies decided to reregister from public limited companies into private limited companies to avoid the legal repercussions of the quota legislation (Vinnicombe, 2008).

In a qualitative study by Casey, Skibnes and Pringle (2011) based on women directors from Norway and New Zealand several women expressed negative opinions about quotas. There is a risk that men will disrespect women, due to the fact that women are not elected on the same premises. The boards of directors are there because of the shareholders, and interfering legally in the composition of the board might affect business negatively. Therefore any election of board members should be strictly merit based (Casey et al., 2011). The women that were brought into boardrooms in Norway have been shown to have significantly higher levels of advance education, they are younger and come with a professional career as a background (Vinnicombe, 2008).

To summarize the implementation of a women quota for boards in Norway fulfilled its purpose by highly increasing the number of women on the boards. These women hold a high level of education and have a professional career, although they are shown to be younger than men. Whereby we assume that the women in our study have fewer years of experience as a board member than men.

*Assumption 11: Women have fewer years of experience as a board member than men.*

## **2.9 Career Theory**

The traditionally predominant route of an individual's career is becoming more uncertain. What used to be a lifetime employment with a secure and linear career has moved towards a dynamic, fast changing employment with less stability, more uncertain and shorter employments. The tradition of one's employment in the same company over a lifetime has changed to multiple employments in many companies. This environment reinforces the importance of people to take the career into their own hands and, hence, to foster a protean (Baruch, 2006) and boundaryless career (Briscoe, Henagan, Burton, & Murphy, 2012; Kirchmeyer, 1995) rather than to rely on an organization's internal career path. It is no longer taken for granted that one will be employed at the same company the whole life. Research has shown a positive correlation

between career success and ability to pursue a protean and boundaryless career (Baruch, 2006; Briscoe et al., 2012). Skills relevant for career success in today's boundaryless career environment are argued to be "...motivation and identity (knowing-why), skills and expertise (knowing-how) and relationships and reputation (knowing-whom)." (Eby et al., 2003; Sullivan & Arthur, 2006, p. 25). According to Sealy (2010), qualifications that enhance career improvement are less defined by skills and experience but more by a person's network.

Eby et al. (2003) emphasize the importance of networking both inside and outside the organization to enhance career success. Knowing people inside the organization is shown to enhance career success even outside the organization, and external network have shown to give success both inside and outside the organization. In the form of a boundaryless mindset one is more likely to seek external relations, which provides increased information flow about opportunities and an increase in positive outcome in job-search (Briscoe et al., 2012; Douglas T, 2004). Moreover the more diverse a person's network is the more career opportunities he/she will receive in a boundaryless career environment (Higgins, 2001). This relates to the findings by Burt (2000), who states that people holding connections with structural holes, i.e. having a diverse network, increases information flow, reduces redundant information and increases the power of the person holding the contacts.

Women and men have been shown to have alternative career routes, where the glass ceiling effect plays an important role (Chugh & Sahgal, 2007). The early research on career success has mainly focused on the career paths of men (Powell & Mainiero, 1992; Sullivan & Arthur, 2006), which may not be possible to apply on today's corporate population with an increased amount of women who work. Women are more likely to gain an advantage during their career in a boundaryless environment. With a protean career women can be more flexible which enable them to work around their inability of physical mobility (McDonald, Brown, & Bradley, 2005). Men generally face more freedom due to less family obligations and constraints than women which makes it easier for them to follow the typical ladder within a company as they do not have to go on maternity leave and are more flexible to move for work. On the other hand, according to Sullivan & Arthur (2006), women have the advantage over men during their career to make use of their psychological mobility to express feelings which men could be limited to do due to social expectations.

Knowing why, knowing how and knowing whom are all important factors for a boundaryless career, however as one moves up the corporate ladder the importance of knowing the right person becomes more significant. Hence, we assume network to be the respondent's most important attribute/factor for their appointment as a board member. As today's employment market is increasingly dynamic a person's ability to make use of one's network determines one's career success. We assume that receiving a board appointment is not dependent on a traditional inter-organizational career path, especially for women.

*Assumption 12: Board members, especially women, act on a boundaryless career.*

## **2.10 Mentorship**

Most scholars argue that the purpose of mentorship is to transfer knowledge from one person to another through sponsor and guidance with the aim to enhance career advancement, salary development and psychological development of the protégé (Fagenson, 1989; Kram, 1983; Scandura, 1992). Additionally, Kram and Isabella (1985) emphasize the exchange of information between the protégé and the mentor, i.e. the importance of reciprocal services. Research confirms the benefit for both the mentor and the protégé during mentorship relationship (Mullen, 1994). This view makes it difficult to distinguish the difference between mentorship and network.

Kram and Isabella (1985) claim that there is a difference in need of information during the different levels of the career. In the beginning of the career one needs to learn about the task. Civilekonomerna's yearly report (2012) indicates that newly graduated business and economics students in Sweden value their education as one of the most important factors in landing their first job. In the middle of one's career the transfer of knowledge is needed to gain recognition and attain advancement opportunities, which is mostly done by mentorship in the form of networking. Later in the career the mentorship role focus to a large extent to maintain knowledge and the use of reciprocal services.

To summarize; mentorship plays an important role for the possibility of career advancement and the importance of connections outside the organization is becoming increasingly important. However, we argue on the bases of Kram and Isabella (1985) research, that there are only small differences between network and mentorship at the level of board of directorship.

### 3 Method

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*This section analyzes the explorative, quantitative study with a qualitative nature chosen for our study on top corporate board members and introduces the reader to the steps taken to ensure reliability and to fulfill the purpose of our study.*

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#### 3.1 Research Method

The aim of this study is to increase the knowledge about the nature of connections that board members on top corporate boards in Sweden hold with the contacts that have been most important for their board appointment. Additionally we explore similarities and differences in career background, skills, expertise and networking structure of women and men on top corporate boards in Sweden. To fulfill the purpose we conduct an explorative quantitative study of qualitative nature in the form of a survey to explore the relationship that is of self-perceived importance for the board members and examine their experience and background. The study is based on previous research on network and female presence on corporate boards. The studied population consists of board members from midcap and large cap corporations that traded on Nasdaq OMX Stockholm with a stock market value over 150 million Euros (Swedbank). The study is of deductive nature, due to the fact that the earlier findings have deduced our research hypothesis and enabled us to specify the specific data relevant for our study (Bryman & Bell, 2007). We aim to shed light on our findings through interpretivism. Causal clarifications on the findings of the board members behavior are found in social science research (Bryman & Bell, 2007).

The result of our study is dependent on both theory from earlier research and the outcome of our survey. All research aims to be impartial, although, the result is dependent on the values of the researcher. Hence, there is always a degree of bias where the area of research, formulation of research questions, choice of method, implementation, analysis of data and conclusion are influenced by the author's frame of reference (Bryman & Bell, 2007). The study considers the self-perceived importance of contacts rather than the actual importance, although the latter might be considered equally important, it is impossible to observe in this study.

#### 3.2 Research design

##### 3.2.1 Cross-sectional design

A cross-sectional research design is the collection of data that connect two or more variables; with other words several respondents are asked multiple questions (Bryman & Bell, 2007). Cross-sectional research takes place at a single point in time, where the purpose is to compare data between respondents to detect patterns and deviations. Cross-sectional design can be both quantitative and qualitative. Quantitative research, such as surveys, provides an advantage compared to qualitative research, interviews and experiments, as larger quantities of data can be gathered and the results can more easily be applicable to the general population (Jacobsen, Sandin, & Hellström, 2002).

We decided to explore the population of top corporate boards through a quantitative study to reduce biased answers due to a small sample and increase the possibility to draw a more extensive conclusion about the whole population. The nature of this study opens up for future qualitative research. Qualitative data have the advantage to form a more toned conclusion where cause and effect can be evaluated (Bryman & Bell, 2007). We have decided to fulfill the purpose of our study with a survey, which is a common form of cross-sectional research design (Bryman & Bell, 2007). As we conduct a quantitative cross-sectional design we are unable to determine cause and effect over time (Bryman & Bell, 2007), however, based on previous studies we can still draw conclusions from our empirical material.

### **3.2.2 Survey**

The survey was made using online software “Qualtrics” and sent via email to the respondents. The advantage of surveys over interviews is that the survey provides information that can be easily coded and used for statistical analysis. Surveys can obtain answers from more people than what is possible to obtain with the use of interviews (Blumberg, Cooper, & Schindler, 2005; Jacobsen et al., 2002). Web-survey has increased in popularity and for our study it was an effective way to reach a large population in a short amount of time. Web-based surveys enhance the accessibility of the survey for the respondent compared to traditional paper-based surveys. In comparison with conventional survey methods, web-based research is less expensive and lower the cost of re-deliver, thus helping to reduce non-response error (Blumberg et al., 2005).

Granovetter’s findings implies that weak connections has a positive impact for employment and Ibarra (1997) found that women and men in middle management positions differ. Our study explore if Granovetter’s and Ibarra’s findings applies on directors on top corporate boards in Sweden. We examined whether these previous findings can be generalized also to our population. Validity addresses whether the questions posed to the respondents really apply to the purpose of the study.

Reliability refers to whether the data collection and/or the analysis actually measure what we set out to test. The idea is that if a study is reliable, then using the same measures on another occasion would yield the same result. Regardless of who conducts the research the same observation should be made. Additionally, the interpretation of the data should be done in a logical way. There are different threats to reliability that one must be aware of when conducting a study, among them are subject or participant error and subject and participant bias. A bias means that the respondents may answer what they believe they are expected to answer, or answers may differ depending on when or in what context the respondents is asked (Saunders, Lewis, & Thornhill, 2009). For this study there is a risk that the respondents are slightly biased in their answers as the introduction of the survey clearly states that the main purpose of the questionnaire is to test for differences in network connections between women and men. This may affect people to answer in a way that they feel that they are ex-

pected to answer because of perceived gender differences. We did, however, not ask specific demographics questions (including that of the respondent's gender) until the very end of the questionnaire to minimize possible biased answers. There is also a risk of observer error, which may affect the reliability of the study. Questions can be asked differently from one person to another, however as this study is conducted through an online form, we eliminate this risk. Additionally, all respondents were given a survey written in English, regardless of their nationality, to minimize interpretations errors.

Observer bias is a common problem when more than one researcher is observing events or conducting interviews and they interpret answers differently (Saunders et al., 2009). As most of the questions in this study were pre-coded, there is little room for inconsistent interpretation of the answers. However, the pre-coded alternatives, which the respondents are able to choose from, may still be biased by the authors pre-determined beliefs. Such tendencies were reduced as the questions are based on a network matrix, see appendix 2, developed by Professor Candida Brush at Babson College. The matrix has been used for a practitioner assessment. In addition, two pilot studies were made with the purpose of determining relevant questions and suitable answer alternatives, and to minimize the possible influence from the opinion of the authors.

### **3.2.3 Survey length**

Survey length is a debated subject. Brannick & Roche, (1997) argues that, if possible, surveys should not be longer than 3-4 pages or the respondent might feel that it is too time consuming. However Blumberg et al. (2005) claim that there is no research evidence that longer survey's has lower response rate. We still believe that the quality of the answers may be affected if the respondent perceives that the survey is too long and overwhelming. Board members are very busy and have limited time, which made us do a short survey. Furthermore does Bryman & Bell (2007) illuminate light on the importance of questions with multiple indicators, which increase the reliance as just a single indicator could be argued to incorrectly classify the respondents as there could be misunderstandings due to wording. We decided to not include any multiple indicators due to that the survey is; anonymous and that the contacts do not have to be noted by their real name, together with the fact that the questions are not leading i.e. have no underlying social pressure or general understanding of what the right or wrong answer is.

### **3.2.4 Questions**

The respondent were asked to name one to five important network contacts, who were de-identified in the data-process. To ensure conformity the respondents were asked to name their contacts, so that in the following questions the contact was assigned the right measure of ties without being mixed up. It was stated in the survey that the respondent does not have to mention their contacts by their real name. While additional people could provide further information it would also severely increase the length of

the survey and decreased the focus on people of actual importance. All questions are pre-coded, with the exception for question 1, 4, 11 and 19 (see appendix 1), giving the respondents a series of possible answers, from which one or more alternatives can be chosen depending on the question. A majority of the questions are multiple choice single-response scale or multiple choice multiple-response scale, which generate nominal data (Blumberg et al., 2005). One of the questions is forced ranking scale. This allows the respondent to rank attributes to their relative importance and generates ordinal data (Blumberg et al., 2005). The final four questions are demographic questions. We decided to place these last so that the respondent answers would not be characterized by their intrusiveness. Demographics questions enable for comparison and cross tabulation of data between groups, in this case primarily gender and experience/ background.

Clear instructions were given when the respondents have the possibility to check one or multiple answers, to avoid confusion (Brannick & Roche, 1997). Additionally, our contact information, phone number and email, were sent out together with the survey link in case the respondents had any question or inquiries regarding the survey. Qualtrics enabled a clean formation of the design, to increase the quality of the answers (Brannick & Roche, 1997). It is of importance that the questions are formulated clearly to provide information that are relevant to the purpose of the thesis (Blumberg et al., 2005). Therefore the questions in our survey are carefully defined to determine the variations among the board members and utmost importance has been put into the wording of the questions.

#### **3.2.4.1 Questions on Skills and Expertise**

Several questions regarded the respondents skills and experience, measuring educational level, how long they have been active as a board member, whether they have been self employed and the self-perceived expertise the respondents bring to the board. Two questions were open ended; one concerns the number of board positions that the respondents hold, the other one was what previous employment the respondent has held within the company, prior to their appointment as a board member. Due to the large differences in number of board seats and the many different positions that the respondents can possibly hold, we allowed the respondents to specify the answer themselves, rather than pre-code different options.

#### **3.2.4.2 Homophily and General Network Questions**

Questions concerning homophily was addressed both directly and indirectly, as it is often perceived as a sensitive topic. In one of the questions the respondents were asked directly if any of the following options have posed as a barrier for their appointment as a board member; network, sex, nationality, education, business related expertise, or that the respondent had not been exposed to any barriers. Additionally the respondents had the option to specify if they had been exposed to any additional barriers. Multiple answers were allowed. The indirect factor was that we asked the re-

spondents to specify the sex of their most important contacts, so that we can identify if there exists a gender preference.

Questions regarding the importance of network and any family affiliation were also asked to gain knowledge about other variables that affect the nature of connections.

### 3.2.4.3 Network Questions

The majority of the network questions in our survey were based on Granovetter's (1973) assumption that the network consist of ties. Granovetter's findings are well established in business related networking theory, his findings have served as a frame of reference for many scholars who studied the same area (Burt, 1995, 2000; Ibarra, 1997). According to Granovetter a person's network is measured through the strength of interpersonal ties that connect two people to each other, which is derived from the dimensions of "*the amount of time, emotional intensity, the intimacy (mutual confidence) and the reciprocal service which characterize the tie*" (Granovetter, 1973, p. 1361) To identify these four different assumptions in the respondent's relationship to his/her contact the dimensions were broken down to the variables presented in figure 4.1.

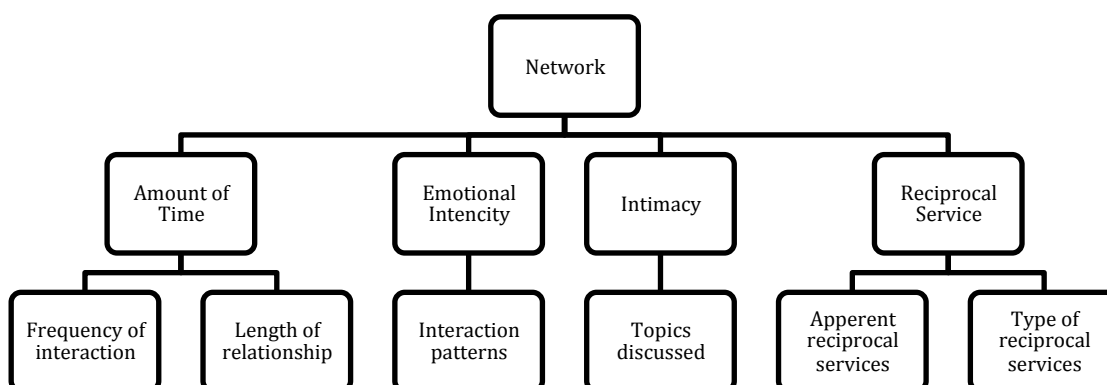


Figure 3.1 Question Three Based on Granovetter's Network Theory.

### 3.2.4.4 Amount of time

Granovetter (1973) measure frequency of interaction in terms of the following options, *often: at least twice a weak, occasionally = more than once a year but less than twice a week, rarely = once a year or less*. However we developed a more specific frequency pattern that range between the following five intervals:

- *At least once a day*
- *At least once a week*
- *Between once a week and once a moth*
- *Between once a month and once a year*
- *More seldom than once a year*

Additionally we added a question concerning the length of the relationship based on a similar question from professor Brush's matrix (see appendix 2).

#### **3.2.4.5 Emotional Intimacy**

We base emotional intensity on what type of interaction the person has with his/her contacts. This question allowed for multiple answers. The variables range from e-mail, and phone, which is valued as low level of emotional intimacy, a weak tie. If the respondent checked any of the variable; meet over dinner, host dinner privately or meet for leisure activities than this is considered a high level of emotional intensity that is considered as stronger ties. According to Granovetter (1973) These variables are independently important to determine the strength of ties between the contacts relationship regardless of contact frequency.

#### **3.2.4.6 Intimacy**

Intimacy was measured through what kind of information the respondent share with their contact. The question range from topics discussed such as small talk and business talk to more intimate subjects such as family and private issues. The former is regarded as low level of intimacy, which gives the indication of a weak tie and the latter is regarded as high levels of intimacy, which indicates a strong tie. The respondents had the option for multiple answers. If both weak intimacy and strong intimacy options were filled the response is considered as an indication of a strong tie. The respondents also had the possibility to fill in the option others if non of the examples applied to them (Granovetter, 1973).

#### **3.2.4.7 Reciprocal Services**

Reciprocal services are measured through the notion of services exchanged. Two questions were asked to determine the level of reciprocal service; if the respondents had asked for help in business situations or privately, or if the respondent had asked for help by the contact. The tie between the respondent and his/her contact are considered strong if they had asked or had been asked for help. Furthermore, if the respondents asked/received private help from their contacts rather than business help than this was considered a stronger measure of the tie (Granovetter, 1973).

#### **3.2.5 Pilot study**

A pilot study is crucial to minimize potential errors and to increase internal reliability in the creation of a survey (Brannick & Roche, 1997). Layout, language and wording issues can be identified to avoid a situation where the respondent misinterpretations the questions. Pilot surveys do not have to incorporate a large number of respondents approximately 8-10 questionnaires is sufficient (Brannick & Roche, 1997). We conducted two pilot studies to improve the measurement instrument and reduce the risk of response error. We also sought advice to check the relevance of the questions.

Our first pilot study was tested on 23 people, where 13 complete responses were gathered. All respondents were non-board members and the majority were university

students. The survey ended with an open ended question where the respondents were able to give feedback on the questions. The purpose was to get input about the questions, how the questions were perceived and if there were any misunderstandings during the survey.

A major change in layout was made after the first pilot study. Instead of answering all network-questions for each contact, one by one, the format was changed to a matrix questionnaire to enable the respondent to answer one question at a time for all of the contacts at once. This enabled us to shorten the survey. Other minor changes were correction of spelling mistakes, change wording and open up some questions for multiple answers for those questions where the respondents felt that one variable was not enough to explain their situation. Two additional questions were also added regarding the respondents' previous involvement within the company and whether the respondent is, or has been, self-employed.

The second pilot study was tested on eight respondents, here the respondents were middle managers and board members. Since the second pilot study was tested on a group that conforms to a great extent with the population in this study it gave us insights of how our respondents may interpret the questions. Main feedback from this second pilot study was that the respondents wanted more information about the study and its purpose. After the second pilot study we expanded the cover letter of the survey with information about the aim of the study, together with general information about the questions and information about anonymity. Cover letters are highly recommended as it function as a persuasion tool and informs the respondent about the content of the survey (Blumberg et al., 2005; Brannick & Roche, 1997). Apart from the cover letter the e-mail that was included in the submission of the survey, contained information about us as authors and the expected contribution of our thesis.

### **3.2.6 Contacting Respondents**

The respondents were first contacted by phone after which an email with the survey was sent. When we were unable to reach the respondents by phone, an email with the survey was sent either to their private email, when this was available, or through their personal secretary, board secretary or other company representatives. A reminder was sent to those respondents who did not complete the survey. The first reminder was sent two days after the initial email and then again one week later. When possible we called the respondents to remind them. The data were collected during a period of three weeks.

We gained additional advantage by contacting the respondents personally by phone, as this enabled the respondents to ask questions about the survey and it gave us a possibility to present and explain the survey, which we believe increased the response rate.

### 3.2.7 Sampling

Accurate sampling enables the researcher to generalize the answers of the respondents to the whole population. (Bryman & Bell, 2007; Curwin & Slater, 2008). The sample size is dependent on the variability of the population but also on the accuracy and details that are required from the results (Curwin & Slater, 2008). It is critical to identify and define the specific population, or it will be impossible to draw a representative sample (Brannick & Roche, 1997; Bryman & Bell, 2007).

The population of our study consists of board members from the 130 largest companies that were listed as mid cap and large cap on Nasdaq OMX Stockholm, excluding employee representatives. Names on all board members from these companies were collected from company webpages and through contact with the companies during a time period of three weeks. After the collection of the board members names, we sorted them by sex and then by alphabetic order. All people who represent more than one board were singled out to only have their name listed once. The population consists of 513 people, 114 women and 399 men.

To illuminate similarities and differences between women and men we wanted equal proportions of the two groups. Due to the fact that the population of women was distinctly smaller we used a stratified sampling method where all the women ( $n=114$ ) were contacted but only every third man ( $n=133$ ). Stratified random sampling in this case means that we sampled by criterion women and men. We argue that this was feasible since the two criterions were very simple to identify. The sample is considered a random probability sample due to the fact that the names were sorted in an alphabetic order (Bryman & Bell, 2007). Probability sampling stand a higher chance to reduce sampling error compared to non-probability sampling, although some sampling errors will always be apparent. Moreover probability sampling allows statistical analysis on the sample tested without the concern of the errors that results from non-probability sampling. As our sample was considerably large with a sample fraction of 48.1% ( $n/N = (114+133)/513 = 48.1\%$ ) and that the population is homogenous compared to the population the precision of our prediction of the population yield an increased confidence.

We studied a slightly fluctuating population on a changing market therefore the board members names were collected in the same time period as the survey was distributed. After sampling corrections were made for those who resigned as board members and also for companies devalued from the stock exchange.

### 3.2.8 Response Rate and Issue of Non-Responses

The surveys were distributed to 247 board members, 79 of these started the survey and of these 64 completed it, which indicates a 26% response rate. Out of the 64 respondents 35 were women and 29 men. Of those who started the survey but did not

finish, the majority did not answer any questions at all and closed the survey shortly after opening.<sup>1</sup>

There are several factors to why a respondent is unable to answer or complete a survey (Bryman & Bell, 2007). The respondents may be unable to answer the questions due to language barriers, if the respondent is away either for a short or a longer period, or if the respondent refuse to cooperate altogether (Brannick & Roche, 1997). When we contacted the respondents who only opened the survey they indicated time pressure as a reason to not complete the survey. Feedback from those who started the survey but did not finish was that the network questions did not apply to them due to being employed through investment companies that owns the companies in which they act as a board members or that they could not relate the importance of network for their appointment. Other respondents, who declined to complete the survey, claimed that their board appointment was exclusively due to their accomplishment in the industry.

### **3.2.9 Missing data**

Five of the respondents did not complete the questions that regard the relationship they hold to their most important contacts, of these two where women and three where men. Despite the fact that they did not complete the whole survey, we included their answer for the questions that did not regard network. However, this has resulted in that for the questions, which regard the respondent's relationship with their contacts, we only have 31 women and 25 men with sufficient answers. These respondents gave the following explanations to why they did not answer the network questions; 1. they did not feel comfortable with providing information about the nature of the relationship they hold with their contacts or 2, they did not consider network to have played a part in their appointment as a board member. However, we find that a majority of these respondents indicate that they receive information about their board appointments from a work-related contact, which contradicts their belief that network is irrelevant. Some of the respondents who informed us that they were uncomfortable with naming their contacts, continued to fill out the whole form after we explicitly explained that the actual name of the contacts is irrelevant. This information was already stated in the survey, however as some of the respondents failed to notice, it could have been more thoroughly explained.

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<sup>1</sup> Approximately one minute after opening the survey

## 4 Results & Analysis

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*This section analyze the findings of our study on board members to fulfill the purpose in the light of the empirical findings on career theory, gender perspective, gender impact on corporate boards, skills expected by board members and career nominators, with a focus on the importance of network. The assumptions from the theoretical framework will not follow numerical order.*

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### 4.1 Demographics

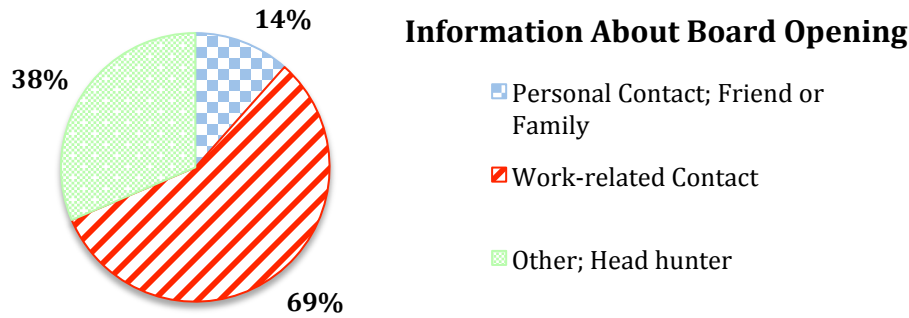
The survey was distributed to 247 board members; of these 79 started the survey and 64 completed it. Of those who completed the survey, 35 were women and 29 were men. The age of the respondents range from 31 years or older, where the majority of respondents were 41 years or older, although almost all respondents over 61 were men. All but one respondent were Scandinavian and 60 of these respondents were Swedish.

### 4.2 Network

*Assumption 1: Network is an important attribute for board members.*

Among the respondents in our study relevant skills and expertise were ranked as the most important attribute for their board appointment, followed by network and lastly education. Moreover every fourth person indicates their influential network to be an important asset that they have brought to the board.

Research on newly graduated business students in Sweden shows that one of the most important factors for landing their first job is education (Civilekonomerna, 2012). Our study confirm education as the least important factor among the respondents for their board appointment, despite the fact that 84% of the respondents hold a bachelor degree or higher. This gives an indication that it is of important to hold a university degree (see fig. 4.2). According to Sealy (2010), the importance of the educational merit decrease as the career advance. Similarly Kram & Isabella (1985) found that there is a clear difference of the factors needed in the beginning of one's career, where the transfer of knowledge and teaching, is of most importance and later in the career when reciprocal services and network is valued higher. Skills and expertise is valued highest among the respondents although 69% of them received information about the opening of their board appointment from a work related contact, and 14% from personal contacts (see fig. 4.1). For this question the respondents could indicate multiple answers due to the fact that the respondents can hold several board appointments.



*Figure 4.1 Information about Board Opening.*

According to Sealy (2010) board members highly value networks for their entrance into the boardroom and with career advancement the notion of meritocracy decreases. Like Sealy (2010) we find evidence that board members value their network as an asset in the boardroom as well as for their board appointment. Although the respondents indicate a decrease in the importance of education, skills and expertise is still valued highest.

It is apparent that the respondents consider their skills and expertise as the most important factor for their board appointment, however, we cannot exclude the importance of network, as work related contacts together with personal contacts have provided valuable information for their board appointment. Whereby we can confirm our first assumption that network is of importance for their board appointment, with the exception that board members value skills and expertise higher.

## 4.3 Experience

### 4.3.1 Education

*Assumption 10: Women on boards have a higher level of education than men.*

Previous research has shown that more female compared to male directors tend to hold advanced educational degree (Vinnicombe, 2008), which our study confirms as 93% of the women, while 75% of the men hold a university degree (see fig. 4.2). The most distinct difference is that 7% of the men have only completed high school, which confirms assumption no. 10, as all women in our study have at least completed courses on university level and the majority holds a bachelor degree or higher.

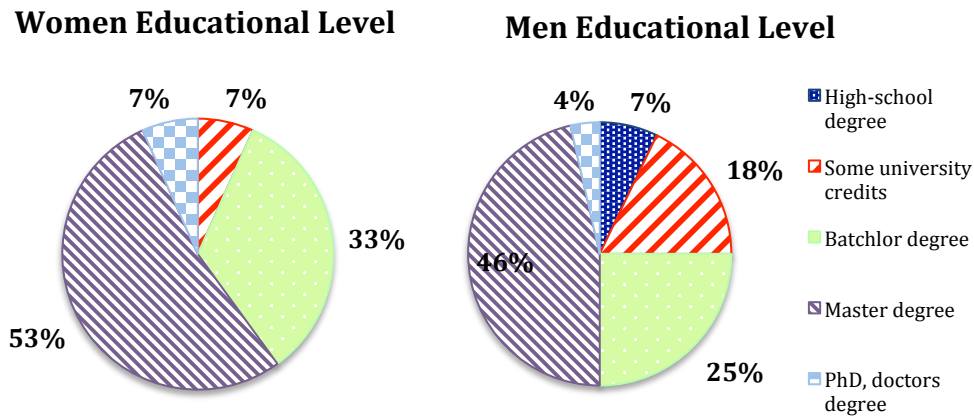


Figure 4.2 Level of Education, Percentage by Sex.

### 4.3.2 Professional Background

*Assumption 8: Men come from a business executive background to a higher extent than women.*

Our study shows that among the male respondents, 41% have previously been involved in at least one of the companies where they currently hold a board position. The result for the same variable for women is only 17%. Out of all the women only 6% have business experience as a CEO, CFO or another executive position within at least one of the companies where they currently hold a board position, whereas 34% of the men have previously held a position of this kind.

We find that there is a difference in executive background between women and men among Swedish board members, confirming assumption no. 8. Previous research show that a higher proportion of male directors have a business executive background on Fortune 1000 companies in the United States, while women in general come from non-business careers (Hillman et al., 2002). A natural explanation for this is the low number of women that are appointed as executives (Daily et al., 1999; Jansson, 2010; Terjesen, Sealy, & Singh, 2009). In Sweden only 3% of the CEOs in listed companies are women (SCB, 2010).

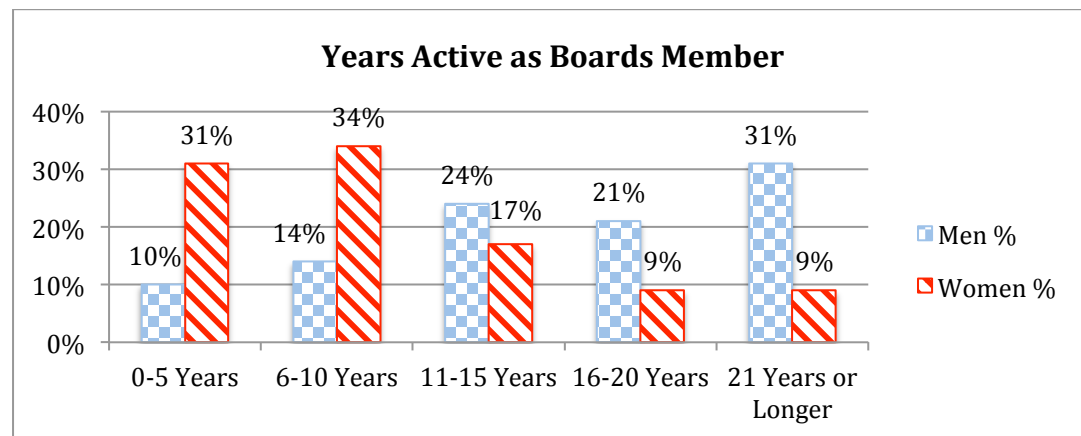
*Assumption 9: Women directors hold several board positions.*

*Assumption 11: Women have fewer years of experience as a board member than men.*

We find that the average number of boards the respondents are active in is 5,7 boards per person, but the responses range from one to thirty-two boards. This average includes a couple of responses that is remarkably high, above 20, which increase the average. The female respondents, are active in a lower average amount of boards than men with 3,9 compared to 7,8 board positions per male respondents. When we remove the answer of the respondents who have listed more than 20 boards, which is only found among the male respondents, the average number of boards men is active in is 5,8 and the overall average of both women and men is 4,5. The question asked to

list all companies that the respondents is currently active in as a board member, but some respondents explicitly specified only the listed companies where they act as board members whereas others counted all boards regardless of whether the company is a publicly limited company or not. Therefore the average number is not representative.

The length of time the respondents have been active as board member varies. The majority of female respondents, 64%, have been active for ten years or less. The majority of male respondents, 76%, have been active as board members for more than eleven years. Only 9% of the women have been active for more than twenty-one years compared to 31% of the men (see fig. 4.3).



*Figure 4.3 Percentages, Number of Years Active as Board Member.*

We find that women hold fewer board positions on average compared to men, but the majority of women still hold several board positions, which confirms assumption no. 9. We can also confirm assumption no. 11 that women have been active for a shorter amount of time which supports the findings in Norway that women in general have served as board members for a shorter period (Vinnicombe, 2008). One possible reason to why women have served a shorter amount of time may be that they are on average younger than men. The fact that women are younger may also explain why they hold less board positions than the men.

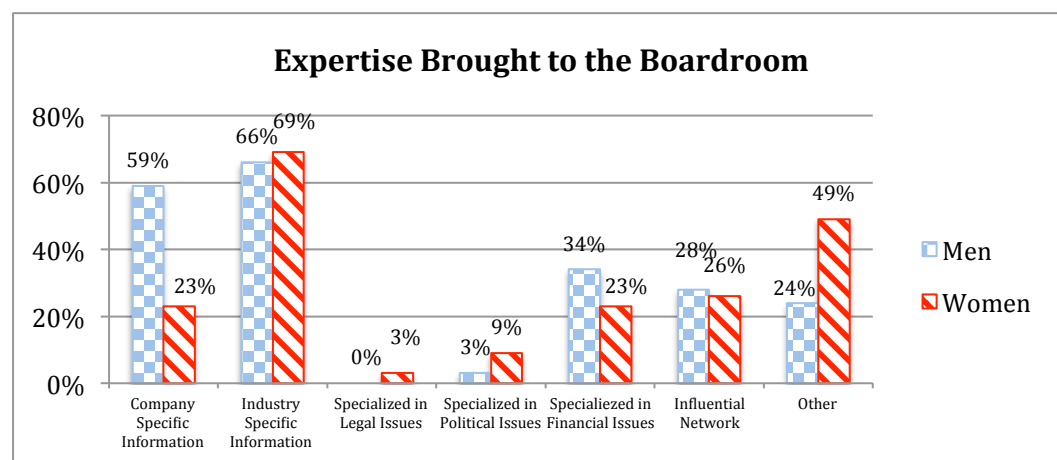
Another finding is that many of the male directors in the top corporate boards, started their career as board member around 21 years ago. However, now there are few male board members under 50 years in the boardrooms and in our study there are almost no male directors that have been active as a board member for less than 10 years. Compared to the majority of the women, who on average are under 50 years and have not been active for longer than 10 years, whereby, we can find a tendency that there has been a shift in age and experience. Younger men are no longer included in the boards as of today, while women are. A possible explanation could be the recent movement of women into the corporate boards and that these women have replaced the recruitment of young men. This may be caused by societal pressure for gender equality by companies (Hillman et al., 2007).

*Assumption 7: Men are more likely to bring business related experience to the board, in the form of company and industry specific knowledge, compared to women.*

We find that the expertise brought to the board among our respondents is fairly similar, between women and men, despite that earlier research suggests that women and men bring different experience (Peterson & Philpot, 2007). When we look at what self-perceived expertise women and men respectively bring to the boards, multiple answers was allowed, 69% of the women compare to 66% of the men, note that they bring industry knowledge (see fig. 4.4). When it comes to company specific knowledge the answer differ, this could be due to the larger proportion of men that come from an executive background. The percentage of women respondents that answer that they bring company specific knowledge is 23% compared to 59% of the men.

Half of the women explicitly specify the expertise they bring to the board, the majority of these women answer that they bring: marketing, branding or management expertise. Only 23% of the men specify what other expertise they bring to the board and none of the men mentioned marketing or branding. This suggests that women and men have difference in their perception of what expertise they bring to the boards. Women consider branding and marketing as an asset they bring to the board while men do not. For the rest of the different types of expertise the answers were quite similar between women and men. We cannot establish a real difference in expertise between women and men, with the exception of company specific knowledge. As the expertise women and men bring is quite similar, one cannot claim that these women serve merely as tokens and we could not confirm assumption no. 7.

Among all respondents every fourth person answer their influential network to be an important asset that they bring to the board. This is a surprisingly high number, which indicates that for some there is an importance of having an influential network to be appointed as a board member and that a person's network plays an important role also after the appointment.



*Figure 4.4 Percentages Self-perceived Expertise Brought to the Boardroom.*

*Assumption 12: Board members, especially women, act on a boundaryless career.*

Only 17% of the women have previously been employed by at least one of the companies where they now serve as a board member, the same number for men is 41%. A majority of these male respondents have served as CEO. We cannot find any clear evidence that the board members act in a boundaryless career. The proportion of the respondents who note network as an important factor for their board appointment, 25%, is almost as large as the proportion of the respondents who received a board appointment within the company after an executive career within the organization, 27%. There is a difference here between women and men, as only a small group of women have previously been employed within the company, and the rest of the women are outside directors. This implies that a proportion of the respondents have had career benefits from a boundaryless career, and that this proportion consists of more women than men.

We cannot confirm assumption no. 12, as our results indicate that women hold the same level of expertise as men. Educational level is higher among women than men and the expertise brought to the board is on all measures, a part from company specific knowledge, equal. However, the low number of women that are appointed as CEO may explain why fewer women make it into the board room, as a large proportion of the men who are present in the board room today have held executive positions. We found that women board directors are both younger and serve on fewer boards than men. We could only see a tendency of the women directors who come from outside of the company receives benefits from a boundaryless career.

*Assumption 5: Women are more likely to have a family association to the board that they serve on.*

Among the board members in our study we find that 17% of the men currently hold a board appointment where the founder is a relative or family member and 10% of the men hold a board appointment where one or more of the board members are part of their family or their relative. Only 9% of the women in our study have a family or relative as a founder and 6% of the women have a family or relative on the board. Our findings for Swedish board members contradict previous research that women benefit more than men from having a family connection to the company, compare for example Sheridan & Milgate (2005). It is noticeable that of the men who have a relative or family member on the board, none hold more than a bachelor degree. Interestingly, the same does not apply for women, as all of those who have a relative or family member on the board hold a masters degree. This implies that when men have a family connection the importance of education decrease and the importance of a personal connection increase, while the same is not true for women. This implies that assumption no. 5 that women are more likely to have a family association to the board they serve on is not confirmed.

## 4.4 Homophily

*Assumptions 6: Male contacts are valued higher than female contacts for the appointment as a board member for both women and men.*

*Assumption 4: More women, than men perceive lack of network as a barrier for their board appointment.*

The respondents were asked to name between one and five contacts of importance for their board appointments and also specify the sex of their contact. The average amount of contacts given by the respondents was three contacts. We assume that out of these contacts the male contacts would be valued higher than women contacts, i.e. we would find a larger proportion of male contacts, both among male and female respondents.

For the whole sample, only 13% of the contacts that the respondents named are women. For 22 out of the 25 male respondents not a single female contact is named. Half of the female respondents only mention male contacts. The other half, name at least one woman as a contact. On average, women name one contact out of five to be a woman whereas the equivalent number for men is one female contact for every twenty male contacts named (see fig. 4.4). This confirms assumption no. 6, based on the findings by Ibarra (1992) that both women and men prefer to include men over women in their network. While we cannot establish the reason why the respondents in our study prefer men, we can confirm a similar pattern among Swedish board members. Ibarra (1992) found that people base their choices of contact on the contacts status. One possible explanation for the low number of female contacts mentioned in our study can be that there is a smaller amount of women that hold influential positions (Catalyst, 2009; SCB, 2010). Although it could be argued that there are more women who have similar instrumental status as that of men, than chosen as contacts by the respondents in our sample. This implies that even when women and men have the same status, both prefer men as contacts due to the fact that they have a more central position in networks (Ibarra, 1992).

In our study one out of four women reported network as a barrier for their appointment as board member. Only one woman considered her sex to have been a barrier and no men. More women than men perceived network as a barrier, 24% of the women noted network as a barrier and only 6% of the men. This confirms assumption no. 4 that more women perceive network as a barrier than men. Despite that network has been noted as a positive denominator for career advancement in previous research (Seibert et al., 2001) and that there is evidence that women are excluded from informal networks (Lyness & Thompson, 2000), a majority of our respondents did not consider network as a barrier. Ibarra (1992) found that women are not proven to be excluded from networks due to the fact that they are women. However, she established that women have a harder time to access informal networks together with a stronger need of entrance in network to prove legitimacy. Despite the fact that 76% of the women do not consider network as a barrier, the fact that there are few women

noted as contacts in our survey may serve as a proof of that women are excluded from networks. This finding contributes to the explanation of the existent glass ceiling. The fact that women on the top corporate boards of Sweden do not consider networks as a barrier could indicate that these women have overcome such barriers. Alternatively they use a different way to network than other women or they have never considered it to be a barrier at all.

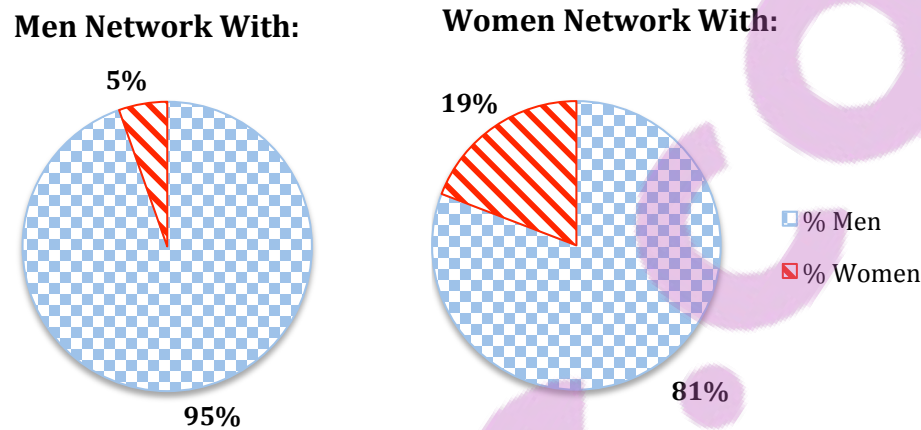


Figure 4.5 Contacts by Sex.

## 4.5 Strength of the Ties

*Assumption 2: Board members are connected to their contacts of importance with weak ties.*

*Assumption 3: Women hold stronger ties to their most important contacts compared to men.*

We find that the length of relationship with their most important contacts, measured in time, varies between the board members. The women have known 50% of their contacts for 10 years or less whereas the male respondents have known 65% of their contacts for at least 10 years (see fig. 4.5). This small difference is likely caused by the age difference between women and men, as the men are older than the women, on average.

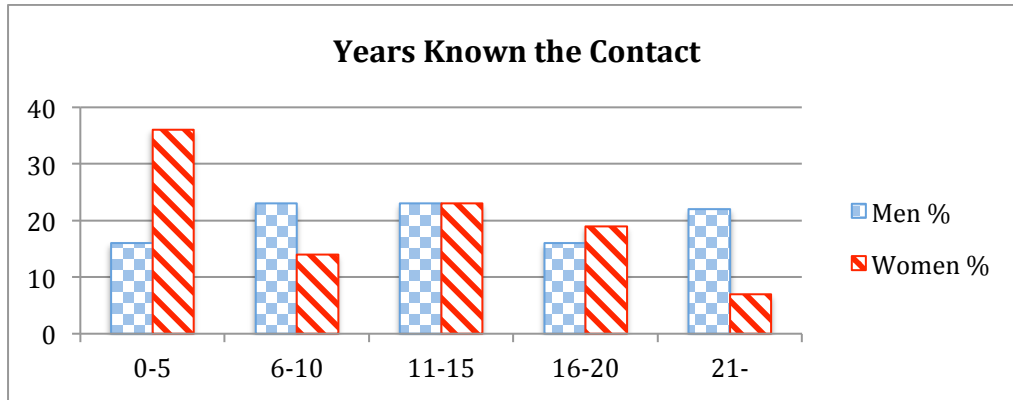


Figure 4.5, *Length of Relationship, in Years.*

#### 4.5.1 Frequency of Interaction

One of the classifications of ties strength is frequency of interaction (Granovetter, 1973). We categorize weak ties as people holding a low frequency of interaction, which includes meeting less than once a month. The frequency of interaction valued for strong ties are to meet more often than once a month. For the male respondents in our sample, 45%, answer that they meet their most important contacts between once a month and once a year, while only 9% meet their contacts more seldom than once a year. Women are as likely to meet their contacts once a month to once a year, 33%, as more seldom than once a year, 34%. More than half of the men, 54%, and 67% of the women meet their contacts on a low frequency basis. Most of the respondents meet their contacts once a month or less, which imply that they are not a part of each other's close circles and are less likely to be exposed to redundant information (Burt, 1995). More women show a strong tendency to meet their important contacts less than men do. Connections that function as a structural hole generate information that is more likely to nurture one's career (Burt, 1995). This stress the importance for women to access more "new" information to get a board appointment. While frequency of interaction is just one indication of the strength of ties, we have to analyze other variables to make an assumption.

#### 4.5.2 Level of intimacy

The level of intimacy between two people is dependent on how much information they feel comfortable to share with each other (Granovetter, 1973). That is, the depth of the topics discussed has a positive impact on the level of intimacy in a relationship. Formulated in Granovetter's (1973) terms, weak ties equals low level of intimacy. We measure this by small talk and the discussion of business related issues, while discussions regarding family matters and private issues indicates a higher strength of ties. Topics that our respondents indicate that they discuss are most often business related, and especially women are restrictive in discussing issues regarding private and family matters. The women in our sample only do small talk and discuss business related issues with 71% of their contacts while 65% of the men only small talk or discuss business issues.

We study if the respondents who indicate that they have a low level of intimacy with their contacts also indicate that they have a low frequency of interaction with these contacts. The result shows that 85% of the women who see their contacts once a month or less, only share business issues and small talk with these contacts. The corresponding measure among men is 73%. The low level of intimacy together with low level of frequency of interaction confirm the notion that board members hold weak ties with their contacts. The women in our sample overall have a lower level of intimacy to the majority of their contacts compared to men. However, women share family and/or private issues with 62% of the contacts that they meet more often than once a month. This number was not as high for men, only 38% indicated that they share family and/or private issues with the contacts that they meet often. We can clearly see that women are closer connected to the contacts that they meet more often. The same pattern cannot be found among the contacts that men meet more frequently, as men tend to be more restricted with sharing family matters and private issues. The overall result for men show that the level of intimacy does not depend on frequency of interaction, as men share private issues and family matters also with those contacts they see less often. The reason why women, compared to men, tend to limit their level of intimacy to only discuss business related issues and small talk with the contacts of importance for their board appointment could be that women are often bound to home, which results in that women are perceived as less committed to their work (Forret & Dougherty, 2001).

#### **4.5.3 Emotional Intensity**

Emotional intensity is defined as how board members interact with their contacts. The level of intensity depends on what type of activities that characterize the interaction patterns in the relationship. Low level of emotional intensity is defined as when the respondent only interacts with their contacts over phone, via email or when they meet their contacts exclusively for business. High level of intensity is when they meet their contacts for non-business related matters such as leisure activities, in a bar or restaurant, or privately at home.

Men tend to socialize more outside the business environment than women, 37% of the men meet for leisure activities and dining compared to only 18% of the women. While there is a larger proportion of men who socialize outside the work setting compare to women, the majority of all respondents still only meet in business settings or do not interact face-to-face at all. This indicates that especially women have a low level of emotional intensity with their contacts of importance. It should be noted that two times as many men than women indicate that they meet their contacts in a non-work related environment. While according to Granovetter (1973) weak ties generate work opportunities, other research show a positive relation to socialize with one's connections (Forret & Dougherty, 2001; Lyness & Thompson, 2000). Women have some contacts, which they keep closer than others, while men in general tend to be better at interacting with the contacts in settings outside work such as for dining or leisure activities. This confirms earlier findings that men are better at socializing than

women (Forret & Dougherty, 2001). We propose several reasons for this difference between women and men in level of emotional intensity. First, women do not have the same possibilities to interact outside of work due to child raising duties or being bound to home (Forret & Dougherty, 2001). Another explanation can be that men exclude women from interaction in this type of environment (Hillman et al., 2002; Lyness & Thompson, 2000). The exclusion from these arenas results in negative consequences for women as they miss out on the social interactions, which also have been shown to provide essential work-related information (Forret & Dougherty, 2001; Lyness & Thompson, 2000). This could as opposed to Granovetter's findings (1973) explain why more women are not granted access in to the boardrooms. As the majority of women in our study do not consider network as a barrier, we argue that this indicate that women themselves chose not to interact with their contacts of importance in settings outside work. After all the fact that the female respondents in this study have made it into the top corporate boards in Sweden without interacting with these contacts in such a setting could demonstrate that it is not of as much importance as earlier research argues.

#### **4.5.4 Reciprocal Services**

Reciprocal services are when two people exchange favors where the level of reciprocal services depend on if the services are mutual and the type of favors that are exchanged. The respondents in our sample indicate a low level of reciprocal services when it comes to the exchange of private services. While exchange of business services occurs more frequently, the overall perception among the respondents is that they give more services than they get. Almost all men claim to give some sort of services, while close to half of all women neither give nor get any services. Our study shows weak evidence of the importance of reciprocal service for board members and their most important contacts. This aligns with Granovetter's (1973) findings that weak ties are less characterized by reciprocals services. For the respondents who note that they exchange reciprocal service, a majority limits their reciprocals service to only concern business related services. This indicates weaker personal connection than the exchange of private services does. We see that men perceive themselves as more generous to both provide and receive reciprocal services.

#### **4.5.5 Conclusion Strength of Ties**

To conclude, we find that both women and men on average hold weak ties to their contacts. The respondents are introduced to their most important contacts through work, meet them once a month or less, mostly exchange services that are of business nature and discuss topics that are business related. This confirms assumption no. 2 that board members hold weak ties to their contacts of importance. Granovetter (1973), found that weak ties, compared to strong ties, enhance the likelihood for people to get employed. We believe that the weak relationship that board members have to their contacts has resulted in information regarding potential board appointments that has proved to be of great importance for their career as board members.

Women directors have some contacts that they keep closer than others. This is in line with Ibarra (1997) who found that women hold stronger ties to their close contacts than men. Still the majority of women rather hold weak ties to their contacts, which rejects assumption no. 3, that women in general would hold stronger ties than men to their most important contacts.

The resemblance between women's and men's relationship to their most important contacts has led us to believe that the most successful women on the top corporate boards have adopted a similar way to network as men. For successful career advancement into the boardroom one must network outside the comfort zone of close contacts to gain advantage from the information that comes from a network that consist of structural holes and weak ties.

## 5 Limitation and Future Research

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*This section elaborate on the limitations of a quantitative approach, the respondent's self-perception, the risk of assessing a small sample together with the possible biases of our study. Additionally, it highlights how future research can use our findings for future understanding.*

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We study the nature of network, expertise and experience in an explorative quantitative study, in an attempt to measure the self-perceived importance of contacts among board members on top corporate boards in Sweden. While our study successfully captures the preference in gender of the board member's contacts, we believe that future research could also control for the rank of the contacts. This will help establish whether the male contacts that are of importance for the respondent's board appointment hold a more central position, or a higher rank, than the women, as this could be a possible explanation to why our study highlights the importance of male contacts.

Our research is limited to the self-perception of the respondent, which may be a limitation of the study as personal background, experience and how sensitive the respondent is towards the topic may affect the answers. We find that for those who did not finish the survey, the majority acknowledges that they are appointed as board members due to their skills and expertise, which is something that is addressed only limited in our study. To enter the boardrooms of the largest companies on the Stockholm Stock Exchange one cannot merely rely on network. Still we claim that there is a need to focus on the importance of network for career advancement, especially for the women who would like to enter the boardroom.

The study was originally conducted for the whole population of board members in large and mid cap firms on the Stockholm Stock Exchange". However, due to low response rates and possible bias of those who choose to answer our survey general conclusions are weakened. To a large extent we do believe that our results are representative for the whole population.

The quantitative nature of our study limits the possibility to establish cause and effect, which usually can be established by a qualitative approach (Bryman & Bell, 2007). An interesting approach for future research is to test if the respondents would answer differently if they take on the role of an observer, which decreases the intrusion on their self-image. As there seems to be a natural way for how men make it into the boardroom it may be of interest to also comprehensively map how men network. It may be that internal recruitments require a different type of relationship to the contact, which also may help explain the low number of women on executive levels.

Many of our assumptions concerned differences between the women and men who have made it into the top corporate boards. This also applies for much of the previous research, which focuses on the differences between women and men, concerning their expertise, experience and impact of their presence in the boardroom but fail to acknowledge the similarities. Our results mainly reveal similarities among women

and men. An implication for future research can be to compare our study on high-level board members with middle managers to establish difference between the groups rather than difference in gender.

## 6 Discussion

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*In this section the background of Swedish board members and the relationship they hold with their contacts are discussed in the light of previous research. Additionally we reflect on the situation for female directors.*

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Career advancement in the corporate world is a widely discussed topic, and it has thoroughly studied from many different aspects. The most common variables that denominate career success are; level of education together with corporate skills and expertise (Chugh & Sahgal, 2007). However, it seems that even when women have the same level of education, skills and expertise as men, it is still not enough for women to be granted a position at the board. There is a missing link in the explanation for the low number of women on boards and career success. The time has come to investigate other factors that can affect female presence. Network has been acknowledged as an important factor for corporate success (Arthur, 1994; Arthur et al., 1995; Burt, 1995; Eby et al., 2003; Granovetter, 1973; Ibarra, 1997) although few researchers have managed to establish the actual impact of the network factor.

Network is hard to measure and the methods differ between researchers, the most acknowledged theory for network in connection to job opportunities is developed by Granovetter (1973). In the early 1970's Granovetter found that job appointments are derived from contacts to which one hold weak ties with and more than 40 years later we find similar results for board members on the top corporate boards of Sweden. Our study contributes with the finding that having a close family connection, to the founder or other board members, is of little relevance for the board appointment. While the general belief is often that family connections are of great importance, the respondents in our study clearly stated that their contacts that have been of importance are work related.

We find that weak contacts generate information that is important for the appointment as a board member. This implies that professional networks that connect people from different industries, companies and rank can generate vital information that gives women access to board appointments. Professional networks can also contribute to the possibility for women to build their own personal identity, and thereby increase their perceived legitimacy and visibility in areas where they have an opportunity to be noticed for board positions. It is especially important for women to assert themselves and not be afraid to show off their skills and contributions in this type of environment, as the competition is high.

Previous studies have not been able to determine to what extent network contribute to career success, although several researchers have demonstrated that women find barriers to access networks (Ibarra, 1992; Lyness & Thompson, 2000). According to Ibarra (1997) women in top management positions show differences in the way that they network compared to men. We could not find a similar tendency among Swedish board members. Whether this is due to the fact that such differences between women

or men do not exist or if the women on top corporate boards have been forced to adapt to a way of networking that is similar to that of men, remains unanswered. The board members' similar way of networking, regardless of sex, serve as proof that holding a certain type of contacts can be ascribed as a contributing factor for successfully landing a board appointment. We find that a much large proportion of the board members most important contacts are men. Our study cannot establish whether the large proportion of male contacts was chosen based on the fact that they are men. However, the fact that the majority of all contacts are men proves that female contacts are not valued equal to male contacts. This is another example of how women face inequalities compared to men in the business arena. Additionally our study indicates that women, in terms of education, do not benefit from having a family connection to the board to the same extent as men. This can serve as a proof that there are higher expectations on women than men.

One question remains; how can we increase the number of women on corporate boards? An easy and effective solution to the issue of low female representation is to implement quotas. There is evidence of how a quota implementation has brought a large group of women into the boardrooms. However, quotas also introduces several drawbacks, not least for the women themselves (Huse & Solberg, 2006). Quotas may change the structure of the board, but effects on gender equality attitudes are debatable. To bring equality it is important that both women and men are introduced through equal opportunities, quotas do not represent fairness. The issue of low female representation on boards is more deeply rooted than to be solved with merely a political intervention. It is difficult to force changes in direction of equality, as there is a risk of ending up with merely a cosmetically reform and that women function only as tokens.

Much attention has been given to whether having a woman on the board is positively related to financial performance or not. The results are ambiguous. Similar expectations are not directed towards the impact of male presences. In our study we find that women and men have similar experience, which leads us to the conclusion that there is no reason to believe that women will contribute differently, or negatively, to the board. The only clear difference we can distinguish between women's and men's experience is that men too a larger extent come from business background as executives. This is in line with previous findings by Hillman et al. (2002), of board members on Fortune 1000. In Sweden, only 3% of the CEO's on listed companies are women. The low number of female executives can help explain the low representation of female directors as a majority of male directors have worked as an executive earlier. We believe that by increasing the number of female executives there will be a natural increase of women in the boardroom.

The solution for women's entrance may be to mimic the profile of male executives. There is, however, a risk that corporations will loose valuable knowledge that can be gained from diversity when the background of all board members is similar, in terms of background, education and skills. It is through diversity that group dynamics can be achieved (Mariateresa et al., 2011), which have been shown to improve the boards

function as a control organ (Erhardt et al., 2003) the quality of the decision making (Arfken et al., 2004) and organizational innovation (Mariateresa et al., 2011).

There is a risk of decreasing the positive effects of a heterogeneous board when women become more similar to men. It seems that women are more successful when they confirm to the men's way of doing things.

Sweden is ranked as one of the most gender equal countries in the world (Hausmann, 2011), still we find that men are overrepresented as the most important contacts for board members in Sweden. This clearly shows that Sweden has a long way to go before gender equality has reached the boardrooms of the largest companies in Sweden. To break the glass ceiling both women and men have to understand the importance of letting women into their networks, and involving women as their contacts to increase gender equality.

## 7 Conclusion

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*This section concludes the study about the nature of contacts among the board members in the Swedish top corporate boards, their expertise and previous experience.*

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This study set out to determine the nature of the personal connections that board members on top corporate boards in Sweden hold with the contacts that have been of most importance for their board appointment. Additionally, this study explores similarities and differences in career background, skills, expertise and networking structure of women and men on top corporate boards in Sweden. Our study contribute to the area of research by stating that female nor male board members in top corporate boards of Sweden perceive themselves as excluded from networks. Despite this we found that both sexes mainly choose men as their most important contacts. This finding indicates that the women who have made it into the boardroom essentially overcome the barriers of the old boy's network. What is remarkable, and perhaps something that the women are unaware of, is that this finding points to the notion that women themselves contribute to the existing barriers for other women to access the same network they already enjoy. As the importance of network access is granted as a denominator for board appointments (Sealy, 2010), not only men but also women hinder other women to make it into the boardroom when they exclude women from their own networks. By acknowledging our finding that there is an underlying perception that male contacts are of higher value than female contacts. This unconscious exclusion of women contributes to the existing glass ceiling. We argue that there is an increased chance that both women and men will make an active choice to include women, which could help decrease the glass ceiling effect.

In contrast to high potential women in middle managements positions, we find that that women, like men, on top corporate boards, initiate loose connections, i.e. hold weak ties to the contacts that have been of most importance for their board appointment. We find that both women and men tend to meet their contacts more seldom than once a month, preferably only share business related issues with these contacts and socialize almost exclusively in business related arenas. From the similarities in networking behaviors we propose that the women on the top corporate boards in Sweden have embraced similar networking skills as that of men. While the women have some contacts that they keep closer than others, men on average showed a higher tendency to socialize in settings outside work such as for dining or leisure activities. The question why there is some difference in their interaction patterns remains unanswered. The answer may lie in women's exclusion from the social arena (Forret & Dougherty, 2001). Nonetheless, the majority of the women in our study have made it into the boardroom without socializing with their contacts for leisure activities or dining. Our findings suggest that to increase the proportion of women into top corporate boards and to give both sexes the same opportunities for advancement, companies should create natural arenas where both women and men can interact in a business setting.

Our results regarding differences in skills, expertise and experience are ambiguous. On the one hand we can confirm that Swedish women directors are more educated than their male counterparts. It also seems that women and men bring similar expertise to the board of directors. On the other hand, there are not nearly as many women with executive experience as men. Based on similar reasoning by Hillman et al. (2002) the low number of female CEO's in Sweden could result in that we find a much smaller proportion of female directors. We believe that by increasing the number of female executives there will be a natural increase of women in the boardroom. In general, the women in our study are both younger and have been active as board members for a shorter period than men. Even though almost all the women hold several board appointments, they do not hold as many positions as the men do. This is probably a result of the fairly recent movement of women into boardroom. We believe that it is important to acknowledge that the perception that women act as tokens or that few women occupy a large number of board seats, since these perception undermine the legitimacy of women.

While we cannot exclude the importance of a university degree, relevant skills and expertise preferably acquired from an executive career for a board appointment. We argue that to make it into the top corporate boards of Sweden, women and men should make use of their remote contacts in their network. Successful board appointments are derived from contacts that are located outside the close personal network. The majority of board appointments come from weak ties outside the comfort zone of friends and family. Moreover we believe that the preference among women and men are to primarily socialize with other men could be a factor that increases the barriers for women to make it into the top corporate boards of Sweden. By acknowledging this fact, possibly more women will be granted access to the inner circles and the acceptance for women in the boardroom is likely to increase.

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# Appendix 1

## Survey Questions

### Networking on corporate boards

The purpose of this study is to gain knowledge about what kind of network connection (with family, friends, business related contacts that you know well or people that you have met very briefly) current board members perceive as the most important for their appointment as a board member. The study will provide further information about similarities and differences in networking structure between women and men. Our aim is to distinguish patterns in how board members have made use of their network and how they are tied to their connections. With this knowledge we wish to highlight socializing behaviors of women and men, by acknowledging similarities and differences between successful men and women. We hope to add to today's debate on gender quotas by enlighten barriers and provide alternative routes towards more gender equality. Please click the yellow button to start the survey.

Q1 How many boards are you currently active in?

Q2 How many years have you been active as a board member?

- ☐ 0-5 years (1)
- ☐ 6-10 years (2)
- ☐ 11-15 years (3)
- ☐ 16-20 years (4)
- ☐ 21 years or more (5)

Q3 What expertise do you bring to the board? MORE THAN ONE answer is allowed, but not required.

- ☐ Company specific information (1)
- ☐ Industry specific information (2)
- ☐ Specialized in legal issues (4)
- ☐ Specialized in political issues (5)
- ☐ Specialized in financial issues (6)
- ☐ Influential network (7)
- ☐ Other (8) \_\_\_\_\_

Q4 Have you previously been involved in any of the companies before you were appointed as a board member. If yes please specify your highest position.

Q5 Do you currently hold a board appointment where one or more board members are also part of your family or a relative?

- ☐ Yes (1)
- ☐ No (2)

Q6 Do you currently hold a board appointment where the founder of the firm is a member of your family or a relative?

- ☐ Yes (1)
- ☐ No (2)

Q7 Have you ever been self-employed?

- ☐ Yes (1)
- ☐ No (2)

Q8 Have any of the following attributes been a barrier for your board appointment/s? MORE THAN ONE answer is allowed, but not required.

- ☐ Education (4)
- ☐ Nationality (2)
- ☐ Sex (3)
- ☐ Network (5)
- ☐ Business related experience (8)
- ☐ Other (6) \_\_\_\_\_
- ☐ No, I have not been exposed to any barriers (9)

Q9 How did you get information about the opening for your current board appointment? If you serve on several boards, please check all answers that apply.

- ☐ Advertisement in media (1)
- ☐ Personal contact (friend or family) (2)
- ☐ Work-related contact (for example; current or former coworker, supplier, customer or manager) (3)
- ☐ Others, please specify (4) \_\_\_\_\_

Q10 Rank the importance of the following three attributes to your board appointment/s, where one is the attribute you perceive as most important and three is the one you perceive as the least important. If you serve on several boards, please rank what you believe have applied to you in general.

- \_\_\_\_\_ Education (1)
- \_\_\_\_\_ Network (2)
- \_\_\_\_\_ Relevant Skills and Expertise (3)

In the following two sections You will be asked to name two to five contacts that have been of importance for your board appointment/s. These contacts could be either business related contacts that you know well, family, friends but also people that you have met very briefly who have perhaps recommended you to your positions as a board member. After each of the contacts has been named, questions will follow with regard to your relationship with this contact. The names of your contacts will be held anonymous. Be aware that even though this study mainly focus on network other variables are measured further down in the questionnaire.

Q11 Name between two and five of the contacts that have been of importance for your board appointment/s (family, friends, business related contacts that you know well or people that you have met briefly who might have recommended you to your positions as a board member) and state their gender: m (male) and f (female). Your contacts will be held anonymous.

- Contact 1 (1)
- Contact 2 (2)
- Contact 3 (3)
- Contact 4 (4)
- Contact 5 (5)

Q12 How long have you known the following contacts?

	0-5 years (1)	6-10 years (2)	11-15 years (3)	16- 20 years (4)	21 years or more (5)
<code>{q://QID7/ChoiceTextEntryValue/1}</code> (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<code>{q://QID7/ChoiceTextEntryValue/2}</code> (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<code>{q://QID7/ChoiceTextEntryValue/3}</code> (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<code>{q://QID7/ChoiceTextEntryValue/4}</code> (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<code>{q://QID7/ChoiceTextEntryValue/5}</code> (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q13 How did you meet the following contacts?

	Be- long s to my family (1)	Intro- duced by fami- ly (2)	Intro- duced during educa- tion (3)	Intro- duced by mu- tual friends (4)	Intro- duced through work (5)	Oth- er (6)
<code>{q://QID7/ChoiceTextEntryValue/1}</code> (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<code>{q://QID7/ChoiceTextEntryValue/2}</code> (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<code>{q://QID7/ChoiceTextEntryValue/3}</code> (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<code>{q://QID7/ChoiceTextEntryValue/4}</code> (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<code>{q://QID7/ChoiceTextEntryValue/5}</code> (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q14 How frequently do you interact with the following contacts?

	At least once a day (1)	At least once a week (2)	Between once a week and once a month (3)	Between once a month and once a year (4)	More seldom than once a year (5)
$\{q://QID7/ChoiceTextEntryValue/1\}$ (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
$\{q://QID7/ChoiceTextEntryValue/2\}$ (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
$\{q://QID7/ChoiceTextEntryValue/3\}$ (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
$\{q://QID7/ChoiceTextEntryValue/4\}$ (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
$\{q://QID7/ChoiceTextEntryValue/5\}$ (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q15 How do you interact with the following contacts? MORE THAN ONE answer is allowed per contact, but not required.

	By phone (1)	By e-mail (2)	Meeting face to face for business (3)	Meeting face to face for leisure activities, for example sports or cultural activities (4)	Meeting at a bar or restaurant (5)	Visiting or hosting at home (6)
$\{q://QID7/ChoiceTextEntryValue/1\}$ (1)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
$\{q://QID7/ChoiceTextEntryValue/2\}$ (2)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
$\{q://QID7/ChoiceTextEntryValue/3\}$ (3)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
$\{q://QID7/ChoiceTextEntryValue/4\}$ (4)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
$\{q://QID7/ChoiceTextEntryValue/5\}$ (5)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q16 Topics discussed during interactions with the following contacts are: MORE THAN ONE answer is allowed per contact, but not required.

	Small talk (1)	Business issues (2)	Family issues (3)	Private issues (4)	Other (5)
<code>{q://QID7/ChoiceTextEntryValue/1}</code> (1)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<code>{q://QID7/ChoiceTextEntryValue/2}</code> (2)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<code>{q://QID7/ChoiceTextEntryValue/3}</code> (3)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<code>{q://QID7/ChoiceTextEntryValue/4}</code> (4)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<code>{q://QID7/ChoiceTextEntryValue/5}</code> (5)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q17 Have you ever asked any of the following contacts for help? MORE THAN ONE answer is allowed per contact, but not required.

	Yes, for business issues (1)	Yes, for private issues (2)	
<code>{q://QID7/ChoiceTextEntryValue/1}</code> (1)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<code>{q://QID7/ChoiceTextEntryValue/2}</code> (2)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<code>{q://QID7/ChoiceTextEntryValue/3}</code> (3)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<code>{q://QID7/ChoiceTextEntryValue/4}</code> (4)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<code>{q://QID7/ChoiceTextEntryValue/5}</code> (5)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q18 Have any of the following contacts ever asked you for help? MORE THAN ONE answer is allowed per contact, but not required.

	Yes, for business issues (1)	Yes, for private issues (2)	No, have not asked for help (3)
$\$ \{q://QID7/ChoiceTextEntryValue/1\}$ (1)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
$\$ \{q://QID7/ChoiceTextEntryValue/2\}$ (2)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
$\$ \{q://QID7/ChoiceTextEntryValue/3\}$ (3)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
$\$ \{q://QID7/ChoiceTextEntryValue/4\}$ (4)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
$\$ \{q://QID7/ChoiceTextEntryValue/5\}$ (5)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q19 Additional comments

Please feel free to expand on any of your previous answers

Q20 Demographic questions

Q21 Gender

What is your sex?

- ☐ Male (1)
- ☐ Female (2)

Q22 Age

What is your age?

- ☐  $\leq 30$  years (1)
- ☐ 31-40 years (2)
- ☐ 41-50 years (3)
- ☐ 51-60 years (4)
- ☐  $\geq 61$  years (5)



### Q23 Nationality

What is your nationality?

- ☐ Swedish (1)
- ☐ Norwegian (2)
- ☐ Danish (3)
- ☐ Finnish (4)
- ☐ German (5)
- ☐ Other Nationality (6) \_\_\_\_\_

### Q24 Education

What is the highest level of education you have completed?

- ☐ High-school degree (1)
- ☐ Some university credits but less than a bachelor degree (2)
- ☐ Bachelor degree (3)
- ☐ Masters degree (4)
- ☐ PhD, doctors degree (5)

## Appendix 2

Networking Assessment  
Prof. Candida Brush, Babson College

Please complete the following form regarding your personal network.

Name	Male/Female	How long know?	Type Interaction?	Frequency Interaction?	Context Where Interact?	Topics Discussed?	How met? Who Introduced?
<b>1</b>							
<b>2</b>							
<b>3</b>							
<b>4</b>							
<b>5</b>							
<b>6</b>							
<b>7</b>							
<b>8</b>							
<b>9</b>							
<b>10</b>							

Have you ever asked them for help? If so, when and what for?

Have these people ever asked you for help?