

Chapter 25

Gender Diversity in Board of Directors: A Content Analysis From Turkey – Women’s Presence Level in Turkey’s Boards

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ABSTRACT

Gender diversity in corporate governance is a popular topic in management environment studies. One of the most significant components of this concept is women in boards. Due to the inequalities of women in boards there are a number of academic studies on women in top management. This chapter explains gender diversification problem in boards. Furthermore, reasons for workforce diversity in decision-making levels are determined. The role and critical mass of women members in different cultures are discussed. Finally, it introduces the representation levels of women in the boards of BIST 100 companies in Turkey. Data is obtained from annual reports, websites, and related documents of companies.

INTRODUCTION

Major scandals (Enron, WorldCom, Imclone, and Adelphia) have a role in the development of corporate governance mentality around the world. In general, the concept of corporate governance can be defined as a regular management approach that involves all stakeholders benefits. One of the most important purpose of corporate governance is to minimise company corruptions which are related with unfair practices. Corporate governance deals with employment policies, boardroom structures, stakeholders rights (Burke, 2003). Transparency, trust, equality, protection of legal rights and personal liabilities are

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also some domains of corporate governance model. From this point of view customers', employees' and stakeholders' satisfaction is very important for corporate governance philosophy. However, corporate governance related applications in companies have become popular around the women employment in senior positions has not reached the desired levels worldwide. In other words, unfair employment issues like lack of women in boards is significant matter that corporate governance management mentality ever conflict. In recent years, the concept of women employment in board of directors as a member has received growing interest in the academia. Boards are substantial decision making areas in companies. Board's main tasks are discussed as controlling company operations, leading internal and external environmental relations and managing corporational operations. Board members are responsible managers who need to achieve organisational aims with their decisions. Therefore, structure of the board has a vital influence over the company's operational, financial and reputational performance. It is agreeable that a well-structured board includes one main aim: Minimising gender, race, age, religious and political discrimination. When the board member's characteristics are analysed, it is seen that most of them are white men over 50 years old. In other words, men dominated the companies' boards worldwide. Uniformity and similarities of board members in all characteristics can influence the board's structure and its functionality. Corporate governance model advises companies to decrease differentness discrimination. The development of corporate governance approach around the world is focused more diverse and balanced workforce in organizations. Everyday thousands of women are participating in the workforce however only little percentage of them have seats on senior positions. Gender discrimination in boards damages boards' structure. If women have the same opportunities with men in boards gender discrimination issue will disappear. Fair-minded companies are generally managed with conscientious decision makers. Equality and diversity mentality of boards will spread over the company with butterfly effect and some of the corporate governance practices will be provided easily. In well-structured boards it is expected to minimise performance defaults and influence shareholder's perspective to have a different and strategic view by having more woman in boards (Burke, 2003).

This chapter aims to demonstrate women employment on boards in Turkey. Besides, authors have touched women issue in boards around the world. Consequently, results are expounded with the perspective of corporate governance approach.

BENEFITS OF WOMEN REPRESENTATION ON BOARDS

Women employment on boards gains importance day by day with the related academic theories. Resource dependency theory clarifies that woman board members will play a boundary spanning role at boards. According to human capital theory, woman board member's job experience and skills bring a different perspective to the company. Agency theory also maintains that boards are better controlled with the development of boards' diversity. Social psychological theory approaches diversity in boards with 2 main perspective: to minimise groupthink failures, impress shareholders (Carter, D'Souza, Simkins, & Simpson, 2010). Reference to literature review, positive impacts of women employment as a boards member determines why boards are required to have women inside. Besides, employment policies started to expand women in boards to prevent corruptions and confusions. Although there are many advisory studies about women on boards, there are some non-visible mechanisms which prevent women career trends in "Chief" and "Senior" levels at working life. This syndrome is called glass ceiling in scientific literature. Being a "woman" can cause this ceiling as a glass. The concept of glass ceiling finds women

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