10

Gender Diversity on Boards in the United States, Australia, and Israel

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Introduction

This chapter examines gender diversity on boards in the United States, Australia, and Israel. These three highly developed countries have three quite distinct administrative heritages, public policy approaches, and Corporate Governance Codes. The goal of the chapter is to juxtapose these three comparative country cases in order to better understand how national context and institutions are reflected in public policy and outcomes of women on boards.

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The chapter begins with a general introduction to the economic and political systems in the United States, Australia, and Israel, including the particularities of the corporate governance framework and the historical representation of women on boards in these countries. The next section, "National Public Policy Regarding Women on Boards," outlines trends over the last decade, comparing and contrasting the three distinct national approaches. The next section, "Enabling and Hindering Forces," discusses some of the key actors in the countries and discusses a country case. The subsequent section, "Presentation of Female Role Models," provides reflections of actors in the three different countries. We conclude with a critical discussion of the three country cases.

General Background

The United States shares its borders with Mexico and Canada and has the world's fourth largest population with over 320 million inhabitants. It developed into a world superpower after victories in both World Wars and the conclusion of the Cold War. As a powerful nation-state, the United States has participated heavily in international organizations including North Atlantic Treaty Organization, the United Nations, and the World Trade Organization.

Australia is the world's smallest continent but has the sixth largest population with nearly 23 million inhabitants. The Commonwealth of Australia declared independence from Britain in 1901 and grew its economy during both World Wars to support the Allied effort. In the past century, Australia has developed its market economy to become an important player on the international stage.

Situated in the Middle East along the Mediterranean Sea, Israel has a population of over eight million inhabitants. The nation of Israel was created in 1948 by a UN-backed treaty following the conclusion of the Second World War. Since its creation, conflict has enveloped the country. Disputes originated from religious differences and plural claims to land between Israel and other Arab states.

Political System

The United States is a federal republic, where national and state governments share sovereignty. Its Constitution outlines three components: a bicameral Congress of 535 voting members (legislative power), a president (executive power), and a federal court system (judicial power). The Congress has two houses: the Senate (where each state has two delegates) and the House of Representatives (where state population determines representation). The president is the head of state and the military's commander-in-chief. The Supreme Court, which has the responsibility of interpreting the Constitution and federal laws, heads the judicial system. The power of the executive has grown relative to the courts and the legislature resulting in a powerful modern president. Citizens over the age of 18 can vote in national, state, and local elections. Two political parties, the Republicans (right-of-center) and Democrats (left-of-center), dominate most elections.

Australia operates as a federal parliamentary constitutional monarchy, with Queen Elizabeth II as Queen of Australia, and represented by a federal-level governor-general and state-level governors. In practice, Australia's governor-general is a figurehead, and the real power lies with the prime minister and the Federal Executive Council. Australia's federal government consists of three branches: legislature (bicameral Parliament of Senate and House of Representatives), executive (Federal Executive Council which implements the Prime Minister and cabinet's actions), and judiciary (High Court of Australia and other federal courts). Australia's Senate includes 76 senators (12 from each state, and 2 from the mainland territories of the Australian Capital Territory and Northern Territory), while the House of Representatives comprises 150 members in all with members from each state in proportion to its population. Voting is compulsory for all Australian citizens over the age of 18. Australia's two major political groups are the Australian Labor Party (center-left) and Coalition (center-right), the latter of which comprises the Liberal Party and the National Party.

Israel operates as a parliamentary democracy with a largely ceremonial president acting as the head of state, an executive cabinet headed by the prime minister acting as the head of government, a legislative body called the Knesset, and a judicial system headed by a Supreme Court. The Prime Minister crafts foreign and domestic policy which the cabinet ministers vote to approve. The Knesset is a unicameral legislative body of 120 members each holding four-year terms. The body can enact and repeal laws with a simple majority, even one that may conflict with the Basic Laws of Israel (the country's constitutional laws). In addition to the judicial court, religious courts of each major religion in Israel (Judaism, Christianity, and Islam) have jurisdiction over various issues of family law. Citizens over the age of 18 can vote for party lists; a party attains one seat for every 120 votes. Such an electoral system yields party coalitions as over 25 parties compete for seats. The three major parties holding seats in the Knesset as of the 2015 elections include: Likud (right-wing), Zionist Union (center-left), and Joint List (center-left), which is a coalition comprising Arab parties.

Economic System

The United States' economy remains the world's largest in terms of nominal gross domestic product (GDP) as US firms are at the forefront of most technological advances across most sectors; however, in 2014 China took over the top spot of highest GDP relative to purchasing power parity (PPP). The US dollar remains the global currency which is used in most global reserves and financial transactions as the New York Stock Exchange (NYSE) and the NASDAQ are the world's two largest stock exchanges. The US has the largest internal market for goods and is the world's second largest manufacturer behind China. In terms of economic policy, since the 1970s, the US federal government has generally embraced neoliberalism by deregulating industries and promoting free enterprise, although more recent interpretations limited some neoconservative policies concerning the military, family values, and multiculturalism. The result is that the US policies tend to focus on "targeted goals" rather than a specific quota in order to address past discrimination in a particular domain.

Australia is an incredibly wealthy country, ranked second in the world after Switzerland for GDP per capita. Australia has the world's 12th largest economy and is frequently ranked second in the world for human development and prosperity. The Australian dollar is the nation's currency, and also used by Kiribati, Nauru, Tuvalu, Christmas Islands, Cocos (Keeling) Islands, and Norfolk Island. The Australian Securities Exchange (ASX) is the ninth largest stock exchange in the world. Australia's economy is driven by manufacturing, finance, ship-building, information and technology, agricultural, mining, insurance, aviation, and telecommunications industries. Similar to the United States, Australia's government has embraced neoliberal policies since the early 1980s, with both the Labor and the Liberal parties supporting policies that privatized many government services and promoted free trade. With respect to affirmative action in the labor market, Australia has instituted some policies to address inequities, particularly concerning ethnicity and to a lesser extent, gender. These policies generally mirror efforts in the United States.

Ranked 18th in the world on the UN's Human Development Index, Israel's economy is the highest positioned in the Middle East. Israel's economy thrives, despite a heavy reliance on raw materials, due to its thriving technology-intensive manufacturing sector, highly educated workforce, and strong venture capital industry. Additionally, Israel joined the Organization for Economic Cooperation and Development (OECD) in 2010 and has free trade agreements with the EU, United States, and others. These and other policies indicate that Israel's government generally embraces free enterprise. The evolution of these policies began in the 1980s when the state-owned Bank of Israel took a central role in initiating these neoliberal policies (Maman and Rosenhek 2009).

Corporate Governance Structure

The United States is often held up as the model for a shareholder-oriented approach to corporate governance; however, it is more of a "moving target" for international countries to emulate due to its continuous evolution with the economic and political atmosphere of the time

(Jackson 2010). The NYSE Corporate Governance entity, overseen by the US Securities and Exchange Commission (SEC), is the principal body which determines rules and disciplinary actions among publicly traded companies. The most recent set of NYSE governance "best" practices for corporate boards identifies three "hot button" issues currently facing boards (compensation, diversity, social awareness, and risk) and offers the following guidance: "(1) Establish the appropriate 'tone at the top' to actively cultivate a corporate culture that gives high priority to ethical standards, principles of fair dealing, professionalism, integrity, full compliance with legal requirements, and ethically sound strategic goals. (2) Develop an understanding of shareholder perspectives on the company and foster long-term relationships with shareholders, as well as deal with the requests of shareholders for meetings to discuss governance and the business portfolio and operating strategy. (3) Determine executive compensation to achieve the delicate balance of enabling the company to recruit, retain, and incentivize the most talented executives, while also avoiding media and populist criticism of 'excessive' compensation and taking into account the implications of the "say-on-pay" vote. (4) See to the implementation by management of state-of-the-art standards for compliance with legal and regulatory requirements, monitor compliance, and respond appropriately to 'red flags.' (5) Set high standards of social responsibility for the company, including human rights, and monitor performance and compliance with those standards. (6) Oversee relations with government, community, and other constituents. (7) Determine the company's reasonable risk appetite (financial, safety, cyber, political, reputation, etc.), see to the implementation by management of state-of-the-art standards for managing risk, monitor the management of those risks within the parameters of the company's risk appetite, and oversee that necessary steps are taken to foster a culture of risk aware and risk-adjusted decision making throughout the organization. (8) Plan for and deal with crises, especially crises where the tenure of the CEO is in question, where there has been a major disaster or a risk management crisis, or where hard-earned reputation is threatened by a product failure or a sociopolitical issue. Many crises are handled less than optimally because management and the board have not been proactive in planning to deal with crises, and because the board cedes control to outside counsel and consultants" (NYSE 2014, pp. iii–iv).

After the Enron accounting scandal in 2001, which exposed the improperly functioning components of the US corporate governance system (Jackson 2010), Congress passed the Sarbanes-Oxley Act (SOX) in 2002 to improve financial disclosures from firms and to protect investors from fraudulent activity. Since its passage, SOX has increased disclosure but caused firms to undertake real earnings management through abnormal changes in cash (Jackson 2010). The NASDAQ and NYSE also altered listing requirements in response to SOX to avoid further legislation, for example, a new requirement that firms must have a majority of independent (defined by federal law) directors on boards and auditing committees. The 2008 financial crisis led to Congress passing the Dodd-Frank Wall Street Reform and Consumer Protection Act, which concerns disclosure requirements for various actors in the firm, such as Section 951 outlining new rules on executive compensation and Section 952 requiring increased financial disclosures of firms' consultants (SEC 2015).

Among public companies in Australia, the chief body is the Australia Stock Exchange Corporate Governance Council (ASXCGC) as all ASX-listed entities are required to benchmark their corporate governance practices to ASXCGC recommendations. When a firm's practices do not comply with the recommendations, the firm is required to disclose this fact and describe the reasons for noncompliance. ASXCGC has 29 specific recommendations which conform to the following eight principles: "(1) Lay solid foundations for management and oversight: A listed entity should establish and disclose the respective roles and responsibilities of its board and management and how their performance is monitored and evaluated. (2) Structure the board to add value: A listed entity should have a board of an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively. (3) Act ethically and responsibly: A listed entity should act ethically and responsibly. (4) Safeguard integrity in corporate reporting: A listed entity should have formal and rigorous processes that independently verify and safeguard the integrity of its corporate reporting. (5) Make timely and balanced disclosure: A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities. (6) Respect the rights of security holders: A listed entity should respect the rights of its security holders by providing them with appropriate information and facilities to allow them to exercise those rights effectively. (7) Recognize and manage risk: A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework. (8) Remunerate fairly and responsibly: A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders" (ASXCGC 2014, p. 3). Other sources of information for corporate governance in Australia include the Australian Institute of Company Directors, Governance Institute of Australia, Financial Services Council, and Australian Council of Superannuation Investors.

In Australia, the ownership structure of publicly listed firms typically includes a few substantial minority shareholders (mostly institutional investors such as life and pension funds and banks) and dispersed, small shareholders, a structure which emerged from the "family capitalism" era in the early twentieth century of director and management positions held by a close-knit business group (Fleming 2003). Australian firms tend to utilize "best practice" guidelines for corporate governance, and research indicates that Australian firms' board size is positively correlated to firm value and that the proportion of inside directors is related to firm performance (Kiel and Nicholson 2003).

The Israeli corporate governance system is characterized by high ownership concentration and family control of most listed companies. In 2011, three-quarters of all Israeli listed companies were controlled by family or individual interests (OECD 2011). Israel's corporate governance is influenced by the Companies Law (1999) and the Securities Law (1968). The Companies Law applies to all Israeli companies and some foreign companies, and adopts methods similar to US standards (OECD 2011). The scope of the Securities Law is also quite large as it defines Israel's Securities Authority (ISA), Tel Aviv Stock Exchange (TASE), and other regulations for publicly traded firms. The ISA has broad powers to suspend and revoke licenses of noncompliant firms. The following five core features define Israel's corporate governance structure: "[1] Ensuring a consistent regulatory framework that provides for the existence and effective enforcement of shareholder rights and the equitable treatment of shareholders, including minority and foreign shareholders; [2] Requiring timely and reliable disclosure of corporate information in accordance with internationally recognized standards of accounting, auditing and nonfinancial reporting; [3] Establishing effective separation of the government's role as an owner of state-owned companies and the government's role as regulator, particularly with regard to market regulation; [4] Ensuring a level playing field in markets where state-owned enterprises and private sector companies compete in order to avoid market distortions; and [5] Recognizing stakeholder rights as established by law or through mutual agreements, and the duties, rights and responsibilities of corporate boards of directors" (OECD 2011, p. 10).

Other regulations on Israel's corporate governance system result from membership requirements of the OECD and legislation codified by the Ministry of Finance, the Ministry of Justice, and the ISA. The ISA requires numerous ownership disclosures including any acquisition of more than 5% ownership, subsequent changes in principal shareholdings, and corporate governance and ownership policies, in line with OECD guidelines (ISA 2006). Among TASE-listed firms in the mid-1990s, the majority of firms were owned by individuals (almost equally split among family firms or partnerships of individuals), with only 15% professional (nonowner) CEOs (Lauterbach and Vaninsky 1999). The ownership structure has subsequently changed to include more institutional investors, and now many Israeli companies dual list on other exchanges such as London, New York, and Nasdaq, with some no longer listing on TASE (Lifkin 2013). As an illustration of Israeli firms' global presence on other exchanges, more than 250 Israeli firms have held IPOs on Nasdaq over the last three decades.

The three countries' corporate governance structures can be compared using the Doing Business protecting investors indices on disclosure, director liability, shareholder suits, and investor protection for the most recent four years as well as a historical comparison from 2006.[1] As shown in Table 10.1, Australia trails the United States and Israel in investor protection, ease of shareholders' suits, and director liability index.

Table 10.1 Doing Business indices on corporate governance

Year	Country name	Disclosure index	Director liability index	Shareholder suits index	Investor protection index
2006	US	7	9	9	8.3
2006	Australia	8	2	7	5.7
2006	Israel	7	9	9	8.3
2012	US	7	9	9	8.3
2012	Australia	8	2	7	5.7
2012	Israel	7	9	9	8.3
2013	US	7	9	9	8.3
2013	Australia	8	2	7	5.7
2013	Israel	7	9	9	8.3
2014	US	7	9	9	8.3
2014	Australia	8	2	7	5.7
2014	Israel	7	9	9	8.3
2015	US	7.4	8.6	9	6.5
2015	Australia	8	2	8	5.7
2015	Israel	7	9	9	7.3

Women's Roles in Political and Economic Life

More than half of the world's countries have political quotas (Dahlerup 2017). While there are no political quotas in the United States, there are quotas in Australia and Israel. Australia has political party quotas for the lower house (40%) but none for the upper house or at subnational level. Israel has political party quotas for the lower house (10–40%) but none for the upper house or at subnational level. In 1994, Australia's Labor Party (ALP) introduced a 35% quota for party positions, union delegations, and preselection for public office and positions at a state and federal level, and upped this to 40% in 2002, and also established that no less than 40% of each sex can be represented on party electoral lists (Dahlerup 2017). Israel's five parties each have quotas for women.[2] In terms of parliamentary seats held by women in 2016, 19%, 29%, and 27% of seats are held by women in the United States, Australia, and Israel, respectively (World Bank 2017a).

In the United States, in 1920, the ratification of the Constitution's 19th amendment provided suffrage for women. Women in Israel were granted voting rights when the State of Israel was created in 1948. In

Australia, non-Indigenous women gained voting rights during the period 1895–1908, depending on the province of residence; however, Indigenous women only gained the right to vote in federal elections in 1962.

In terms of economic life from 1990 to 2014, Australia and Israel have seen an overall increase in labor market participation by women over the age of 15, while the United States has remained stagnant. In the United States, 56% of adult women participated in the workforce in both 1990 and in 2014; with the lack of growth potentially attributable to rather high rates back in 1990 as well as more women undertaking higher levels of education in the subsequent years. Australia's share of women in the workforce has risen from 52% in 1990 to 59% in 2014. Israel's female participation in the labor force has seen the largest growth, up from 41% in 1990 to 58% in 2014 (World Bank 2017b). Table 10.2 depicts several political and economic measures between the three countries. Notably, the United States has never elected a female head of state, indicating the difficulty for women in reaching the upper echelons of US politics. Australia, too, follows this trend, with only one female head of state: Julia Gillard served as Prime Minister from June 2010 to June 2013.

Table 10.2 Women's role in political and economic life (2015)

	United States	Australia	Israel
Political system			
Women in parliament (%)	24	36	32
Women in ministerial positions (%)	35	21	22
Years with female head of state (%)		0.06	12
Years of female suffrage	97	122–155[a]	69
Economic system			
Male: Female labor force participation	77:67	83:71	76:67
Male: Female estimated earned income (PPP US$)	40,000:40,000	40,000:33,748	40,000:24,098
Male: Female professional and technical workers	43:57	46:54	44:56
Male: Female legislators, senior officials, and managers	57:43	64:36	67:33

Source: World Economic Forum 2015

[a]Suffrage year differs across provinces and ethnicities

Israel's Golda Meir served as Prime Minister from March 1969 to June 1974.

Women's Representation on Corporate Boards

Israel was the first country, in 1999, to institute a quota for publicly traded companies to have at least one female director (ISA 1999). The Israeli Companies Law Part VI, Chapter 1, Article E(d) stated that if a board comprises only directors from one gender, then any new appointment must include a member of the other gender. A 2007 government resolution states that state-owned firms must have equal (50%) representation of both genders within two years. The Israeli law followed up a 1993 edict to "give appropriate expression of both sexes" for state-owned enterprises—an early comply-or-explain code. The United States and Australia established comply-or-explain codes in 2010 and 2014 respectively. Australia instituted a target of 50% women on government boards in 2016 (Australian Government 2016).

In Israel and the United States, like in many other countries, women are still underrepresented on boards. The share of women on boards in Israel and the United States is nearly equal: 16.9% and 16.6% (Catalyst 2014). In the United States, women account for only 4.6% of CEOs in the Fortune 500 (Fairchild 2014) and 4% in the S&P 500 (Catalyst 2015), and only 3.1% of board chairs (Catalyst 2014). These numbers have not significantly changed over the last decade. Furthermore, women have historically been underrepresented on board committees (Bilimoria and Piderit 1994; Ernst and Young 2012). In Australia, after the ASX introduced recommendations in 2009, female representation on boards of the largest 200 ASX-listed firms increased from 8.7% (right before the announcement) to 20.1% in 2015 (Gould 2016). In six years, female board representation on the largest ASX-listed firms increased by nearly 57%. In 2016, the government issued a target of 50% for women on boards of Australia's vast government structure, which should improve present rates which vary from 28.3% in the employment portfolio to 55.6% in immigration and border protection (Australian Government 2016).

In Israel, women account for fewer than 3% of chairpersons and 20% of the directorates of the top 100 companies (Deshe 2013), and about 6% of TASE-traded firms (Elis 2015). The percentage of companies with at least one woman on the board is 89%, while the percentage of women serving on the boards of more than one company rose from 11% in 2012 to 16% in 2013 (Catalyst 2013). Interestingly, although the media, public, and political interest in gender inequality in Israel has increased in recent years, relevant academic research, particularly in the area of gender and corporate leadership, is scarce.[3] A multicountry study of women on boards in 2010 found that firms with more female directors have higher firm performance as measured by Tobin's Q and return on assets (Terjesen et al. 2016).[4]

National Public Policy Regarding Women on Boards

The United States, Australia, and Israel have three very distinct approaches to gender diversity in corporations. The United States has only one "comply or explain" mechanism, which was adapted in September 2010 by the Securities and Exchange Commission (SEC). This requires firms to disclose "whether diversity is a consideration when directors are named; if so, how the diversity policy is implemented and how effectiveness is evaluated."

Australia has a similar "comply or explain" policy with considerably more requirements. The policy from 2014 reads as follows: "A listed entity should: (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary of it; and (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either: (1) the respective proportions of men and women on the board, in senior executive positions and across the whole organization (including how the entity has defined "senior executive" for these purposes); or (2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators," as defined in and published under that Act.16" (ASXCGC 2014).

The ASXCGC also recommends the following steps for listed entities to comply with diversity: "In addition to addressing the matters referred to in recommendation 1.5, a listed entity's diversity policy could: (1) Articulate the corporate benefits of diversity in a competitive labor market and the importance of being able to attract, retain and motivate employees from the widest possible pool of available talent. (2) Express the organization's commitment to diversity at all levels. (3) Recognize that diversity not only includes gender diversity but also includes matters of age, disability, ethnicity, marital or family status, religious or cultural background, sexual orientation and gender identity. (4) Emphasize that in order to have a properly functioning diverse workplace, discrimination, harassment, vilification and victimization cannot and will not be tolerated. (5) Ensure that recruitment and selection practices at all levels (from the board downwards) are appropriately structured so that a diverse range of candidates is considered and that there are no conscious or unconscious biases that might discriminate against certain candidates. (6) Identify and implement programs that will assist in the development of a broader and more diverse pool of skilled and experienced employees and that, over time, will prepare them for senior management and board positions. (7) Recognize that employees (female and male) at all levels may have domestic responsibilities and adopt flexible work practices that will assist them to meet those responsibilities. (8) Introduce key performance indicators for senior executives to measure the achievement of diversity objectives and link part of their remuneration (either directly or as part of a "balanced scorecard" approach) to the achievement of those objectives" (ASXGCG 2014).

Israel was the first country to legislate gender quotas for state-owned enterprises, in 1993, setting a 30% goal but no deadline. The law was accompanied by an increase in female representation on state-owned company boards from 7.4% in 1993 to 37.8% in 2000 (Pande and

Ford 2011). Izraeli (2003, p. 111) describes how the gender quota was developed:

> The law was in the case of affirmative action for women directors of state-owned company boards in Israel, the orchestration and strategy were supplied by the emergent professional class of women, particularly feminist lawyers and members of women's organizations (Herzog 1999; Raday 1995). Employed in government service, as well as in civil rights and women's organizations, feminist lawyers were in positions where they could exert influence on the policymaking process. The growth of new feminist organizations, such as the Israel Women's Network, and the greater feminist consciousness of large established women's organizations, such as NAAMAT (the women's Labor movement, the oldest and largest women organization in Israel), combined with the emergence of a new professional class of women, increased the political and social capital of some women and enabled them to promote their interests as a group and as individuals. These women were influenced by the ideas of American feminism and supported by international bodies like the United Nations through the Decade on Women and the treaty on the elimination of gender discrimination. Affirmative action for women directors was part of their agenda.

Enabling and Hindering Forces

As the United States is the context for many published studies of women on boards, the reviews of factors that enable and hinder women's presence on boards are certainly relevant—e.g., theories of human capital, status characteristics, gender self-schema, social identity, social networks and social cohesion, gendered trust, ingratiation, leadership, resource dependency, institutional culture, agency, and critical management (see e.g., Terjesen et al. 2009). One important parallel trend in the United States is that although only 4% of US S&P 500 firms are led by women (Catalyst 2015), these are very large firms. While the roster changes frequently, it currently includes: Mary Barra, CEO of GM; Sheryl Sandberg, COO of Facebook, and Meg Whitman, CEO of HP. By comparison, women CEOs occupy 6% of Israel's TASE-traded firms and 15.4% of

Australian firms (Elis 2015). In the United States, a recent study concludes that structural gender equality at the top US corporations could only be achieved through a quota (Kogut et al. 2014). A recent *Fortune* article (Paquette 2015) entitled "Why American Women Hate Board Quotas" identified an overall skepticism with whether quotas are effective and also that a "fear of tokenism" in that women who would obtain these directorships would be seen as tokens promoted for their gender rather than for their ability.

Australia is a rather unique setting as the comply-or-explain guidelines are playing out. Australia is witnessing a real debate around the moral theories, for example, of justice versus utility (Terjesen and Sealy 2016). As noted by Gould (2016), the Australia Institute of Corporate Directors (AICD) has called for a 30% target for female board representation, and there are other organizations such as Male Champions of Change and the Plus One Pledge (the latter led by ANZ, one of Australia's largest banks) which are pushing for greater gender diversity on boards. At the time of writing, Australia had been recognized for an early fast pace to change (GovernanceMetrics International 2012), but is not on track to achieve the desired 30% of women on boards, and will likely face a real quota (e.g., Khadem 2016). In Australia, there is now a push by many to pursue quotas if the targets are not successful. For example, former Sex Discrimination Commissioner Elizabeth Broderick shared,

> If, in a couple of years, targets haven't delivered the progress with the numbers of women on boards and the numbers of women at key decision making levels, we need to have a really strong conversation about what a quota will do... Fewer Big Australian companies are run by women than by men named Peter... Indeed, companies run by a Peter, a Michael, a David or an Andrew outnumber those run by women four to one. (News Corp Australia 2015, p. 1)

In Israel, regardless of the media, public, and political interest in gender inequality in recent years, relevant local academic research in the area of gender and corporate leadership is scarce. Indeed, to the best of our knowledge, since the seminal works of Izraeli in the early 2000s, there are very few serious follow-ups of academic research on women's participation in corporate leadership in Israel. Izraeli documents the political issues related to women on boards, criticizing the 1993 amendment to the Government Companies' Act (1975) in a number of papers (see Talmod and Izraeli 1999; Izraeli 2000, 2003). The 1993 amendment, which requires the inclusion of women directors of state-owned companies, was said to have brought about the reconstruction of a men's club culture in which professional women were considered "social males" who were pushed to mimic behavioral styles of their male counterparts. Furthermore, Izraeli (2000, 2003) contends that the 1993 amendment only served a minority of professional women, likely to be Jewish, educated, and of European origin. Talmud and Izraeli (1999) and Izraeli (2003) argue that the 1993 amendment also resulted in marginalizing gender-related issues from the agenda of boards. Thus, while Izraeli laid the foundations for research on WoBs in the Israeli context, her research concerns mainly the political aspects of this issue. Izraeli's untimely death in 2003 left a void in this scholarship. More recently, the Israel Women's Network (Wilamovski and Tamir 2012, p. 55) documents that the percent of women directors of state-owned companies rose 36.4% from 1993 to 2010, but that "the rate of women serving on publicly-owned companies is lower than that of women on state-owned corporations, which is in direct violation of the law."

Presentation of Female Role Models

This section presents illustrative examples from leading women in each of the three countries.

Named as *Forbes* fifth most powerful woman, the United States' Sheryl Sandberg is the COO of Facebook and is the first woman named to the company's board of directors. Before joining Facebook, Sandberg worked as the Vice President of Global Online Sales and Operations at Google and served as Chief of Staff for the United States Treasury Department under the Clinton administration. In conjunction with her Facebook appointment, Sandberg serves on the board of The Walt Disney Company, Women for Women International, and the Center for Global Development and V-Day. Sandberg is a strong proponent of increasing female representation in top leadership positions. She authored a *New York Times* bestselling book titled *Lean In: Women, Work, and the Will to Lead*, and led a TED talk where she addressed the lack women leaders in the world. In an interview with the National Public Radio (NPR) Sandberg poignantly cites:

> We've ceased making progress at the top in any industry anywhere in the world. . . In the United States, women have had 14% of the top corporate jobs and 17% of the board seats for 10 years. Ten years of no progress. In those same 10 years, women are getting more and more of the graduate degrees, more and more of the undergraduate degrees, and it's translating into more women in entry-level jobs, even more women in lower-level management. But there's absolutely been no progress at the top. You can't explain away 10 years. Ten years of no progress is no progress. (NPR 2013)

Australian Financial Review and Westpac named Ann Sherry to the top women of influence in 2015. Sherry has served as CEO of Carnival Australia since 2007 and serves on seven boards: Sydney Airport Ltd, Infrastructure Victoria, Australian Rugby (ARU), ING Direct Australia, Australian Indigenous Education Foundation, Jawun Indigenous Corporate Partnerships, and Palladium. She previously served as the CEO for the Bank of Melbourne and for the Westpac Banking Corporation. In addition to her executive experience, Sherry served as First Assistant Secretary of the Office of the Status of Women, where she advised the Prime Minister on policies regarding women, and was Australia's representative to the United Nations forum on human and women's rights. Responding to her award, Sherry advocated that:

> We change the world one person, one organization, one company at a time, and it is vital that we support each other to achieve an Australia that values contribution regardless of gender. I would like to see a focus on Constitutional recognition of Indigenous Australians, reducing violence against women and challenging corporate cultures that do not recognize the value of women at every level. (Westpac 2015)

Named as one of the top female executives in the world, Israel-born Ofra Strauss has served as Chief Executive Officer of Strauss Group Ltd since 1996. Additional appointments include chairperson of the Strauss Elite Group, the US–Israel Chamber of Commerce, Babayit Beyachad, Ametz Lochem, and Donations Apparatus. Strauss reflected on her time as a prominent business woman recollecting:

> My grandmother started the [Strauss] business, she was part of a professional women's group. They used to meet in the living room of [their] homes and talk about the challenges of being professional women. This is still an issue today. (Mooney 2014)

In addition to her work as CEO, Strauss heads Jasmine, a non-profit concerned with the advancement of women-owned firms. She remarked that:

> I head Jasmine, [a group which seeks to address] the different needs that female-owned businesses in Israel have. The unique thing about Jasmine is that it is for both Arab and Jewish women who own businesses. My career has been about big businesses. But through Jasmine I got new glasses to look at the world and saw what small and medium-sized businesses mean for the economy. I believe small and medium-sized businesses are critical for innovation, for growth. Sometimes people from the outside world—young people—look at the business world and think it sounds like somewhere for people who have specific talents, like financial skills. But in the business world, there is a place for every type of talent. It is a great place to influence the world, to grow and be yourself. (Mooney 2014)

Conclusion

While certainly policymakers, practitioners, and scholars in the United States, Australia, and Israel are well aware of the debates and activities to promote women on boards in Europe, there is no pressure to adapt such practices. That is, the quite extensive developments in promoting women to corporate boards in Europe over the last decade concerning women on boards have not been replicated in the more distant geographies of the United States, Australia, and Israel. This chapter outlined some political and economic institutions, which explain these quite different trajectories of comply-or-explain codes and other regulations. There are additional explanations, which could be considered. For example, in the UK, scholars undertook considerable efforts to document women on boards and work collaboratively with policymakers as well as C-suite executives (Sealy et al. 2017)—certainly these concerted efforts are not duplicated in the United States, Australia, and Israel. Moreover, it is important to realize that while the United States, Australia, and Israel's current corporate governance guidelines suggest certain national templates, firms in these countries often deviate from such structure (Aguilera et al. 2017), for example, by appointing a high share of female directors. As a final point, it is important to note that diversity can entail other types of diversity such as ethnicity and nationality (Adams et al. 2015) which should be explored in these countries. Ethnic minorities are gaining board seats in the United States with 4.6% minority women and 12.9% minority men on boards of Fortune 500 firms (Deloitte 2016), but that more progress remains. Wilmovsky and Tamir (2012) that Arab women only hold 6.9% of all state-owned corporations, while non-Arab women's shares reach almost 40%. We could find no information on the status of Indigenous women in Australian firms, perhaps because there is no data to report.

Notes

1. The disclosure index runs from 0 (least disclosure) to 10 (most disclosure) and considers "review and approval requirements for related-party transactions" and "internal, immediate, and periodic disclosure for related-party transactions." The director liability index runs from 0 (least liable) to 10 (most liable) in terms of "minority shareholders' ability to sue and hold interested directors liable for prejudicial related-party transactions" and "available legal remedies." The shareholder suit index ranges from 0 (least accessible) to 10 (most accessible) and considers "access to internal documents, evidence obtainable during trial" and "allocation of legal expenses." Finally, the investor protection index ranges from 0 (least protected) to 10 (most protected) and is a "simple average of the extent

of conflict of interest regulation and extent of shareholder governance indices."

2. Israel's voluntary political party quotas are as follows: "Israel Labor Party: at least 20% of the party list must be filled with women, two out of each ten names. The (minimal) reserved places on the party's candidate list are: 5, 9, 14, 19, 24, 29 (and also 34, 36, 39, 42, 45); Mertz-Yachad: at least 40% of each sex must be represented on the party list, two out of each five names (besides the first on the list, which is the party's chairman or chairwoman). The (minimal) reserved places for the underrepresented sex on the party's candidates list are: 4, 6, 9, 11; Likud: the (minimal) reserved places for women on the party's list of candidates are: 10, 20, 24, 29, and 34; The Jewish Home: the (minimal) reserved places for women on the party's candidate list are: 4, 8; and National Democratic Assembly: at least 33% of the party list must be filled with women candidates, 1 out of each 3 names" (Dahlerup 2017).
3. For an example of recent media coverage of gender inequality in Israel including political and societal aspects, see Sami Peretz, Chief Editor of *The Marker*, "Executive Summary," *The Marker*, October 25, 2013, 6. (http://www.themarker.com/markerweek/1.2148902). Another exception is Gentry's and Knippen (2013) research suggesting that media coverage of female CEO successions in the United States is different from male CEO successions.
4. The study included only large listed firms, included 294 firms in Australia with an average 6.84 directors and 0.65 female directors; Israel's three firms had 10.67 directors and 1.33 female directors, and the United States' 1,001 firms had 10.06 directors and 1.40 female directors.

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