**Sex Composition of Corporate Boards and Corporate Philanthropy**

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**Introduction**

A central feature of the British elite is its masculine character. Across a range of different elite domains a small minority of positions is held by women. For example, only 22% (146/650) of MPs, 11% (1/9) of Law Lords and 1% of FTSE 100 chairs are women. Despite formal equality and significant historical and contemporary examples of women reaching the summit of power, Britain still has far to go before its elite composition approximates sex parity. The discovery of sex inequalities in recruitment (Zweigenhaft and Domhoff 1999, Norris and Lovenduski 1995), however, leaves untouched the question whether altering the balance of women and men would make any difference to elite behaviour.

Few doubt individuals compete to occupy elite positions, elites exercise power and coveted advantages flow to elites but it is unclear how much discretion they have. However contrarian it appears to question elite discretion, scepticism has deep theoretical roots. Michels (1962) argued long ago that large bureaucracies compel elites from varied ideological backgrounds to act similarly. Political and economic competition punishes discretionary behaviour inconsistent with market logic or the wishes of the median voter. Elites’ social characteristics are secondary to the impersonal forces of social structures and institutions- feminising elite personnel should have no impact on the organisations they head.

While theoretically defensible the idea that elites lack discretion offends common sense – who thinks, for example, the Conservatives would have taken the same course of action post ’79 if Willie Whitehall rather than Margaret Thatcher had been their leader- and elite discretion is foundational in much scholarship ranging from the idea that Britain’s relative industrial decline can be explained by the domination of British business by a managerial cadre disdainful of technocratic achievement (Wiener 1981) to the idea that the separation of ownership and control in capitalist societies permits managers to pursue social aims broader than mere profit making (Kaysen 1957). More recently, a stream of research has highlighted the importance of elites’ individual characteristics for the types of decisions they make. Examples include Bertrand and Schoar’s (2003) finding that managers’ characteristics were associated with different types of corporate actions in the United States, Chattopadhyay and Duflo’s (2005) finding that women councillors in India made different policy decisions from men and Bond’s (2007) finding that the propensity to make corporate political donations was associated with directors’ educational backgrounds in the United Kingdom. If who leads organisations matters, the implication follows that feminising elites will have an impact going beyond achieving fairer social representation.

In this paper we test for the effects of elites’ social characteristics by focusing on the relationship between the boardroom sex composition of large British corporations’ and their philanthropic contributions. Corporate philanthropy is a suitable empirical focus to investigate elite discretion for two reasons. First, the magnitude of corporate philanthropy is small relative to the resources controlled by large corporations and is not subject to the same legal and market pressures as are other corporate policies. Decisions about the level of corporate philanthropy are not so constrained as ones about pricing, investment or levels of dividend. Directors’ scope for discretion should render sex differences that exist readily observable. Second, as will be discussed later, well established differences in charitable behaviour by sex should be reflected in levels of corporate philanthropy if directors exercise discretion.

Corporate philanthropy is not only a suitable empirical site for the investigation of elite discretion, sex differences in corporate giving have important consequences for more normative issues centred on the costs and benefits of greater board sex balance. Advocates for greater gender representation at board level and greater corporate philanthropy will both have an interest in the findings of this paper. Perhaps feminising boards could kill the two birds of increased gender balance and a more socially oriented corporate community with a single stone? A first step in answering that question is to explore the link between the two as it presently exists. As will become evident the findings do not offer a straightforward answer.

**Sex differences in charitable behaviour**

Relationships between social identity and elite activity will be most fruitfully sought in domains where established associations exist between social characteristics and behaviour in the wider population. There is, fortunately, much empirical and theoretical evidence establishing sex differences in pro-social orientations in general and charitable giving in particular.

Psychological research has identified different gender roles typically associated with the two sexes. Females are more typically socialised into gender roles which place emphasis on communal goals while males are more typically socialised into gender roles which place emphasis on agentic goals (Bakan 1966, Eagly 2009). Communal goals are directed toward personal relationships and the benefits of others while agentic goals are oriented toward assertion and dominance of the self. On the face of things a communal rather than an agentic orientation would appear more likely to be associated with higher levels of charitable activity; however, the link between gender roles and pro social behaviour is not straightforward. Pro social behaviours that accrue status (heroic acts of bravery) or that require assertiveness (giving unsolicited help to strangers) have strong agentic dimensions while caring for family members or mentoring co-workers have a strong communal element (Eagly 2009). In a different sociological context Becker and Lutter (2013) found that men are more likely to play the lottery alone in pursuit of agentic goals while women are more likely to play together in pursuit of communal goals. In the context of elite giving, Ostrower (1997) found that charitable giving by the wealthy had agentic dimensions around the assertion of status. Charity has both agentic and communal dimensions so it is difficult to make straightforward predictions based entirely on gender roles but social psychological arguments establish a theoretical expectation that some sort of sex differences should be observable in pro social behaviour in general and charity in particular.

While theory gives mixed results, empirical evidence points to modest but statistically significant and robust gender differences in the size of charitable donations made by men and women. In the UK, the NCVO/CAF UK Giving 2011 Report found that annually 61% of UK women gave to charity compared to 56% of men and the median amount women gave (£13) was greater than men (£10). Piper and Schnepf (2008) find that women on average give more than men but the difference disappears at the higher levels of giving. Looking at three decades of charitable giving in the UK, Cowley et al (2011) found a consistent positive relationship between the presence of an adult woman in a household and the likelihood of its making a donation. Similar relationships have also been observed in countries other than the United Kingdom. For example, in the United States Mesch et al (2006) found that after controlling for demographic variables single women were more likely to donate than single men and Mesch et al (2011) found that Baby Boomer and older women gave significantly larger amounts to charity than their male counterparts.

Turning to evidence closer to the focus of this paper, international research has found that corporate boards with more women, on average, make greater philanthropic contributions. In Nigeria Oba and Fodio (2011) found increased gender diversity was associated with greater levels of philanthropy amongst listed firms. In the United States Wang and Coffey (1992), Williams (2003) and Marquis and Lee (2012) found having more women on the board is associated with greater levels of corporate philanthropy. The effects are significant and robust to the inclusion of controls for alternative explanations.

The findings reviewed above underpin the expectation sex differences at board level will be associated with observable differences in corporate philanthropic behaviour. Note, it is unclear in those papers what mechanism links sex composition and corporate philanthropy. One possibility is that board members actively discuss the amounts their corporation should contribute to charity. In this case sex differences in pro social behaviour would be reflected in levels of corporate philanthropy. Alternatively, there could be no discussion of corporate philanthropy and the link could reflect external forces simultaneously affecting sex composition and corporate philanthropy. In this paper we continue to treat the decision process as a black box that could be driven by deliberation or any other number of other factors; however, while not shining light on board workings it highlights the range of forces, sex composition in particular, have on them.

This study builds on previous research in three ways. First, it extends the field of research examining the relationship between sex and corporate philanthropy to the United Kingdom thereby enlarging its international scope. Second, it includes a different range of controls from previous research. Particularly, it includes sociological alongside economic variables. Third, anticipating the findings, the study lends more equivocal support than other studies to the claim that a feminine presence on boards of directors is associated with greater corporate philanthropy.

**Hypotheses**

In this section we outline the study and control hypotheses.

Based on differences in pro-social orientations associated with gender roles and the empirical evidence on individual and corporate charity the study hypothesis is:

**H1: Corporation’s philanthropic contribution will be positively associated with the number of women on the board.**

The hypothesis treats all positions as equal and ignores boards’ hierarchical nature and differential levels of discretion held by different board members. If, for example, women occupy token positions in non-executive roles they might act as mere window dressing with their opinions and advice carrying little weight when determining levels of corporate philanthropy. The importance of controlling for board position is also empirically supported by Bond (2004) who found associations between board interlocks and corporate political donations were stronger for interlocks made by executive directors than non-executive directors.

To remedy this omission we assume the board is a hierarchy comprising three levels defined by the amount of authority and independence of its members. The first level is occupied by the chief executive and chair. The chief executive has the largest amount of authority over the allocation of corporate funds and the day to day running of the organisation. Chairs’ place atop the hierarchy is secured by their authority over board process as well as the independence bestowed on them as representatives of shareholders’ interests and the access many have to alternative sources of remuneration and prestige. At the second level are non-executive directors. While some are large shareholders wielding greater power than the chair or chief executive, most are outsiders included on the basis of their achievements and expertise in, for example, business, politics, academe, science or law. Their authority is limited but outsider status grants them a measure of independence. Finally, other executives lack the authority of the CEO and do not have the independence of chairs and non-executives because of their insider status. We expect that to the extent there are feminine influences on corporate philanthropy they will be most manifest in corporations with female chief executives or chairs, less manifest in boards with female non-executives and least manifest in boards with female executives who are not chief executives. This leads to an amendment to the first hypothesis:

**H1a: A positive association between a feminine presence at board level and levels of corporate philanthropy exists. The association is strongest if the chief executive is a woman, weaker in the number of non-executive women on the board and weakest in the number of women executives other than the chief executive.**

**Control Hypotheses**

Hypothesis 1a is based on a bivariate relationship. The study is observational so there is the risk that an association between the two variables could be spurious or a true association could be suppressed by the existence of third variables associated with gender composition and levels of corporate philanthropy. While impossible to eliminate all competing explanations, many can be controlled for. In this section we outline a number of control hypotheses tested in the paper alongside the main study hypothesis. We include variables operationalizing three control themes: resources, reputation and cosmopolitanism. The first two themes are related to the organisational characteristics of the firm and are more economic while the last is related to its social position and are more sociological.

*Resources*

As other studies of corporate philanthropy have demonstrated, corporations with greater resources tend to make larger donations than smaller ones (Brammer and Millington 2005). Most obviously, the amount of resources available for philanthropy will be a function of firm size. Take two firms with the same underlying philanthropic impulse, one a global pharmaceutical producer and another a relatively small construction firm limited to the domestic market. The pharmaceutical producer will make the larger contribution through cash, product donations and discounts simply because it has more resources. Similarly, more profitable firms should have greater discretionary resources while firms who are cutting dividends should have less.

Drawing on arguments that corporate philanthropy will reflect director agency that were first advanced by Navarro (1988), and empirically supported in the UK by Brammer and Millington (2005), directors also may choose to use discretionary resources for personal rather than public ends so their remuneration should be inversely related to corporate donations. Finally, if the board is constrained by large shareholding interests they may not have the discretion to engage in much philanthropic activity. The discussion leads to three hypotheses:

**H2: Corporate resources will be positively associated with corporate philanthropy.**

**H3: Directors’ remuneration will be negatively associated with corporate philanthropy.**

**H4: The concentration ofshare ownership will be negatively associated with corporate philanthropy**

Resource issues could render associations between board sex diversity and levels of corporate philanthropy spurious or suppress them for many possible reasons. For example, the lack of many women in the corporate world might give them a scarcity value that only resourceful firms could afford thus creating an association between gender diversity and corporate philanthropy that vanishes when resources are held constant. Alternatively, boards desirous of a reputation for social responsibility while still ensuring they are well remunerated might find gender diversity a cheaper route than other forms of corporate responsibility thereby suppressing a potentially positive relationship between feminised boards and corporate philanthropy.

*Reputation*

Another reason firms might engage in corporate philanthropy is if they have a concern for their reputation. Philanthropy may act as a form of advertisement if firms that sell to a mass market feel they are more sympathetically perceived if they make donations. According to this logic firms in visible industries that sell to mass markets like retail or those that spend lots on advertising should be attracted to corporate philanthropy while firms in industries who transact primarily with other firms or in narrowly technical markets should not[[1]](#footnote-1).

As well as attempting to impress customers firms might feel they can attract and keep workers who wish to work for firms with reputations for social generosity and meritorious diversity. By making themselves more attractive than others corporate philanthropy could reduce labour costs. Firms with large labour costs should then find it worthwhile to engage in corporate philanthropy.

The discussion leads to the next hypothesis:

**H4: Firms’ concern for their reputation either with customers or employees will be positively associated with higher levels of corporate philanthropy.**

A spurious relationship between sex diversity and philanthropy could be created if firms used the presence of women board members to build up their reputation alongside philanthropic contributions. Controlling for reputation effects would then eliminate any relationship between diversity and philanthropy.

*Cosmopolitanism*

Corporations can be differentiated to the extent they are integrated into networks linking them to the corporate community and the broader society. Useem (1984) has argued that firms and directors with greater numbers and breadth of social ties adopt a cosmopolitan (Merton 1968) worldview whereby they come to understand the longer term interests of business and act on them. Galaskiewicz (1979) found high levels of corporate charity in the Twin Cities, Minnesota was a function of corporate leaders’ social interaction. Useem, operationalizing social engagement as number of ties a firm had to other firms or the number of directorships held by a director, found it was associated with increased political and charitable activity. Larger boards should also tend to be cosmopolitan drawing, at least by chance, directors from more diverse backgrounds. The presence of directors who have attained levels of prestige recognised beyond the corporate community is another measure of social integration that could be associated with a cosmopolitan orientation.

Our next hypothesis is:

**H5: Links to the broader corporate community and larger society will be positively associated with of corporate philanthropy.**

As well as cosmopolitanism leading corporations to be more philanthropic it too could be associated with greater sex diversity. First, being more expansive socially, cosmopolitan firms are more likely to include women on their boards. Second, cosmopolitan boards may be more progressive with respect to sex attitudes as they are more influenced by changes in the rest of society than corporations with a more local orientation. The established relationship between firm social engagement and corporate philanthropy, then, could confound the link between sex and corporate philanthropy.

**Data and Methods**

*Sample*

The sample were the FT UK 500 2012. These included the largest UK firms ranked by market value.

*Data Sources*

Data were collected about the corporations from their annual reports and accounts. Data on levels of corporate philanthropy were collected from the Directors’ Report in the annual reports. Corporate philanthropic contributions were collected for 499 out of the 500 in the sample. Efforts were made to isolate corporate philanthropic donations that drew on company resources so money raised by employees and customers were as far as possible excluded. The online versions of Who’s Who and Know UK were also consulted to see whether directors were included.

*Variables*

The dependent variable in this paper is the logged sterling value of reported corporate donations (with non-donors given a value of zero), which the same approach taken by Marquis and Lee (2012). Logs were taken because the variable is highly skewed with a few corporations making donations that dwarf others’. The risk is the analyses would be driven by outliers. In order to demonstrate the skewness of the original data Figure 1 and 2 shows the distribution of charitable donations before and after taking logs.

Figures 1 and 2 about here.

A second feature of the dependent variable is that it is censored from below because 22.2% (111/499) of companies failed to make a donation. I discuss how this affects the statistical model used in the paper in the next subsection.

There are three independent variables central to the study. The first is a simple dichotomous variable that states whether the company has a female chief executive. The second is a count of the female non-executive directors and the third is a count of the female executives (excluding female chief executives) on the board.

To control for resources three variables will be included: total assets (as a measure of size), pre-tax profit and a dichotomous variable that takes a value of 1 if dividends were reduced in the financial year. Following Navarro (1988) and Brammer and Millington (2005) The monetary value of directors’ remuneration is also included to control for whether directors were using discretionary resources for their personal benefit rather than charitable purposes. Finally, the aggregate shareholdings (held by shareholder with over three per cent of shares) as reported in the annual report is included to control for the influence of dominant owners.

To control for reputation four variables will be included as controls: a dichotomous variable taking a value of 1 if the firm is on Marketing Magazine’s list of the top 100 advertisers, the total wage bill and, following Marquis and Lee (2012), a variable assigning corporations to four broad industries (retail, manufacturing, finance and services) that have distinctive patterns of philanthropic behaviour.

To control for cosmopolitanism four variables will be included as controls: the size of the board, the number of executives from other firms in the sample sitting on the board, the number of executives from the firm sitting on other boards in the sample and the number of directors who are in Who’s Who.

*Statistical models*

As mentioned earlier the data are censored from below because it is not possible to give negative amounts and approximately a fifth of the sample did not make a donation. To deal with the censoring a Tobit model was used to model the relationship between the variables. When facing a similar analytic situation Brammer and Millington (2005) opted for a Heckman two step model where the decision to make a donation is modelled first and then the amount is modelled separately. The decision not to follow their route was based on the identification issues that arise if all the same variables in the second phase of modelling are included in the first (Breen 1996). There were no obvious theoretical reasons some variables to be included in one step rather than the first.

**Results**

Table 1 displays descriptive statistics for all the variables used in the analyses but it will be most worthwhile to focus briefly on donations and sex composition of the board. The average amount given was approximately five million pounds but this number is driven by a handful of large donors and gives an inaccurate view of the typical amount given. Most give much less as is indicated by the fact that the median is only £49,600 and just over a fifth did not make a donation. As discussed earlier this is the reason why in the rest of the statistical analyses the focus will be on the logged amount.

Table 1 about here

Table 1 demonstrates the masculine character of the boards of large British businesses (It should be noted that the sex composition statistics discussed here differ from the results presented in Sealy and Vinnicombe (2013). The reason for the discrepancies, which are minor, have to do with the fact that this study uses the FT UK 500 and use the FTSE 100 or FTSE 250 as their sample). The average number of women on the board is less than 1. Only 1% (5) of corporations have a woman chairing the board and only 2.4% (12) have a woman as chief executive. The mean number of women executives (excluding chief executives) is .08 and 0.73 for non-executives (excluding the chair).

Table 2 displays the proportion of corporations that made a donation and the mean logged amount of corporate donations by corporate donations by the number of women on the board and the type of position they hold.

Table 2 about here

Findings in Table 2 give mixed support to hypotheses 1 and 1a. Contrary to theoretical expectations the proportion of firms with female chairs that made a donation and the mean amount donated is less than firms with male chairs but the difference is not statistically significant probably because they are so few; however, it is worth noting a similar pattern is reflected in the finding that firms with a single women executive (other than the chief executive) have lower proportions of donors and make lower mean charitable donations than firms with none, but again the difference fails to reach conventional levels of statistical significance. The results for women chief executives and women non-executives are more confirmatory of hypothesis 1B. There is a relatively big and statistically significant difference between the proportions of donors and the mean amount given by firms with and without a woman chief executive, with those that do being more generous. The most unambiguous difference is for the number of female non-executives. The proportion of donors and the mean amount given increases with each additional woman non-exec and the difference is statistically significant.

In the next set of analyses the simultaneous effects of the different types of female board presence are examined and then the control variables are introduced. The models are Tobit regressions because, as discussed in the Data and Methods section, of the censoring of the data from below. As there are only 6 women chairs it was deemed inappropriate to look at them separately and the five non-executive chairs were recoded to women non-executives and the one executive chair was recoded to female chief executive.

Table 3 about here

Model 1 which only includes the simultaneous effects of the sex composition variables on philanthropy does not offer much different information than can be gleaned from the bivariate analyses; they also mirror the hierarchy postulated in Hypothesis 1A. Female directors who are chief executives have the greatest absolute estimated effect on corporate philanthropy, followed by the effect of the addition of each non-executive director, then the estimated effect of having a female non-executive and, finally, by the negative effect female executives (other than the chief executive) have. Only the chief executive and non-executive effects are statistically significant while the effect for executives narrowly misses statistical significance at the 0.05 level.

Model 2 adds variables related to firms’ economic features. Discussion of the model will be grouped two broad themes 1) Resources and Control and 2) Reputation and Visibility.

Starting with variables related to resource availability and the control the board has over those resources, the effect for size is not statistically significant. Greater profits are positively related to levels of corporate philanthropy but the association is not statistically significant. Increasing levels of aggregate shareholding are significantly associated with lower levels of corporate philanthropy indicating major shareholders constrain directors’ philanthropic discretion. Among the resource and control variables there are two anomalous results with respect to the expectations outlined earlier. First, there is a positive association between levels of director remuneration and amounts donated. Rather than there being a trade-off between philanthropy and director remuneration they appear to be complements, perhaps indicating that the existence of discretion links otherwise self-interested and altruistic behaviours. The second anomaly is that firms that either stopped paying dividends or cut them were associated with higher levels of corporate philanthropy in the model. This effect narrowly misses statistical significance. Possible explanations are that these firms got into the habit of corporate philanthropy in better times and because the level of giving is marginal to their financial position they don’t feel compelled to stop; they continue for altruistic reasons, or they are bound by a giving covenant.

Turning to the next theme of visibility and reputation, neither being a top advertiser nor levels of wage costs were statistically significant although the coefficients had the expected positive signs. Industry effects were most apparent. The most visible industry to the public, retail, was associated with the largest effect on corporate philanthropy. Services and manufacturing have slightly smaller effects while finance has no significantly difference from the reference category of other industries.

With respect to the association between philanthropy and board sex composition the effect for female chief executives is barely changed from Model 1 – the strong positive association remains. The negative relationship between having female executives and corporate philanthropy is strengthened in this model- its absolute magnitude has grown and it is now statistically significant. There is a notable weakening of the relationship between the number of female non-executives and the level of philanthropy. This is due to the fact that an above average number of women are on the boards of firms in retail industries which generally have a lot of visibility and a reputation to maintain among customers, many of whom will be women themselves. Much of the link between gender balance and corporate philanthropy can be explained the fact that both contribute to building the public reputation of the firm.

Model 3 includes the variables measuring cosmopolitanism. Having an executive director from another firm in the sample is the only variable that is not statistically significant. There is some support, however, for the inner circle argument in that there is a statistically significant, positive effect of having an executive director sitting on another board. Large boards with more members have statistically significant greater levels of corporate philanthropy. The presence of directors in Who’s Who is also associated with increases in philanthropy. In this model the effect of resources and control become much less important with only the dividend variable now statistically significant while the industrial variables’ effects remain broadly similar to model 2 although slightly muted.

Turning away from the control variables, the relationship between gender and philanthropy is quite different from the two previous models. The presence of a female chief executive remains associated with increased levels of philanthropy but the effect is weakened. The effect of female non-executives is much diminished in the model. The coefficient is more than halved and no longer statistically significant at the 0.05 level but is not far off. Finally, in contrast to the other two variables the negative relationship between having female executives and corporate philanthropy is slightly stronger than in the earlier two models. The results are driven by the fact that female non-executives and chief executives tend to be on firms with cosmopolitan characteristics. In bivariate analyses not displayed here there are significant associations between the number of non-executives and all four cosmopolitan variables, and there is an association between having a female chief executive and having an executive on another firm in the sample (in large part because many female chief executives sit on other boards).

Unlike OLS coefficients, Tobit coefficients display the marginal effects on a latent variable rather than showing a direct link between the dependent and independent variables. This feature can make them difficult to interpret because they do not directly state how change in an independent variable is associated with change in the dependent variable. In order to make their meaning clearer, Table 4 displays for Model 3 the marginal effects the independent variables have, when they are at their average, on the likelihood of being uncensored (actually making a donation) - and their marginal effect on uncensored values (the level of giving by those firms that did make a donation). As well as being more intuitive the marginal effects help sort out the different effects the variables have on the decision to make a donation and the amount given. The results largely reinforce those presented in Table 3; novelty comes from differences in the marginal effects on the likelihood of being censored and the marginal effect on uncensored values. Having a female chief executive or being a retail business does not have a statistically significant marginal effect on the likelihood of being censored but they both have significant marginal effects on the uncensored values.

Table 4 about here

**Discussion**

In this section we discuss the significance of the findings. The headline finding is a feminine presence is associated with distinctive patterns of corporate philanthropy. So far, so replicating international findings; however, novel findings of this study include 1) dependent on board position a feminine presence is associated with lower as well higher levels of corporate philanthropy and 2) the extent to which cosmopolitanism and reputation can account for the relationship between board sex composition and philanthropy. We discuss each point in turn.

*Sex and hierarchy*

Despite expectations derived from previous theoretical and empirical research, boards with women were not unambiguously more philanthropic than those without. In fact, this study, unlike others, found evidence that women on boards could be associated with lower levels of philanthropy depending on their position. As stressed by Moss Kanter (1977) much of what we perceive as psychological or individual attributes are instead generated by the individual’s position within a social structure, or, at the very least, mediated by that position. In this study the crucial structural variable was the woman director’s position in the board hierarchy. Leaving aside the role of non-executive females to the next subsection it will be useful to focus on the contrasting results for female chief executives to other female executives.

In full conformity with expectations firms led by chief executives were substantially more generous on average than those without. The effect was hardly diminished by the inclusion of organisational variables in the model and only partially explained by cosmopolitanism. The finding is consistent with women using the independence and authority granted by their position to express their pro-social impulses. It would appear, at least with respect to philanthropy, that women have a different way of doing business. Any enthusiasm, however, for the idea that more feminine corporate boardrooms will lead to more socially generous business has to be tempered by the finding that boards with female executives other than the chief executive are less likely to give.

How can these contradictory findings be explained? One possibility is that women feel they have to act differently depending on the stage of their career. Women executives who have not reached the top may feel they have to compensate for others’ perceptions of them by discouraging self-expressions of pro-social behaviour- as many of them are finance directors they also have the opportunity to crack down on excessive funding of philanthropic ends (although it should be noted their role as finance directors could permit them to find additional funds for charitable giving if they had a strong desire to). When they reach the position of chief executive they may no longer feel those constraints and able to use corporate funds in pursuit of socially responsible ends. Another possibility is that women executives have been promoted to boards in meritocratic, market oriented firms based on their talents. These boards, in adopting that approach, may also feel that their firms should be oriented purely toward straightforward business ends that do not encompass social responsibility (Friedman, 1970).

*Cosmopolitanism and sex*

A large part of the relationship between a feminine presence in the boardroom and corporate philanthropy can be explained by cosmopolitanism. Firms that are well integrated into the corporate community and the wider society were, on average, much more philanthropic than their more parochial colleagues as well as having more women on their boards. The effect was most apparent on the link between the number female non-executives and corporate philanthropy, which nearly disappeared once cosmopolitanism was included in the statistical models.

One interpretation of this result is that having a socially integrated board is simply another way of building up a reputation with other businesses and consumers. Having prominent individuals on the board, having women on the board and corporate philanthropy are each tokenistic gestures used in pursuit of better public relations. This line of reasoning is empirically supported by the way the relationship between sex and philanthropy among non-executives was diminished by the inclusion of retail noted in the previous subsection. Retail, an industry where image is important, is not only philanthropic but also has the highest mean number per firm of directors in a social directory. There are, however, difficulties with this interpretation. First, cosmopolitan variables have a strong relationship with philanthropy even when more obviously reputational variables such as industry or being a top advertiser are included. Second, the positive effect on philanthropy of the boards’ size or having an executive on another board cannot so easily be interpreted in reputational terms.

Another way of interpreting the effect of the cosmopolitan variables is to suggest that the social integration of the board alters the social perspective of firms. A variant of corporate liberal theory whereby socially connected firms are better able to understand the long term interests of business can be used to explain why they are philanthropic and have feminine boards. Large, diverse boards stocked with outsiders will, at least by chance, tend to have more women. By virtue of having a multiplicity of interests represented, cosmopolitan boards will have a broader conception of what large economic actors should be doing that extends beyond maximising shareholder value. Of course these developments can be interpreted differently according to the perspective and values of the observer as being either a step toward the development of the ‘soulful’ (Kaysen 1957) corporation attuned to firms’ broader social responsibilities or indicating principal-agent problems with management and the board using shareholders’ resources to further social aims they find personally desirable. The main point to take away from this interpretation is that corporate philanthropy and a feminine presence on the board are not merely tokenistic actions but representative of business playing a role in society that is not narrowly economic.

**Conclusion**

If we return to the question of the effect of women on elite behaviour what answers has our study suggested? Most importantly, we were able to replicate international results of a statistical relationship between the presence of women on the board and levels of corporate philanthropy that was robust in the face of other possible explanations. What was novel was our finding that firms with female chief executives were likely to give more while boards that included women as executives in other positions were likely to give less. Also, Much of the original association between non-executive women board members and a sizeable proportion of the effect of female chief executives on corporate philanthropy can be accounted for by reputational concerns or board cosmopolitanism; either firms use women and philanthropy to alter the image they are projecting or integration into broader networks alters the collective conscience of corporations in socially progressive ways. Ultimately, there was no straightforward link between women members of the corporate elite and the behaviour of the organisations they led; instead, it was mediated by their position in the board hierarchy.

The findings suggest that while female members of elites do act differently from their male counterparts they do so by occupying distinct roles that cut across their broader status as women. Three possible roles were suggested by the study: 1) a socially generous role filled by chief executives, 2) a cosmopolitan or tokenistic role filled by non-executives and 3) less socially generous role filled by women executives representing either a reaction against perceptions of feminine generosity or fitting into meritocratic, market oriented boards. Note that there are questions about the forces shaping these roles especially the extent to which they come from the women themselves or from the environment they find themselves in.

Answers these questions lies beyond this study and suggest areas for further research. First, over time data will be useful to see whether firms philanthropic behaviour changes before or after women join the boards and whether as women ascend the corporate hierarchy their influence on corporate philanthropy changes. Second, more qualitative, micro data should be able to shed light on the attitudes and experiences of women on the board and the influence they feel they have on philanthropy and corporate behaviour more generally. Then will we know better why women corporate elites appear to be acting as part of a cosmopolitan avant garde, tokens or new meritocratic elite

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Extreme outlier



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| **Table 1. Descriptive Statistics** |
|  | Mean(Standard Deviation) |
| **Donation** |  |
| Philanthropic contribution (£000) | 5,000.77 (40620.56) |
| Logged philanthropic contribution | 9.23(5.43) |
| **Sex composition** |  |
| All Females | 0.861.00 |
| Female chairs | 0.01(0.11) |
| Female chief executive | 0.03(0.17) |
| Female non-executives | 0.74(0.91) |
| Female executives (excluding chief exec) | 0.08(0.29) |
| **Resource and Control** |  |
| Total assets (£mills) | 16,953.0(115050.0) |
| Pre-tax profit (£mills) | 542.39(2750.08) |
| Dividend | 0.04(0.20) |
| Agg shareholding | 43.46(21.83) |
| Director remuneration (£mills) | 3.36(3.69) |
| **Reputation and visibility** |  |
| Top Advertiser | 0.042(0.20) |
| Retail | 0.06(0.23) |
| Services | 0.25(0.43) |
| Manufacturing | 0.21(0.41) |
| Finance | 0.21(0.41) |
| Labour Costs | 553.92(1481.66) |
| **Cosmopolitanism** |  |
| Board size | 8.38(2.66) |
| Number of board members in directory | 2.26(2.01) |
| Executive from other board | 0.17(0.38) |
| Executive sitting on other board | 0.18(0.38) |

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| **Table 2. Proportion donors and mean donation (logged) by women holding position on board** |
|  | Proportion making a donation |
| Number on board | All Women\*\* | Woman chair | Woman chief executive\*  | Women non-executive\*\* | Women executive |
| 0 | 65.9%(149) | 77.9%(384) | 77.1%(373) | 66.8%(165) | 77.8%(358) |
| 1 | 84.4%(135) | 66.7%(4) | 100%(15) | 85.4%(140) | 75.7%(28) |
| 2 | 91.4%(74) | -- | -- | 93.9%(62) | 100%(2) |
| 3 | 95.7%(22) | -- | -- | 94.1%(16) | -- |
| 4+ | 88.9%(8) | -- | -- | 100%(5) | -- |
|  | All Women\*\* | Woman chair | Woman chief executive\*  | Women non-executive\*\* | Women executive |
| 0 | 7.14(226) | 9.25(493) | 9.13(474) | 7.23(247) | 9.26(460) |
| 1 | 9.95(160) | 7.52(6) | 12.53\*(15) | 10.15(164) | 8.70(37) |
| 2 | 12.00(81) | -- | -- | 12.72(66) | 12.27(2) |
| 3 | 13.06(23) | -- | -- | 13.81(17) | -- |
| 4+ | 14.36(9) | -- | -- | 16.78(5) | -- |

\*p<.10, p<0.05,p<0.01

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| Table 3. Tobit regression coefficients (dependent variable logged corporate philanthropy) |
|  | Coefficient(Standard error) | Coefficient(Standard error) | Coefficient(Standard error) |
| **Sex composition** |  |  |  |
| Female chief executive | 5.79(1.90) | 5.41(1.71) | 4.19(1.66) |
| Female non-executives | 2.85(0.31) | 1.33(0.276) | 0.53(0.34) |
| Female executives (excluding chief exec) | -1.91(1.02) | -2.41(1.05) | -2.71(0.99) |
| **Resource and Control** |  |  |  |
| Total assets (£mills) |  | -1.99e- 06(2.93e- 06) | 2.41e-07(2.80e-06) |
| Pre-tax profit (£mills) |  | 0.00022(0.00013) | 0.00018(0.00012) |
| Dividend |  | 2.16(1.27) | 2.55(1.03) |
| Agg shareholding |  | -0.02(0.01) | -0.01(0.01) |
| Director remuneration (£mills) |  | 0.44(0.09) | 0.19(0.09) |
| **Reputation and visibility** |  |  |  |
| Top Advertiser |  | 2.13(1.44) | 1.22(1.36) |
| Retail |  | 3.57(1.17) | 2.90(0.96) |
| Services |  | 3.10(0.72) | 2.65(0.70) |
| Manufacturing |  | 2.87(0.75) | 2.41(0.72) |
| Finance |  | 1.31(0.77) | 0.68(0.74) |
| Labour Costs |  | 7.69- 06(0.0004) | -0.0001(00002) |
| **Cosmopolitanism** |  |  |  |
| Board size |  |  | 0.34(0.14) |
| Number of board members in Directory |  |  | 0.68(0.17) |
| Executive from other board |  |  | 0.69(0.55) |
| Executive sitting on other board |  |  | 1.28(0.57) |
| Constant | 6.43(0.38) | 5.26(0.85) | 1.91(1.17) |
| Sigma | 6.140.24 | 5.46(0.21) | 5.15(0.20) |
| Observations | 499 | 489 | 489 |
| Likelihood Ratio  | 87.38 | 157.6 | 206.0 |
| Log Likelihood | -1381.04 | -1322.28 | -1298.08 |
| Table 4. Marginal effects of variables on the likelihood of being censored and the level of uncensored values |
|  | Marginal effect on probability of being censored(SE) | Marginal effect on uncensored values(SE) |
| **Sex composition** |  |  |
| Female chief executive | 0.039(.029) | 3.77\*\*(1.38) |
| Female non-executives | 0.009(0.006) | 0.44(0.28) |
| Female executives (excluding chief exec) | -0.047\*\*(0.017) | -2.24\*\*(0.82) |
| **Resource and Control** |  |  |
| Total assets (£mills) | 4.25e-09(4.95e-08) | 1.99e-07(2.32e-06) |
| Pre-tax profit (£mills) | 3.12e-06(2.13e-06) | 0.0001(0.0001) |
| Dividend | 0.031(0.021) | 2.22(1.00) |
| Agg shareholding | -0.0002(0.0002) | -0.01(0.01) |
| Director remuneration (£mills) | 0.003\*(0.0016) | 0.16\*(0.08) |
| **Reputation and visibility** |  |  |
| Top Advertiser | 0.018(0.024) | 1.04(1.12) |
| Retail | 0.034(0.20) | 2.55\*\*(0.93) |
| Services | 0.038\*\*(0.012) | 2.26\*\*(0.58) |
| Manufacturing | 0.034\*\*(0.013) | 2.07\*\*(0.60) |
| Finance | 0.011(0.013) | 0.57(0.61) |
| Labour Costs | -2.16e-06(5.32e-06) | -0.0001(0.0002) |
| **Cosmopolitanism** |  |  |
| Board size | 0.006\*\*(0.002) | 0.28(0.11) |
| Number of board members in Directory | 0.012\*\*(0.003) | 0.56(0.14) |
| Executive from other board | 0.011(0.012) | 0.58(0.55) |
| Executive sitting on other board | 0.023\*(0.012) | 1.26\*(0.56) |

1. One reviewer of this paper has observed that reputation could also be related to inter firm status relations as well. Hedge funds that work in specialised markets with small boards make large charitable donations. It could be that in these contexts individual reputation is what drives donations. This is an interesting area for further research. [↑](#footnote-ref-1)