

Does the Female Quota Challenge Business Schools?

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The EU Commission suggested a quota of females for European companies listed on the stock exchange. The idea is to stipulate that 40 percent of all corporate boards posts in the about 5,000 listed companies all over the EU are to be assumed by women by 2020. If equally qualified, female applicants are to be preferred. Companies not observing this rule are to be punished. Professors and students from Germany's oldest business school assess the female quota from the perspectives of corporate governance, human resources, the institution of a business school as well as from the a future executive's point of view.

The concept of a female quota must be adapted to the respective company

The concept of a female quota should be decided on by each member state individually and "implemented respecting the national idiosyncrasies," says Christian Strenger, Academic Director of the Center for Corporate Governance at HHL and member of the German Corporate Governance Commission as well as numerous supervisory boards. When implementing the concept, Strenger considers the suggestion by Federal Minister for Family Affairs, Kristina Schröder of the Christian-Democratic Union, to be the best one should a legal regulation become necessary. It is based on the ideas already suggested by the Corporate Governance Commission to federal government in 2009. "Instead of a rigid quota for all companies, each business should be able to determine their own goals for achievement over the next three or more years. These individual goals would then become obligatory." The governance expert does not find it constructive to discuss this topic with sole regard to supervisory boards or women. "You need the most experienced personalities in a supervisory board. Female managers, however, just like to other so-called diversity candidates, have to be built up from the lower levels of management. By creating beneficial constellations, which include daycare facilities, we must provide the basis for women as well as other diversity groups to be able to reach leadership positions."

Business schools must be attractive for women

Prof. Dr. Andreas Pinkwart, HHL Dean and former Minister for Innovation, Science, Research and Technology of the Federal State of North Rhine-Westphalia, describes the perspective of institutions training female managers: "A higher proportion of women in leadership positions challenges business schools as well. The attractiveness for the schools towards female students, professors and managers will become crucial for their success."

The female quota needs to be seen as part of a broader diversity management

Indian Prof. Vasanthi Srinivasan, Holder of the ICCR Chair of Corporate Responsibility and Governance at HHL looks at the discussion of a female quota from the perspective of human resources management: "In the recent past, there have been several reports in the popular press and in the academic journals on the need for greater gender diversity in the senior management and boards of corporations. However, the discourse is dominantly being shaped by regulation and the role of quotas for women and its impact on the firms. The discussion on quotas for, by itself, is myopic and dysfunctional; the pertinent question to ask is how we can create more inclusive organizations by encouraging and promoting all forms of diversity. This presupposes that board diversity is important for an organization since it ensures that the various stakeholders for a corporate are well represented at levels of decision making and this in turn provides a competitive advantage for the firm.

Gender diversity is often understood using the three dominant paradigms: discrimination- and- fairness paradigm, the access-and-legitimacy paradigms, and the learning-and-effectiveness paradigm. Drawing on these three paradigms, increasing numbers of women directors on boards of corporations need to be viewed as a long term strategy at the national as well as the organizational level. It requires a system which identifies competent women and provides them opportunities to contribute to the boards meaningfully. It requires a deeper clarity from women that they indeed would like to perform these roles in a manner which allows them satisfaction in contributing to a larger purpose at the organizational and national level. It requires enlightened male members of the board, who view, encourage and engage actively in creating inclusive board processes which value diversity. Finally it also requires quotas which will allow organizations to incorporate diversity in to their planning processes and thereby improve their performance on attracting and retaining women year on year. If organizations have built inclusive systems and have a diversity strategy, we would expect large organizations to automatically manage the needed legal quotas effectively. In the highly competitive market, where there is a 'war for talent', such inclusive organizations that actively promote and engage women in senior management positions and boards are likely to have a distinctive competitive edge over others.?"

Opinions of HHL students on YouTube

Students in the M.Sc and MBA programs of HHL discuss the topic of a female quota contentiously. Extracts of their statements can be found at <http://youtu.be/IKu2xvspwTU>.

Calling for a more relaxed approach to the topic of a female quota

Governance expert Christian Strenger concludes with two points worth considering: "It is often assumed that women want to climb to the top within a company by all means. The freedom to choose is taken away from them if you tell them that this is what they must do. This is something we should think about." He adds matter-of-factly: "The topic of a female quota is being over-discussed, as has been the case so often. Recent experiences in filling vacancies in DAX corporate boards (40% proportion of women) shows that the 'macho culture' is diminishing and that this very important topic is gaining normality."

Scholarships focusing on diversity in the full-time and part-time MBA and Global Executive MBA programs of HHL

HHL awards the new HHL Global Diversity Scholarship and the HHL Scholarship for Women in Business. They each carry an award of up to EUR 7,500. The scholarships target highly motivated applicants for the 24-month part-time MBA program at HHL starting in March 2013. Furthermore, the business school will award the HHL Scholarship for Women in Business for its full-time MBA program starting in September 2013 as well. The application closing date for this scholarship is May 1, 2013.

The Global Executive MBA Program of HHL and EADA would like to send a convincing signal for a higher number of female managers by awarding a scholarship in this field as well. The scholarship carries an award of up to EUR 10,250. Women from all academic fields and nationalities applying for the 18-month part-time Global Executive MBA Program, which starts in October 2013 and is taught entirely in English, qualify for this support. The application closing date for this scholarship is May 31, 2013. <http://www.hhl.de/scholarships>

HHL Leipzig Graduate School of Management

HHL is a university-level institution and ranks amongst the leading international business schools. The goal of the oldest business school in

German-speaking Europe is to educate effective, responsible and entrepreneurially-minded leaders. In addition to HHL's international focus, the combination of theory and practice plays a key role. HHL stands out for its excellent teaching, its clear research focus, its effective knowledge transfer into practice as well as its outstanding student services. <http://www.hhl.de>

Pressekontakt

HHL gGmbH

Herr Volker Stößel
Jahnallee 59
04109 Leipzig

hhl.de
volker.stoessel@hhl.de

Firmenkontakt

HHL gGmbH

Herr Volker Stößel
Jahnallee 59
04109 Leipzig

hhl.de
volker.stoessel@hhl.de

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Die HHL ist eine universitäre Einrichtung und zählt zu den führenden internationalen Business Schools. Ziel der ältesten betriebswirtschaftlichen Hochschule im deutschsprachigen Raum ist die Ausbildung leistungsfähiger, verantwortungsbewusster und unternehmerisch denkender Führungspersönlichkeiten. Neben der internationalen Ausrichtung spielt die Verknüpfung von Theorie und Praxis eine herausragende Rolle. Die HHL zeichnet sich aus durch exzellente Lehre, klare Forschungsorientierung und praxisnahen Transfer sowie hervorragenden Service für ihre Studierenden. www.hhl.de

Anlage: Bild

