

Leadership in Europe: How can we get the right balance?

EIGE's Director Carlien Scheele delivered this keynote speech at the event "Gender diversity & leadership in the Nordics-Baltics", organised by the Swedish Chamber of Commerce in Lithuania on 7 September 2021.

Good afternoon everybody,

I want to start by imagining that we woke up this morning in a world where women lead 90 % of the EU's biggest companies. The share of men in boardrooms is at an all-time high, with almost one in three board members now being a man. That leaves women holding just 70 % of board seats – a massive decrease from the 90 % they held 15 years ago.

The European Commission has proposed legislation to oblige companies to bring a bit more balance in boardrooms, with the representation of either gender no lower than 40 %. But EU countries aren't keen and have been blocking the law for almost a decade now.

It looks odd, this world, doesn't it?

Well, as I'm sure you've guessed, the reality is precisely the reverse, with men dominating leadership positions across business, as well as in politics, research, media and sport. The European Commission law is real though, as is the opposition by EU countries.

I started with this mental exercise because I wanted to show how the power of our current reality shapes our conscious and unconscious beliefs about who should be holding the power in our world.

We are all here today because we believe that there should be more women in leadership. We know it should be the case because women make up half of our society and should have half the say in shaping it. We know it because organisations do better when they have higher shares of women on their boards. We know it because, surely, we don't believe that men are somehow better suited to leadership than women?

And yet, when I introduced you to the world where women held a staggering 90 % of CEO positions, I suspect it sounded more crazy than the situation we're currently in. If having just 90 % of men CEOs seemed just as crazy as 90 % of women CEOs, we'd surely be seeing a lot more action than we are right now.

In this world, do you think EU Member States would be blocking a law to get some more balance into our boardrooms?

I'll let you think about that one.

What I can tell you is that not taking action in our current reality is unbelievable.

Why?

Because taking action works.

Countries that have adopted quotas for gender balance on company boards have tripled the speed at which women are joining. At such breakneck speed, these countries will have equal shares of women and men on their company boards in just four years' time.

And for those countries that have not adopted any measures to get more women into decision-making positions, in the boardroom and beyond? They will not see gender balance for another 125 years.

Quotas clearly work. But for some reason, they still make people uneasy. There is still a suspicion that some underqualified women will be elevated to fill quotas. That they will be displacing better qualified men.

Yet research in Sweden has shown that quotas in politics have rather worked to sift out incompetent men than boost undeserving women. One can imagine the same applies to the business world.

Quotas are of course no panacea. The reasons behind the lack of women in leadership, behind the gender pay gap and behind there being less women in the workforce overall, are many.

As a woman, to get to a position where you are being considered as a company board member, or even as its CEO, you would most likely have had to overcome a number of challenges.

It is no secret that in every EU country, women do more childcare and housework than men. They are also significantly more likely to take career breaks to take care of children. This can eat into the time they are able to give to their jobs and affect their career progression.

And even when women are able to return to work after having children, even when they have managed to secure solid childcare arrangements, they are faced with invisible obstacles. For example, research has found that managers rate women as less competent than before they became mothers, as well as less competent than women without children.

I don't know if you have any daughters, but I have one. And should she herself become a mother one day, I would not want her to be judged on those terms.

How to overcome such bias? The only way is to change our realities. As well as quotas to get top women into top positions, we need to ensure that women are able to reach that stage in the first place.

To achieve this, we need affordable childcare services so that having children does not automatically result in a professional sacrifice. Currently, some 7.7 million women in the EU are kept out of paid work because they are providing care. To put that into perspective, that is about equal to the entire populations of Latvia and Denmark.

Of course, it's not just women having children. In order to have full equality at work, as well as a healthy work-life balance, men should be taking care of children just as much as women are.

Governments may need to give an extra push to change mindsets on this front. The idea of women being the ones who provide care is so firmly rooted in people's minds that men often fail to up paternity leave even when it's on offer.

The Nordic approach of 'use it or lose it' parental leave to be shared between couples has inspired the EU to include it in its law on work-life balance, which all EU countries must now implement. In the Nordic countries, the system has boosted the amount of time men spend looking after their children, and, in a virtuous cycle, normalised the idea of men as caregivers.

This kind of action serves to counter the conscious and unconscious beliefs we have about who should be providing care and who should be taking the lead at work. It helps build a world where managers treat new fathers much the same as they would treat mothers.

I think we sometimes forget that women in leadership is still quite a new phenomenon. Remember that the share of women board members has gone from under 10 % just 15 years ago to around 30 % today.

As I've highlighted today, we do not achieve such change by tinkering at the margins. We need legal change, we need cultural change, and we need men to want the change just as much as women do.

We need to work together to get more balance. In the workplace, and in the home.

Thank you.

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TYPE: Director's Speech