



Characteristics of female directors' networks: a study of the French case.

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Abstract

Representation of women on boards is getting more and more attention these recent years (Nielsen and Huse, 2010; Hillman et al., 2007), all the more as recent influence by the legislator accelerates the pace of change. Indeed, in France, a new law adopted in January 2011 stated that the proportion of female directors should not be lower than 40 % in all major companies.

Most previous research focused on the impact of the presence of women in boards on performance, but there are few studies on female directors' networks. In order to help to better understand the ties at the origin of these networks, we study several characteristics and networks ties of female directors of French companies belonging to the SBF 120 index and we compare them with male characteristics. We test the specificity of four types of board of directors' networks: attendance at the same elite educational institutions, use of business networks, civil-servants networks and interlocking directorates.

Our findings suggest that female directors' networks tend to find their origin in business networks more than men. Conversely, male directors have more board interlocking and are more often graduated from elite schools than women. These results show that female directors' networks have specific origins in comparison with men's ones. The exploration of this specificity could be an asset to better understand the role and influence of female directors' networks in governance.

Introduction

Female board networks still remain a topic which is not very well known in corporate governance research. The question is tackled in studies concerning women on boards, but few studies explore female board networks and their specificity (Nielsen and Huse 2010).

Corporate governance research has shown that the analysis of boards would need to pay more attention to board roles, and board members' background and characteristics, beyond the traditional monitoring and control role (Ruigrok et al. 2007). In this respect, the integration of women on boards helps to foster diversity on boards (Burgess and Tharenou 2002), which is needed to address diversity in board tasks, and leads to an improved decision making (Huse et al. 2009).

Research brought evidence that studying directors networks is relevant since board members' networks play a key role for providing corporate management with relevant advices and insights, for ensuring knowledge, resources and ties for the company (Pfeffer, 1972, Mizruchi, 1996, Burt 1992).

In this perspective, female board networks can help companies to reduce uncertainty in their external environment, and to obtain communication and resources (Burt 1992, Pfeffer 1972). The links between boards, such as interlocking directorates, bring several benefits to the company, and to the director himself/herself: advices, legitimacy, access to information and communication (Pfeffer and Salancik 1978, Borch and Huse, 1993, Mizruchi 1996). In parallel, board networks may also increase managerial entrenchment (Charreaux 2003, Pichard-Stamford 2000), and might constitute a class-hegemony instrument (Huse 2007), which can develop the influence of existing social and power elites, and the use of prevailing norms to rule boards.