

Shedding light on the gender quota law debate: board members' profiles before and after legally binding quotas in Portugal

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Abstract

Purpose – This study aims to provide a comparative portrait of the profile of men and women in the boardrooms of listed companies (Euronext Lisbon, Portugal) during the first stage of the gender quota law, by comparing the profile of those board members appointed before the mandated quota law and those appointed after it. This study also seeks to contribute to a critical review of the main reservations expressed by some core institutional actors, who initially voiced their concern that it might be difficult to find women in equal conditions to men in terms of their cumulative experience and qualifications to serve as board members.

Design/methodology/approach – In addition to providing a comparative descriptive analysis of male and female board members' profiles before and after the mandated gender quota law, an aggregate professional endowments measure (professional endowments Index) is also calculated.

Findings – The research findings show that, in the first stage of the quota law, men and women appointed as board members after the mandated gender quota law are fundamentally similar in their professional attributes, forming a more homogeneous boardroom than those holding board positions before it.

Originality/value – This study contributes to the literature on the profile of the men and women serving on the publicly listed company boards in Portugal, by comparing their profiles before and after the mandated gender quota law. This study also fills a gap in the literature, as studies about gender quotas and corporate boards



relating to Portugal and Southern European countries in general are still relatively scant. To the best of the authors' knowledge, this is the first study carried out into the gender quota law on corporate boards in Portugal.

Keywords Gender quota, Women on boards, Board of directors, Professional endowments, Merit

Paper type Research paper

Introduction

This article seeks to contribute to the literature on women on boards (WoB) by disclosing relevant information about the profile of male and female board members of publicly listed companies (PLCs). Portugal was among the European Union (EU) latecomers in passing legislation to promote gender balance on corporate boards, in a context where some core institutional actors have expressed the assumption that it might be difficult to find women in equal conditions to men in terms of their cumulative experience and qualifications to serve as board members. Opponents, in general, have expressed concern about the risk of appointing poorly prepared women as a way of meeting the quota criteria, which would represent a violation of the principle of merit. The aim of our research is to provide a portrait of the profiles of men and women during the first stage of the law's application, in 2018 and 2019, by comparing their profiles before and after the introduction of the mandated gender quota law. It is guided by the following research questions: Is the gender quota law that came into force in January 2018 contributing to a renewal of PLC boards, in terms of their gender composition and the profiles of male and female board members? To what extent do the profiles of newly appointed male and female board members differ from the profiles of those serving on PLC boards before the law came into force? Do the newly appointed female board members have less cumulative experience and fewer qualifications for serving as board members than the newly appointed male board members, thus confirming the reservations expressed by core actors with regard to the law? To this end, in addition to providing a comparative descriptive analysis of male and female board members' profiles, an aggregate professional endowments measure (index) is also calculated.

Previous studies have also sought to compare the characteristics of men and women on corporate boards (Singh *et al.*, 2008; Torchia *et al.*, 2011; Wang and Kelan, 2013), but studies on WoB in Southern European countries (Gabaldon and Giménez, 2017; Rigolini and Huse, 2017) are still relatively scant. Not only is Portugal a latecomer within this latter group of countries, but the gender quota laws also vary in their design and content, together with other relevant differences in terms of women's participation in the labour market. Women's behaviour is characterised by a greater participation in employment, contrary to the situation in the other Southern European countries, where women's employment rates are well below the EU average (Casaca, 2017).

By focusing on the objective information published about the individual professional attributes (endowments) of men and women in the boardroom, the study is expected to contribute to a critical review of the main reservations voiced by some of the core institutional actors, as well as to stimulate further investigation into a still under-researched domain in Portugal and in Southern European countries in general. The research findings show that women appointed after the implementation of the law seem to be just as well prepared for serving on PLC boards as newly appointed men, because they are fundamentally similar in their professional attributes. This group now forms a more homogeneous boardroom than before the mandated gender quota law. The findings suggest that, rather than amounting to a mere compliance with policy on the part of the legally bound companies, appointments may have been made on the basis of a strategic orientation designed to achieve a board composition that is aligned with shareholders' expectations in terms of renewing the pool of human capital in the boardroom and the overall profile of the respective members. Contrary to the reservations initially expressed by key institutional actors and some vocal opponents, the study shows that, at least at this early stage of

the gender quota law, it has proved possible to find women in equal conditions to men in terms of their cumulative experience and qualifications for serving as board members.

Debate on affirmative action and the corporate board members' profiles

Institutional and stakeholder theories have drawn attention to the normative and regulatory framework, as well as to the role that national institutions and key social actors play in advancing gender equality (Terjesen *et al.*, 2015). One of the most topical subjects of discussion is the intervention of the state through mandated gender quotas as a way of accelerating WoB representation. By making women's representation on corporate boards mandatory, policymakers intend to counteract the structural advantage that has traditionally favoured the selection and promotion of men (Seierstad and Opsahl, 2011). Such a radical route has been followed when other soft alternatives have been shown not to have produced noticeable changes in terms of challenging the "old men's club". Gender regulations have been implemented by various European governments, using quotas as an instrument of affirmative action (AA), albeit with certain variations in terms of the arguments used, the quantitative quotas set, their scope and coverage, whether they are mandatory or voluntary or whether sanctions are imposed in the event of non-compliance (Humbert *et al.*, 2019).

AA programmes, particularly those related with mandated gender quotas, have also sparked great controversy. On the one hand, supporters claim that gender bias is embedded in organisational structures and processes, thereby preventing the development of truly meritocratic contexts. Fast-tracking and temporary measures are needed to create a level playing field and to correct structural sources of disadvantage that prevent women from attaining positions of power and participating in decision-making at all levels (Fletcher and Ely, 2003). The main aim is to neutralise the systemic gender-based constraints sustaining the glass ceiling, so that women's merit can be revealed (Son Hing *et al.*, 2002).

In the literature, organisational-level explanations provide justifications of the need for AA, by laying emphasis on gendered organisational structures, processes and practices (Acker, 1990; Connell, 2006) as well as on the tendency for women to be under-represented, which, when combined with tokenism (Kanter, 1977), exacerbates gender stereotypes, in-group favouritism and exclusionary mechanisms that reproduce homophily and further confirm women's status as outsiders (Dezso *et al.*, 2016; Konrad *et al.*, 2008). Gendered structures also tend to generate a "Teflon effect" – that is, a misalignment between the dominant representations attached to merit (and the social identity embodied by those perceived as having it) and women's social identity (Simpson and Kumra, 2016). In organisations explicitly claiming to have implemented meritocratic procedures, those who hold managerial positions tend to favour a male employee over an equally qualified female employee, a process that may be described as the "paradox of meritocracy" (Castilla and Benard, 2010).

On the other hand, individual-based explanations highlight the fact that women lack the required human capital (skills and managerial experience), social networking and the right attitudinal predisposition (lack of career ambition) (Hakim, 2000). Opponents of AA tend to embrace the same arguments, seeing AA initiatives as part of a radical process of discrimination against men. Some would stress that such programmes are unnecessary, as progress is "naturally" ongoing and most corporations are voluntarily, and progressively, correcting their gender asymmetries. Some of the loudest critical voices have stated that gender quotas may enforce the appointment of poorly prepared women and therefore raise competence problems, challenge meritocracy and compromise the quality of decision-making processes (as reminded by Santos and Amâncio, 2014).

Another way of addressing human capital is the approach offered by resource dependence theory. As open systems, companies with better performance results are those that reveal a lesser dependence in relation to the external environment. Thus, relying on unique and valuable resources is regarded as contributing towards minimising external

dependence. The board of directors therefore plays a fundamental role in providing and maximising a company's access to valuable resources (Pfeffer and Salancik, 1978). Drawing on the insights provided by resource-based theory, studies seeking to assess the impact of board gender diversity on company performance have provided mixed evidence, but the literature has shown how the human capital of board members is a fundamental boardroom asset. This is viewed as legitimising the board's members and also as impacting the quality of the decision-making process, investors' confidence and the market response (Atinc *et al.*, 2021). From the shareholders' strategic point of view, women would only be appointed as board members when their skills and experience are seen as beneficial to the company (Kirsch, 2018). In addition to formal educational skills, prior experience in senior and boardroom positions is also regarded as part of the mix of endowments needed to sustain trust and gain legitimacy as a board member (Machold, 2013). Later in this article, we will return to the literature on this topic to justify the methodological options for the calculation of the professional endowments index.

Implications of mandated gender quota laws on boardroom members' profiles

As far as the impact of the gender quota law is concerned, a recent study showed that the newly appointed female directors were more qualified than their female predecessors after the implementation of the gender quota law (Bertrand *et al.*, 2019). Other studies have supported the finding that post-quota female board members have higher educational levels and degrees in strategic business domains. Such an outcome is seen as the result of greater institutional pressure in terms of open and transparent appointments to the boardroom and also as an outcome of strategic corporate responses designed to bring relevant and unique resources to the respective boards (Kirsch, 2018; Atinc *et al.*, 2021).

In Norway, the first country to implement gender quotas for corporate boards, in 2003, the first studies on its effects showed that only a few women joined the boards, thereby forming a small elite that concentrated prominent roles in multiple directorship positions (the "golden skirts" phenomenon) (Seierstad and Opsahl, 2011). In general, studies have shown that women are more likely to serve shorter tenures on boards, be relatively younger, more educated than men and more independent (outsiders) (Vinnicombe *et al.*, 2019; Wang and Kelan, 2013). There has also been evidence that WoB tend to have different educational and professional trajectories than their male counterparts in the boardroom, which may be crucial in providing unique human capital resources and external expertise (Zenou, 2018). Because of the tendency for women to be recruited from non-traditional backgrounds, they may however have less influence on board decisions. Some consensus has been found in the literature showing that the possibility of joining a board, together with the participation in multiple directorships, may help to enhance women's public visibility, their social networks and reputational capital, while also providing them with board experience (Singh *et al.*, 2008). In the near future, this may imply that women will also be more likely to occupy chair and executive positions and influence strategic board decisions (Huse, 2018).

Gender quota law in Portugal and the reservations expressed by core institutional actors: an overview

Portugal has displayed a relatively high female employment rate within the EU and one that is well above the other so-called Southern European countries, combined with the prevalence of a dual-earner full-time model and the greater investment in education made by women in comparison to men (Casaca, 2017). In spite of all these patterns, dismantling the glass ceiling in the economic sphere is still a core challenge in the country [European Institute for Gender Equality (EIGE), 2020a].

Portugal was also among the EU latecomers in passing legislation to promote gender balance on corporate boards, even within the so-called Southern European context. In Greece and Spain, corporate gender quotas were implemented in 2000 and 2007, respectively, but no sanction applies in the event of non-compliance, thereby resulting in a “soft” regulatory framework [European Institute for Gender Equality (EIGE), 2020b]. In Italy, where binding gender quotas came into force in 2011, the overall women’s labour participation patterns are, however, very different from those found in Portugal, where women’s behaviour is characterised by a high level of participation in employment (with a 66.6% rate of employment, in 2020). On the contrary, in the other Southern European countries, women’s employment rates are well below the EU average (62.4%): 47.5% in Greece, 50.1% in Italy and 57.9% in Spain (Eurostat, 2021).

In Portugal, Law No. 62/2017 was passed in August 2017 and came into force in January 2018. It establishes that the proportion of men and women serving on the managerial and supervisory bodies of each PLC shall not be lower than 20% as from the first elective general meeting after 1 January 2018 and 33.3% as from the first elective general meeting after 1 January 2020. Only after holding these meetings are companies legally bound by the mandated gender quota law, except for replacements and renewals, in which case the threshold must simply be met from the dates mentioned above. This law also applies to state-owned companies and local government companies (segments that are not considered in the current research) and provides for the application of both financial and reputational sanctions in the event of non-compliance with the minimum thresholds. In such situations, the law calls for a declaration to be made, by the Portuguese Securities Market Commission (Comissão do Mercado de Valores Mobiliários [CMVM]), of the non-compliance and the provisional nature of the appointment, in the case of listed companies, which have 90 days to regularise the situation through an elective general meeting. The continued maintenance of non-compliance at the end of the 90-day period requires the issuing of a formal written reprimand to the infringer and the publicising in full of the infringement in a public register. In the event of non-compliance for a period of more than 360 days, counted from the date of the reprimand, CMVM shall then impose a monetary fine, involving the payment of an amount not exceeding the total of one month’s remuneration of the respective board, for each six-month period of non-compliance.

The government approach towards the new mandatory normative framework was seen as necessary to accelerate change, because previous voluntary attempts had only produced timid results. Such an approach was basically top-down, resulting from the commitment of only a few people – namely, a few political leaders – rather than from the broad political and social support of Portuguese society (Casaca, 2017). During the discussion of the parliamentary bill for this law, proposed in 2017, reservations were expressed by those two key institutional actors. For the regulator – the Portuguese Securities Market Commission (CMVM) – the ideal route would be to encourage the adoption of voluntary measures, in line with a “comply and explain” principle, rather than a legislative one. Reservations were also expressed about the principle of AA and the possible difficulties in ensuring equality – in other words, in finding women who enjoy equal conditions to men in terms of their cumulative experience and qualifications to serve as board members:

In our opinion, the Law in Portugal should be in line with policy developments in other European member states [reference is made to self-regulatory incentives and voluntary codes] in order not to affect the competitiveness of Portuguese companies, as well as their ability to select the most competent people for executive positions.[Opinion delivered by CMVM to the Portuguese Parliament, during the consultation process about the bill for the gender quota law, Comissão do Mercado de Valores Mobiliários (CMVM) 2017]

The preference for a softer route can also be found in the public opinion expressed by the Portuguese Association of Corporate Issuers (AEM). Concern was voiced about the negative impact of the law because of the very singular characteristics of the Portuguese stock market: not only is the number of PLCs relatively small but the capitalisation involved is also much weaker. In addition to the same reservation as the one voiced by CMVM, AEM also underlined the additional and serious constraints placed upon the targeted companies and the heavy state interference, which compromised their autonomy as private companies:

The imposition of any quota system represents an interference in the daily business of managerial activities. It is worth noting that in twenty-eight European Union countries, only six of them applied quotas to the private business sector, and only in four of them are quotas associated with a sanctionary regime. [Opinion delivered by AEM to the Portuguese Parliament, during the first consultation process on the bill for the gender quota law, [[Associação de Empresas Emitentes de Valores Cotados em Mercado \(AEM\) 2017](#)]

Vocal opponents from both the business and political worlds have publicly expressed concern by stressing that quotas may enforce the appointment of board members on the basis of gender and not on criteria relating to merit. As a consequence, the recent law could favour the appointment of poorly prepared women and compromise the board's overall performance.

Boardroom profile in the first stage of the quota law

Data and analytical options

To compare the profiles of female and male board members (both the board of directors and the supervisory board) – before and after the introduction of the mandated gender quota law – data were collected from the publicly available annual financial and corporate governance reports of the whole universe of PLCs in Portugal, further complemented with information retrieved from the Marketscreener website. For the purposes of the current research, data relate to the first stage of the quota law: 2018 and 2019. In addition to providing a comparative descriptive analysis, we also calculate an aggregate professional endowments measure (index).

As explained earlier, the law came into force on 1 January 2018, but, in the event of new appointments, companies were only legally bound by this legislation after the first elective general meeting held after that date (the moment when the mandated gender quota law actually came into force). Two groups were therefore considered for this analysis: the first comprises the board members of PLCs appointed before the mandated gender quota law came into force ($N = 347$; $W = 43$; $M = 304$), and the second group consists of those members appointed afterwards ($N = 125$; $W = 58$; $M = 67$). For 27 board members ($W = 2$; $M = 25$), there is no information available relating to the date of their first appointment (missings). Because this was the grouping variable, it was not possible to include these individuals in any of the groups other than the total sample. This accounts for their exclusion from the analysis.

The criterion for being considered a member appointed after the law is to have received the first appointment at the reference company after 1 January 2018; in the case of members serving on more than one PLC board, the criterion adopted was to select as the reference company the one in which such individuals held their highest-ranking position. All directors were members of the managerial and supervisory bodies (alternate members were not included in the analysis).

As far as the first research question is concerned (Is the gender quota law that came into force in January 2018 contributing to a renewal of PLC boards, in terms of their gender

composition?), Tables 1 and 2 summarise the core findings in terms of WoB representation on PLC boards in the first stage of the law's implementation (2018 and 2019). In 2018, there were 39 PLCs listed in Euronext Lisbon, of which only 14 were legally bound by the gender quota law, as new elective general meetings had already been held since its implementation. In 3 out of these 14 companies, the percentage of WoB was below the target required by the law. Moreover, in 10 out of the 39 companies, including two that were legally bound by the gender quota law, the board was still totally male-dominated (results not presented). In terms of the positions held, only 9% of the board members in executive positions were women. In the case of non-executive positions, the women's representation was higher, accounting for 27% of the members filling such positions. Moreover, there was just one woman serving as a chief executive officer (CEO) and another one serving as the president of the board of directors. In the case of the most representative industrial sector of PLCs,

Table 1.
WoB representation
(%) in PLCs –
Euronext Lisbon, by
group of companies
and corporate
governance model, in
2018

Representation of WoB	Group of companies			Corporate governance model		
	Euronext Lisbon (N = 39)	PSI-20 Index (N = 17)	Legally bound by the gender quota (N = 14)	Latin model (N = 31)	Anglo-Saxon model (N = 7)	Germanic model (N = 1)
% WoB	18%	22% ^a	22%	17%	21%	22%
Executives	9%	10% ^a	12%	7%	15%	22%
Non-executives	27%	29% ^a	29%	28%	23%	n/a*
CEOs	1	0	0	0	1	0
President of the Board of directors	1	1	0	1	0	0

Notes: ^aRetrieved from EIGE (2020c). *In the particular case of the Germanic model, the members of the collegiate body referred to as the "General and Supervisory Board" were recognised exclusively as members of the supervisory body. In fact, given the executive nature of the members of the collegiate body "Executive Board of Directors", no non-executive members were considered for this model

Source: Women on Boards Project database, except for the data relating to the PSI-20 Index, retrieved from EIGE (2020c)

Table 2.
WoB Representation
(%) in PLCs –
Euronext Lisbon, by
group of companies
and corporate
governance model, in
2019

Representation of WoB	Group of companies			Corporate governance model		
	Euronext Lisbon (N = 38)	PSI-20 Index (N = 17)	Legally bound by the gender quota (N = 23)	Latin model (N = 30)	Anglo-Saxon model (N = 7)	Germanic model (N = 1)
% WoB	23%	25% ^a	24%	21%	27%	22%
Executives	13%	15% ^a	15%	12%	11%	22%
Non-executives	31%	31% ^a	30%	30%	33%	n/a*
CEOs	1	1	1	1	0	0
President of the Board of directors	1	1	1	1	0	0

Notes: ^aRetrieved from EIGE (2020c). *In the particular case of the Germanic model, the members of the collegiate body referred to as the "General and Supervisory Board" were recognised exclusively as members of the supervisory body. In fact, given the executive nature of the members of the collegiate body "Executive Board of Directors", no non-executive members were considered for this model

Source: Women on Boards Project database, except for the data relating to the PSI-20 Index, retrieved from EIGE (2020c)

namely, that of “consulting, scientific, technical and similar activities”, the average representation of women was 22% that year. The PLCs of the sectors relating to “manufacturing industries”, “accommodation, catering and similar activities”, “administrative activities and support services” and “artistic, sporting and recreational activities” did not have women on their boards of directors (results not presented). In 2019, out of the 38 PLCs listed in Euronext Lisbon, the number of companies covered by the new legal requirements had risen to 23. As in 2018, in 3 out of these 23 companies, the percentage of WoB was below the target required by the law (results not presented). As regards boards that were still totally male-dominated, 5 out of the 38 companies were in this situation, two of them being legally bound by the gender quota law (results not presented). Furthermore, there was a share of 13% of women in executive positions and 31% serving as non-executive board members. As for women serving as CEOs or presidents of the board of directors, the situation was the same as in 2018. In the case of the industrial sectors of the PLCs in that year, there was a slight growth in the most representative one – “consulting, scientific, technical and similar activities” – to 23%. The major growth was in “administrative activities and support services”, from zero in the previous year to above the parity threshold of 40% (43%). The only sector in which there was a decrease was “transport and storage”, whereas the representation of women on the management bodies of PLCs operating in the sectors of “manufacturing industries” and “accommodation, catering and similar activities” continued to be non-existent (results not presented).

According to the Portuguese Company Code (Código das Sociedades Comerciais), PLCs can adopt one of the three possible governance models: Classic (or Latin), Anglo-Saxon or Germanic. The Classic model has a board of directors, a supervisory board and a statutory auditor; the Anglo-Saxon model has a board of directors, an audit committee and a statutory auditor; and, finally, the Germanic model comprises an executive board of directors, a general and supervisory board and a statutory auditor, in its simplified version, and an additional finance committee in its reinforced version. In 2018, in the first phase of the quota law, there were 31 PLCs (79%) that had adopted the classic model, 8 had adopted (21%) the classic model and just 1 company that had adopted the Germanic model. In 2019, there were now 30 PLCs (79%) that had adopted the classic model, 7 (18%) the classic model and just 1 company that had adopted the Germanic model.

To fully answer our research questions (Is the gender quota law contributing to a renewal of PLC boards, in terms of male and female board members’ profiles? To what extent do the profiles of newly appointed male and female board members differ from the profiles of those serving on boards before the introduction of the law?), an aggregate professional endowments measure (henceforth referred to as the professional endowments (PE) index) was calculated for the two groups of board members: those appointed before the mandated gender quota law and those appointed afterwards. Professional endowments (the so-called human capital characteristics) have typically included age, experience and education to compare men and women’s attributes and, therefore, to estimate labour market differentials (such as wage gaps, for instance) [International Labour Organization (ILO), 2018]. In this paper, we are not interested in inferring the relationship between professional endowments, performance as board members and the respective compensation, but rather in providing a portrait of the board profile based on a comparison of the endowments of male and female board members before and after the implementation of the gender quota law. The component indicators of the PE index are: education, age and experience on boards. Each component indicator is converted into a measurement ranging between 0 and 1. The final PE index is calculated as the average of the selected component indicators for which information is available. In making this calculation, a missing piece of information is

considered to be neither beneficial nor detrimental to the total score (for example, if information on age is not available for a certain individual, the PE index would simply be calculated from the average of the other two components). This aggregate measure varies between 0 (which indicates a total absence of the professional endowments under analysis) and 1 (which indicates the maximum value of those same professional endowments).

Accordingly, age has been taken as a proxy for the length of professional and life experience, meaning that individuals tend to be afforded more experience and thus improve their professional endowments with a higher age. Older board members have accumulated a lifetime of experience that can be shared and transmitted to other board members. Taking this argument into consideration, we standardised the variable, so that the youngest board member is awarded a score of zero and the oldest member is awarded a score of one.

Further in relation to the experience component, but now dealing with the question of experience as board members, we considered that a strongly established board member must necessarily bring a wealth of experience to the role, but that such experience must also contain some depth. Accordingly, holding a large number of positions is considered to enhance individual experience, but holding too many positions may turn a director into a “busy director” (Benson *et al.*, 2015; Cashman *et al.*, 2012) with not enough time to invest in the preparation of board meetings (Field *et al.*, 2013). Such a consequence may impact negatively on board dynamics, decision-making and company performance (Lei and Deng, 2014). For this reason, experience is modelled as an inverse U-shaped quadratic function where the highest value of 1 was awarded to members holding 8 different roles, falling to zero for members with more than 16 roles. The number 8 was chosen, as this was the median number of company boards on which members have served.

The educational background of the directors provides them with technical expertise, knowledge and skills for entering the boardroom (Terjesen *et al.*, 2009; Talavera *et al.*, 2018) and is therefore a fundamental component of each board member’s professional endowments. The higher the educational level achieved, the greater the ability to deal with complex issues and propose diverse and complete solutions (Johnson *et al.*, 2013). It is also a way of gaining recognition and credibility, which may qualitatively impact on board meetings, discussions, decision-making (Singh *et al.*, 2015) and performance (Nguyen *et al.*, 2015). Taking this into account, members holding a PhD degree are awarded the value 1, those with an MSc or MBA the value 0.9, and those with a Bachelor’s Degree the value 0.75, whereas the value 0 is attributed when the level of academic education is lower than this.

Summary of the key findings

Tables 3 and 4 show the descriptive statistics and the mean differences between women and men serving as board members at PLCs, before and after the gender quota law. Table A1 contains the information relating to the operationalisation of the variables.

While, in the group appointed before the mandated gender quota law, women are younger and receive less compensation than men (Table 3), these differences do not persist among the group of those who were appointed to the boards when their companies became legally bound by the gender law (Table 4). In fact, Table 4 shows that men and women in this latter group are highly similar in all the characteristics considered and form a more homogeneous group than the former one: they are younger, have directorships with a smaller number of companies and receive a considerably lower total compensation than those in the previous group, mostly because of the decrease that occurred in the compensations paid to men. As far as the total number of directorships that each board member holds in listed companies (board interlocks) is concerned, the results are similar for both groups, with no statistically significant differences between women and men.

Men and women in the boardroom – profile		Mean	S.D.	Minimum	Maximum	Women N = 43	Men N = 304	t-test	p-value
Age		59.95	10.92	36	96	55.00	60.78	2.68***	0.01
Number of companies as board member		16.04	16.12	1	106	15.40	16.13	0.28	0.78
Board size		10.14	4.93	3	21	11.53	9.94	-1.99**	0.05
Board interlock		1.14	0.45	1	3	1.12	1.14	0.37	0.72
Mandates (held up to the present)		3.41	2.03	1	18	3.14	3.45	0.93	0.36
Board tenure		8.54	6.75	1	51	7.47	8.70	1.12	0.26
Total compensation (€)		174,743.72	256,579.96	0	1,656,251	101,358.84	185,513.51	3.21***	0.00
Education (%)									
	Secondary level of education or lower		Bachelor's degree		MSc/MBA		PhD	Chi-square	p-value
	Women	2.38	Women	26.19	Women	21.43	Women	5.60	0.12
	Men	7.27	Men	30.10	Men	9.34	Men		

Notes: *** $p < 0.01$, ** $p < 0.05$. For the variables board size, mandates (held up to the present), board tenure and total compensation, the average value for all companies was considered in the case of those people serving on several boards; it should be noted that the exact test results were used, which are in line with the Monte Carlo simulation, because the conditions for approximation of the distribution of the test to the chi-square distribution did not exist

Table 3.
Descriptive statistics and mean differences between men and women in the boardroom of PLCs – Euronext Lisbon, appointed before the law

Table 4.
Descriptive statistics
and mean differences
between men and
women in the
boardroom of PLCs –
Euronext Lisbon,
appointed after the
law

Men and women in the boardroom – profile	Mean	S.D.	Minimum	Maximum	Women		Men		t-test	p-value
					N = 58	N = 67	N = 58	N = 67		
Age	51.53	9.18	32	74	50.38	52.38	0.94	0.94	0.35	0.35
Number of companies as board member	7.75	10.86	1	71	6.78	8.60	0.93	0.93	0.35	0.35
Board size	10.25	4.84	3	21	10.93	9.66	-1.48	-1.48	0.14	0.14
Board interlock	1.08	0.32	1	3.50	1.09	1.07	-0.20	-0.20	0.84	0.84
Mandates (held up to the present)	1.12	0.40	1	3	1.11	1.13	0.30	0.30	0.77	0.77
Board tenure	0.58	0.93	0	8	0.57	0.58	0.08	0.08	0.94	0.94
Total compensation (€)	78,905.43	131,919.35	0	604,337	78,789.35	79,019.51	0.01	0.01	0.99	0.99
Education (%)	Secondary level of education or lower	Bachelor's degree		MSc/MBA		PhD		Chi-square		p-value
		Women	48.21	Women	28.57	Women	16.07	Men	2.08	
		Men	46.97	Men	31.82	Men	9.09	Men	0.56	
		Women	7.14	Men	12.12	Women	16.07	Men	9.09	

Note: For the variables board size, mandates (held up to the present), board tenure and total compensation, the average value for all companies was considered in the case of those people serving on several boards

Therefore, the situation of women and men in corporate boardrooms now displays a much greater similarity than before the law came into force.

When it comes to the type of positions held on these boards, however, women are mostly taking on non-executive roles (21.3% appointed before the law, as opposed to 52.6% appointed after the law) and supervisory roles (9.5% appointed before the law, as opposed to 46.9% appointed after the law), and they still remain a minority in prominent positions such as that of the CEO (Figure A1).

Tables 5 and 6 provide information on the mean values of the PE index and each component indicator, for female and male board members serving on boards both before and after the law. There is no statistically significant difference in the mean value of male and female board members' professional endowments, except in the case of age, where women were younger than men before the gender quota law came into place. However, this difference does not exist for members appointed after the gender quota law. Such a finding therefore confirms that board members had similar profiles in terms of their professional endowments.

However, there are a few differences to be noted in the professional endowments of men and women according to their position and role (results not presented). As far as non-executive roles are concerned, before the gender quota law women were significantly younger than men in statistical terms, but this difference disappears when considering the group of members appointed after the mandated quota law. Women in executive positions also had higher professional endowments compared to their male counterparts after the gender quota law. However, there are no statistically significant differences to be noted in any component *per se*, not even when disaggregating these before and after the gender quota law. As far as supervisory roles are concerned, there are no statistically significant differences for the overall PE index or for each component separately. Finally, there is no difference in the PE index for men and women in each of the different corporate governance models (Classic or Latin, Anglo-Saxon or Germanic model).

Table 5.
Professional endowments of women and men (mean values) in the boardroom of PLCs – Euronext Lisbon, appointed before the law

	<i>Board members – before the Law</i>							<i>t</i> -test	<i>p</i> -value
	Mean	S.D	Minimum	Maximum	Women	Men			
PE index	0.58	0.19	0.18	1	0.57	0.59	0.41	0.69	
Age	0.44	0.17	0	1	0.36	0.45	2.69**	0.01	
Experience	0.44	0.40	0	1	0.40	0.44	-0.17	0.87	
Education	0.80	0.12	0.5	1	0.84	0.80	-1.84	0.07	

Note: ***p* < 0.05

Table 6.
Professional endowments of women and men (mean values) in the boardroom of PLCs – Euronext Lisbon, appointed after the law

	<i>Board members – after the Law</i>							<i>t</i> -test	<i>p</i> -value
	Mean	S.D	Minimum	Maximum	Women	Men			
PE index	0.59	0.17	0	0.99	0.61	0.57	-1.19	0.24	
Age	0.31	0.14	0	0.66	0.29	0.32	0.91	0.39	
Experience	0.53	0.34	0	1	0.56	0.51	-0.87	0.48	
Education	0.80	0.13	0.5	1	0.82	0.79	-1.02	0.31	

Discussion and conclusion

The current study is the first on this topic to have been carried out in relation to Portugal and represents a contribution to the literature on the implications of gender quota laws and their effects on the composition of boards and their members' profiles. It provides evidence that, in the first stage of the gender quota law in Portugal, the profiles of male and female board members appointed after the law came into force became fundamentally similar, contrary to the profiles of those appointed before the law. The significant differences found between men and women serving on PLC boards have therefore disappeared since the new appointments, thus suggesting that the law is reconfiguring the composition of boards by introducing not only new female members but also new male ones. Women and men who were appointed after the law came into force are younger and share similar professional endowments, thereby forming homogeneous board profiles. It is also worth noting that the gender gap in earnings within boards narrowed substantially, in line with other research findings (Bertrand *et al.*, 2019).

The findings suggest that, rather than reflecting a mere compliance with government policy, new appointments may have been based on a strategic orientation designed to achieve a board composition that is aligned with shareholders' expectations in terms of renewing the pool of human capital serving on PLC boards. This was regarded as the basis for legitimising a position at the board table and the respective profile of the board members (Atinc *et al.*, 2021). The women who are now being appointed as board members are therefore the ones whose skills and experience are seen as beneficial to the company, in line with the rationale behind men's appointments (Kirsch, 2018). The similar profiles of women and men may also support previous research findings about the "similar to me" bias, reflecting how social networks may also operate in relation to new entrants (Dezso *et al.*, 2016; Tsui *et al.*, 1992).

If, on the one hand, the gender quota law seems to have provided an opportunity for countering the structural disadvantage that has traditionally disfavoured women's career advancement (Seierstad and Opsahl, 2011), both female and male board members are still part of a restricted small elite with very similar professional backgrounds. The number of board interlocks among women (within the universe of companies under study here) is not statistically different from that of men. In the first stage of the gender quota law, there is no evidence of a "golden skirts" phenomenon (Seierstad and Opsahl, 2011) in the boardrooms of PLCs, but more time is needed to fully analyse the dynamics of the appointments brought about by the new law. In particular, women have increased their representation in non-executive positions and supervisory roles and are still largely under-represented in more prominent positions; even so, the possibility of joining a board may result in greater public visibility for women, enhancing their symbolic impact as "role models" and challenging traditional gender stereotypes (symbolic change) (Krook and Zetterberg, 2014). This may imply that, in the near future, women will also be more likely to perform executive roles and influence strategic board decisions (Huse, 2018). Such a trend may also generate a spillover effect into other top leadership positions, thereby contributing to the gradual cracking of many other glass ceilings (Wang and Kelan, 2013).

We therefore acknowledge the need to be cautious about the current findings and not to generalise them as part of a full assessment of the implementation of the gender quota law in the country. The law is relatively recent and changes in the profile of male and female board members are still gaining only a very initial momentum; it may well be that other dynamics will occur in relation to future appointments over the next few years. The criterion that was used to consider a member as being appointed after the law was that the person in question should have received their first appointment at the reference company after 1 January 2018;

in the case of members serving on more than one PLC board, the criterion was to select as the reference company the one in which such individuals held their highest-ranking position. Such an option may mean that new appointments could also have taken place at companies other than the one that we took as the reference company.

The study will also be particularly important for future debates and new research projects, as it raises new key questions: will the ongoing descriptive change (a greater gender balance on boards) have any impact in terms of board dynamics? Will it lead to any substantive changes in the decision-making processes and their respective outcomes? Will the current change “open the power door” to women below board level (Bozhinov *et al.*, 2021) and lead to a more gender-aware corporate governance reflected in internal corporate policies, processes and practices?

Moreover, the overall discussion triggered by our findings also calls for a further qualitative analysis based on male and female board members’ narratives about their subjective perceptions of the changes that the law has introduced into board dynamics and intra-board interactions, decision-making processes and the respective outcomes.

Future studies will shed more light on this topic, but, for the time being, the profiles of board members are marked by a great similarity. We are not assuming that similar endowments can act as a predictor of a board member’s merit, but rather that any debate on the question of merit cannot afford to underestimate the key conclusions drawn in this study.

This study paves the way for a wide-reaching debate in business, political and wider social circles. It demonstrates that the recent law has favoured the appointment of women and men equally well-prepared for serving on boards, as their professional endowments are largely similar. So far, in the first stage of the implementation of the law and contrary to the reservations initially expressed by key institutional actors and some more vocal opponents, it has proved possible to find women in equal conditions to men in terms of their cumulative experience and qualifications for serving as board members. This situation may also have policy implications: by showing that women are, nonetheless, not filling the most prominent board positions and thus not occupying fundamentally supervisory and non-executive roles (even in the case of those appointed after the implementation of the law and with a similar profile to their male counterparts), the findings suggest the need for future adjustments to be made to the terms of the law. This may imply the establishment of gender quotas in accordance with the respective board position and role.

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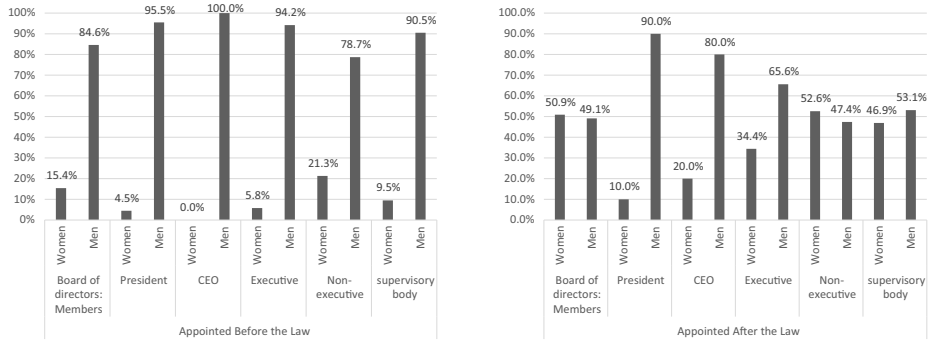
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Variable	Operationalisation
Sex	Dummy variable equal to 1 if the board member is a woman and 0 if a man
First appointment at the reference company	Date of first appointment at the reference company (dd-mm-yyyy); in the case of board members serving on more than one PLC board, the criterion that was adopted was to select as the reference company the one in which such individuals held their highest-ranking position
Board size	Total number of board members that held positions on the board. In the case of board members serving on several boards, the average value of the board size in all the companies was considered
Mandates (held up to the present)	Total number of mandates that the board member has held up to the present. In the case of board members serving on several boards, the average number of mandates in all the companies was considered
Board tenure	Years since first appointment. In the case of board members serving on several boards, the average number of years of their board tenures in all the companies was considered
Total annual compensation	Total annual gross compensation that the board member received. In the case of board members serving on several boards, the average value of the total annual compensation received at all the companies was calculated
Board interlock	Total number of directorships (alternate members not included) that each board member held in listed companies
<i>Professional endowments (age, education, board experience)</i>	
Age	Age of the board member
Education	Categorical variable equal to 1 = if the board member has no higher formal education; 2 = if the board member holds a bachelor's degree; 3 = if the board member holds a master's degree or MBA; 4 = if the board member holds a PhD
Number of companies as board member	Number of companies (all types) where the board member holds (in the present) and has held (in the past) directorships (alternate members not included) and/or positions in supervisory bodies, at both listed and non-listed companies. The decision to gather information in this specific manner was because of the difficulty identified, when collecting the data, in distinguishing between which information related to the present and which related to the past. Exceptionally, this variable refers to the date of the data collection (2021)

Table A1.
Variable
operationalisation

Figure A1.
Board positions of women and men (%) in the boardroom of PLCs – Euronext Lisbon, appointed before and after the law



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