

THE 40% CLUB: COMPANY PERFORMANCE QUALITY AND GENDER EQUALITY

Brikena Berisha⁵⁶⁷

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Abstract: *With the new laws across Europe being made, mandatory quotas appointing the number of women participating, are being introduced. As a result, more women are and more women are being expected to participate on boards of directors, contributing this way to gender equality in the labour market.*

This year is the tenth anniversary since Norway approved the law on the mandatory participation of women on boards of directors, to be as high as 40%. A considerable number of other countries followed with the same action, with some of them, also approving financial penalties for companies not respecting the quota. In 2013, the European Union also approved the law that 5000 selected private European companies should have 40% representation of each gender from 2020, while state-owned companies should start the same from 2018. The Parliament of Kosovo, in March 2018 approved the law for women participation on board of directors, obliging commercial companies to have a board of directors made of 40% women at least. After two years, this will be followed by the 50% percentage and sanctions for those that obey. The scenario was the one foreseen, and besides, in the absence of sound debate or qualitative concerns.

Overall, the quota main aim certainly has been to increase women participation as board's members. And for these 10 years, throughout Europe, the number of women on boards actually has doubled. In Kosovo, as predicted, the scenario was followed by the absence of qualitative concerns and debate. But what about Europe, are there controversy over this action? Yes, there is much controversy over the relationship between setting quota and quality growth.

Going on an in-depth analysis, what is the effect of introducing quota on business performance? Based on literature review, this article analyses the effect of quotas on private companies in a cross-country context. Reviewing different practices, the study finds that changes on decision making and financial performance have been made during this period, but could not be attributed directly to the quota effect and are not directly related to the board composition.

Brikena Berisha is an economist, experienced in research and lecturing. She pursued her bachelor studies in Marketing (2012) and her master studies in Economics (2015), at University of Prishtina and Università degli Studi di Milano. In 2016, she obtained a certificate in executive education from Duke Center for International Development, in Sanford School of Public Policy. Currently, Berisha works as a teaching assistant in Faculty of Economy at AAB College, in the Department of Marketing. She has been a visiting professor in SMK College in Lithuania as a part of Erasmus+ Staff Mobility Programme, and has been awarded with scholarships from USAID Transformational Leadership Program – Scholarships and Partnerships (TLP-SP) in 2016 and European Commission Scholarship Programme, Erasmus Mundus Action 2 SIGMA scholarship in 2014. Berisha is also a columnist, writing mostly about economical and social issues.



⁵⁶⁷ Faculty of Economy, AAB College, Prishtinë

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