CIPD

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Policy report

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Quotas and *targets*:
How do they affect diversity progress?

The CIPD is the professional body for HR and people development. The not-for-profit organisation champions better work and working lives and has been setting the benchmark for excellence in people and organisation development for more than 100 years. It has more than 135,000 members across the world, provides thought leadership through independent research on the world of work, and offers professional training and accreditation for those working in HR and learning and development.

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Foreword

The business case for achieving a gender balance at board level is growing, as shown by the McKinsey report *Diversity Matters* (Hunt et al 2014). Increasing the number of women on boards is a business imperative – a good gender balance can improve decision-making and enhance company performance. While progress in the UK and across the EU has been made, it is slow. This is fuelling frustration at a political level and among women who have the talent to make it to the top but lack the necessary opportunities.

Business and government are alert to this frustration but, to date, making boardrooms more gender balanced has gained much less traction than is needed to make a pivotal difference. A new directive under negotiation in Brussels will pave the way for the introduction of a rigid mandatory quota system for gender boardroom diversity, and is viewed by many European commentators as a positive step that will force the pace of change. But are compulsory quotas the right response to improving senior female representation? And what penalties for progress might be incurred by introducing a legislative solution?

We commissioned a literature review to evaluate the advantages and disadvantages of an enforcement approach such as that on the horizon in Brussels. The review draws on evidence about mandatory quota systems introduced in different contexts across Europe and explores the circumstances in which this kind of approach can have either positive or negative outcomes, as well as the unintended consequences that could follow. In December 2014, we also conducted a survey of 452 CIPD members to explore the views and experiences of HR professionals. The findings indicate strong support for a voluntary, and not mandatory, process for achieving better gender balance in the boardroom.

Our perspective and policy calls to improve the representation of women in economic decision-making roles draw on the findings of the literature review, the views of senior diversity specialists and our survey of CIPD members.

We hope our findings will inform the current critical debate about the value of compulsory quotas versus voluntary targets, to help design appropriate public policy interventions to support positive change.

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Executive summary

We consider a number of key questions in this literature review. What are the effects of quotas on organisations and targeted groups? In what circumstances could quotas work most effectively if they are introduced? And when are they most likely to fail? Our conclusions are based on a large body of research referenced at the end of this report. We consider evidence from the worlds of politics, education and the workplace. As well as an analysis of the findings relating to the use of quota systems, we review the effects of affirmative and positive action in general. We also consider the factors that influence attitudes towards the use of mandatory quotas.

The EU directive

If adopted in Brussels, the EU proposal to improve the gender balance among non-executive directors on company boards would impose a mandatory quota of 40% for each gender by 2020 (2018 for public undertakings). As it stands, the proposal applies to companies listed on stock exchanges in EU member states, irrespective of whether they are privately or publicly owned, but it excludes SMEs, even if they are listed on stock exchanges.

The directive would apply to around 5,000 listed companies across the EU. It will have far-reaching implications for all member states, including the UK. Not only will the new law spell the imposition of mandatory quotas, it will impact on a larger number of companies than the UK's current 'Women on Boards' initiative led by Lord Davies, which aims to improve gender diversity in FTSE companies.

Voluntary targets are preferable to mandatory quotas

The proposal to introduce a mandatory quota system to put women in economic decision-making roles is a highly controversial issue that has sparked fierce debate in the UK as well as across Europe. While some argue that quotas are the only way to quickly and effectively overcome the under-representation of minorities in the workplace, others contend that quotas will provide unfair advantages to the minority groups that are targeted.

Does the end justify the means in respect of a quota imposition? The evidence from our literature review shows that, on balance, the quick wins associated with legislating for mandatory quotas are outweighed by the potential longer-term disadvantages. Attempts to hasten change by reserving seats at the top table for women could compromise employers' engagement. This appointment could even prompt a backlash for the individuals appointed if some colleagues perceive that individuals of a particular gender have been appointed because of their identity and not on the basis of merit. Compliance-based responses and sanctions can foster fear, risk-aversion and encourage a defensive reaction on the part of companies and their leaders. Regulatory solutions can absorb precious time and resources, and stifle the creative responses that are so vital to achieving long-term success.

'Does the end justify the means in respect of a quota imposition?'

We believe that the introduction of a compulsory quota system would not be a sustainable and long-term solution to achieving greater gender parity at the top of organisations. The CIPD has always supported a voluntary approach to improving boardroom diversity, to encourage organisations to develop an appropriate and sustainable range of responses in how they develop female talent and foster cultural change. This perspective is backed up by the panel of HR professionals who participated in our survey, with a firm majority telling us that voluntary approaches to setting organisational targets are more helpful than a rigid mandatory quota system. Introducing legislation to ensure that a specific percentage of women are appointed to board positions will not solve the underlying reasons for failures in boardroom gender diversity. As CIPD members told us, a quota imposition could be counterproductive and lead to a potential backlash towards those appointed as a result of what is often perceived as positive discrimination.

Achieving long-term and sustainable change to improve the number of women on boards is not a quick fix and will not be achieved overnight by reserving a few seats at the top table. Crafting the right messages for employers about the business benefits of enhanced female representation to focus their attention on the issue is a pivotal first step. But employers also need practical guidance and encouragement to help them move forward. Unless employers start to focus on the development of gender-balanced talent pipelines as an integrated and long-term component of a mainstream business strategy, sustainable progress will not be achieved.

The UK's Lord Davies Review
In contrast to the use of enforcement, the UK Government has adopted a voluntary approach to achieve change. This approach is endorsed by many stakeholders across business, including the CIPD and its membership, and is underpinned at a national level by the *Think Act Report* (TAR) framework. The TAR initiative guides and informs employers about what needs to be done to overcome barriers that inhibit progress to improved gender diversity.

The Lord Davies Review sets an overarching 50% voluntary target of female representation on FSTE 100 boards by 2015. The latest reported statistics show that there are now no male-only boards among FSTE 100 companies: all corporate boards in this part of the private sector have at least one female member. This is a great achievement. Attainment of the 25% target by year-end is essential to safeguard the UK voluntary approach in view of the EU directive that will impose a compulsory quota across member states.

Progressing boardroom diversity in the UK
Achievement of the Lord Davies 25% target is in sight. The latest reported figure for female board membership (March 2015) is 23.5% – needing fewer than 20 more women to step into the boardroom to hit the 25% target. While only a few board-level appointments need to be female to achieve this target, the actual numbers of women employed at this level is small: therefore, achieving and maintaining the 25% target can be compromised by just a few leaving senior positions now or in the future.

Overall progress to date has been encouraging if the overall percentage increase in female board membership is taken into account. However, the overwhelming improvement in female representation has been in the number of non-executive, and not executive, board members. The percentage of women in executive director positions has increased from 6.6% in 2012 to 8.6% in 2015, an increase of just two percentage points. There is strong support among the CIPD members we surveyed at the end of 2014 for a separate target to help increase the proportion of women in executive director positions. Therefore, going forward the CIPD is calling for a 20% target for female executive directors in the boardroom. In the longer term a 50% representation of women at board level should be the goal in our view and this is supported by CIPD members.

It is the influence of female role models in executive positions that has the potential to create the greatest sea change in organisational attitudes and practices around gender diversity and female progression. The proportion of executive director posts that are held by women is also the real test of an organisation's success in developing a strong and sustainable female talent pipeline that lays the foundation for senior female succession to the top.

1 Defining quotas

Quotas and other affirmative action policies aim to improve equality of opportunity and increase diversity by addressing the under-representation of minority groups in a range of different domains, such as politics, higher education and management.

A discussion of the pros and cons of quotas and other affirmative action policies should be preceded by a consideration of why equal opportunities, diversity and inclusion are desirable in the first place. The rationale can be explained from two standpoints – ethical and economic. From an ethical standpoint, there is a moral imperative to foster equal opportunities for personal identity groups such as women, ethnic minorities and people with disabilities because marginalised groups can suffer systematic disadvantage. The use of quotas and affirmative/positive action policies can help to counter the negative effects of this disadvantage by either reducing discrimination itself or by balancing out the detriments suffered via a system of granting minority groups certain advantages in any selection process.

From an economic perspective, improving diversity and inclusion can positively influence business performance if inherently biased policies and practices are countered. For example, a university will miss out on a significant number of bright minds and a lot of potential by mainly recruiting white, male, upper-class students.

The concept behind quota systems is to recruit under-represented groups into specific positions in a way that goes beyond securing the appointment of a few token representatives of a particular group. In the political domain, for example, three types of quota for female positions could be used:

- reserved seats (constitutional and/or legislative)
- legal candidate quotas (constitutional and/or legislative)
- political party quotas (voluntary).

While reserved seats regulate the number of women elected, the other two quota forms set a minimum for the share of women on the candidate lists, either as a legal requirement or as a measure written into the statutes of individual political parties.

The Norwegian gender quota law

Quota systems have increasingly been adopted by some European countries to improve senior female representation in business and employment. The Norwegian quota law was one of the first in Europe. Today, Norway has the highest proportion of female directorships in the world and has become a benchmark to influence similar activity across EU member states. As a result of the gender quota law, the representation of women on the boards of Norway's publicly listed companies increased from 3% in 1992 to 40% in 2009.

Norway's quota law was initiated in 2002 by Ansgar Gabrielsen, Norway's then secretary of state for trade and industry. Gabrielsen believed that wealth could be

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created with diversity and he recognised that women were more educated and increasingly qualified to become directors. The law introduced a mandatory quota of 40% representation of each gender in the boardroom. In addition, the law addresses other gender equality issues such as equal pay and skill development, albeit in more general terms.

Despite backlash from Norwegian business representatives, the country's parliament voted in favour of the new law in 2003. The statute required companies to fulfil its requirements within the following five years. Should companies not comply, a number of sanctions would come into play, including, in extreme cases, the forced liquidation of the company.

The law has, so far, had a very specific effect on appointments of women to the most senior leadership positions in business. This pioneering agenda shows success for appointments at the non-executive level despite many of the women appointed taking up positions in more than one company and being described as *golden skirts* by some commentators. Progress at executive board level is less impressive. While the percentage of women on boards increased to 40% by 2009, the majority of these roles were non-executive positions and women still made up just 5% of chairs in that year.

However, the initiative is viewed as having been successful and is widely supported in Norway, even by its former critics. Therefore, an extension of the law to other types of company is under discussion.

Affirmative action in higher education in the US

In 1965, only 4.9% of all university students aged 18 to 24 in the US were black. As a result, universities initiated a number of programmes to reduce the imbalance and address the reasons for limiting the enrolment of African-Americans. For example, some higher education institutions set enrolment goals and admissions quotas. Furthermore, under John F. Kennedy and President Lyndon Johnson publicly funded companies, including universities, were prohibited from discriminating on grounds of race, which resulted in radical changes to admission processes. The universities used quotas (such as reserving 15% of admissions for ethnic minorities) to achieve diversity. As a result, racial diversity in higher education is much higher today than it was in the 1960s.

However, the affirmative action policies have been strongly criticised by those who fear that applicants are solely evaluated based on their race rather than their competence, and since then there have been a number of court rulings on whether affirmative action policies are, in fact, legal. Even today educators, students and policy-makers are still debating whether or not race should be eliminated as a factor in college admissions. Even though public universities are now facing increasing challenges to change their admissions processes, the national judicial system in most states has ruled that race can still be used as a factor.

2 The impact of quotas

Quotas and other affirmative/ positive action policies aim to address the under-representation of a negatively stereotyped minority group in a specific context. Therefore, the most important question is whether or not affirmative action initiatives are effective in reaching this goal.

A number of studies demonstrate that quotas (which are usually set at between 20% and 50%) and other affirmative action policies have been effective in increasing the number of women holding political offices in a variety of countries, including Belgium, Italy, Morocco and throughout Latin America (for example, Bonomi et al 2013, Darhour and Dahlerup 2013, De Paola et al 2010, Jones 2009, Meier 2004, Paxton et al 2010, Tripp and Kang 2008).

There is also evidence to suggest that, in a business context, a quota system has been effective for company boards in Norway (for example Storvik and Teigen 2010, Wang and Kelan 2013). Similar positive evidence exists for ethnic minorities in higher education, such as for Arab students in Israel and for African-Americans and Hispanics in the US (Alon and Malamud 2014, Fischer and Massey 2007) and even for the number of men taking paternity leave (Brandth and Kvande 2009).

However, the evidence also demonstrates that the effectiveness of a quota initiative is more complex. Studies show that the success of quotas depends on a number of factors; for example, quotas are much less effective

when they aren't enforced by sanctions. Storvik and Teigen (2010) argue that the serious sanctions (including forced dissolution of the company) associated with the Norwegian quota law were responsible for its success.

A number of studies (Bonomi et al 2013, Davidson-Schmid 2006, Fallon et al 2012) in the political domain suggest that the effectiveness of voluntary quotas depends on a number of factors. According to these studies, voluntary quotas are more effective when:

- the party is more liberal rather than conservative
- the area is urban rather than rural
- the area is predominantly non-Catholic
- the country is not a post-communist country.

A key question is how long do the effects of quotas last? Evidence from Italy demonstrates that the effect of quotas – in this case a quota of 33% on all political party lists which was only in place for two years – can last more than ten years after quotas have been abandoned (De Paola et al 2010). The last point is especially important because it indicates that quotas do challenge negative stereotypes and can be used as a temporary means to change the status quo. However, there is contradictory evidence to demonstrate that, when affirmative action policies cease, the representation of disadvantaged minority members decreases immediately, at least in educational contexts (Garces 2013). The

'A key question is how long do the effects of quotas last?'

effectiveness of quotas and other affirmative action policies in the long term and the length of time they need to be in place to make a difference are crucial issues that remain unclear.

Do quotas help women smash the glass ceiling in business?

Norway's quota law requires companies to have a percentage of at least 40% female representation on their boards. Does this provision help female employees to break the glass ceiling and climb the last few steps of the corporate ladder to the top leadership positions on the board? A study by Wang and Kelan (2013) investigated the issue.

Analysing data from before the quota law was enforced (2001) with data available six years after its introduction (2010), they found that the quota law has indeed led to an increase of women in the most senior leadership positions of board chair and CEO in companies. In addition, they also show that a critical mass of women (that is, at least three women) on boards is positively associated with the appointment of a female board chair or CEO. The latter point is important because it shows that it is important to be ambitious if introducing a quota system: if women are appointed as a 'token' – meaning the presence of just one or two women on a board – they will find it difficult to break the glass ceiling.

Another study (Seierstad and Opsahl 2010) has a slightly more critical view on the matter. The authors also conclude that the quota law has helped women break the glass ceiling, but they argue that this is mainly true for a small, elite group of women who serve on multiple boards and have a lot of social capital. They do, however, acknowledge that this trend may be a temporal, short-term effect of

the law and that more women may be able to follow in the footsteps of these so-called 'golden skirts'.

The unintended consequences of quota systems

A crucial issue is whether or not mandatory quotas and other affirmative action policies are beneficial for those individuals for whom quotas are designed to help, or are there unintended consequences? The available evidence on this issue is mixed.

One unintended consequence of quotas is the way in which the beneficiaries are perceived, both by others (Garcia et al 1981, Heilman et al 1998) and by the individuals who are subject to the quotas (O'Brien et al 2010). For example, Garcia and colleagues (1981) presented white participants taking part in their study with information about a male applicant for a graduate programme at a US university. All information about the applicant's qualifications was held constant except whether or not the applicant was described as Hispanic or white; further, the university was either described as committed to an affirmative action policy or not. While the latter piece of information had no effect on how qualified the white applicant was perceived to be by participants, it did alter the perceived qualification of the Hispanic applicant. When the university was described as committed to an affirmative action policy, the Hispanic applicant was perceived as less qualified despite the fact that the information about his qualifications, such as his grade point average, was the same.

Despite the fact that quotas might influence some people to perceive beneficiaries of a quota system as less competent, there is also contrasting evidence showing that minority group members targeted by affirmative action policies are not necessarily treated

differently. For example, Kerevel and Atkeson (2013) demonstrate that female politicians in Mexico appointed under quota systems hold equivalent power to their male counterparts, such that they sponsor an equal number of bills and serve on equally powerful committees. Similarly, Zetterberg (2008) demonstrates that women in Mexico who are elected based on quotas do not face more obstacles than other women in politics.

Furthermore, a study based on interviews with women in Germany and India suggests that quotas can increase women's expectations of succeeding and their motivation and ambition (Geissel and Hust 2005). This is significant as motivation is one of the key factors for determining whether or not minority group members enter domains in which they are under-represented. It also determines their expectations of success, which in turn influences their motivation – encouraging a 'virtuous circle' for women's progression. This suggests that minority group members will only attempt to enter a domain if they feel motivated to do so – and they are less likely to feel motivated if they anticipate failure.

To summarise, quotas and other affirmative action policies can be effective in increasing the number of minority members in the short term, although how effective they are in the long term and how long this effect lasts depends on a variety of factors such as whether or not they are voluntary and the nature of any associated sanctions, as well as cultural factors.

3 The impact of female representation and quotas on company performance

Another important issue to consider in relation to the impact of quotas and other affirmative action policies is the effect they have on other areas, notably company performance. Evidence on this question comes from two different research perspectives. First, there is research investigating the effect of quotas directly – that is, how well do companies affected by quota laws perform compared with companies that are not subject to a quota system for a minority group? The second research area is not concerned with quotas directly, but investigates the effects of gender diversity more generally on company performance – that is, how does a larger percentage of women on company boards affect company performance?

In respect of the first question (the impact of a quota system on company performance), the evidence is limited to studies examining the effects of the Norwegian boardroom quota law. The findings point to positive and negative effects on company performance.

The positive results include:

- fewer workforce reductions (Matsa and Miller 2013)
- enhanced firm innovation (Torchia et al 2011).

Meanwhile, the negative effects include:

- younger, less experienced boards (Ahern and Dittmar 2012)

- a drop in stock price and a decline in Tobin's Q (a common stock-based measure of company performance) over the subsequent few years following implementation of the quota system (Ahern and Dittmar 2012)
- reduced short-term profit (Matsa and Miller 2013).

These findings suggest that, from a business case perspective, the most problematic consequences of mandatory quotas on company boards is the drop in stock prices and accountancy-based measures. However, two questions remain. First, is this effect due to the board's actual performance or due to outward perception? If the former is true, we would expect an equal effect on accountancy-based measures. The evidence points towards reduced short-term profit, but clearly more evidence is needed to establish that these new boards objectively perform worse.

For example, studies from Sweden (Du Rietz and Henrekson 2000) and Denmark (Smith et al 2006) fail to find any link between gender diversity of company boards and accountancy-based measures of company performance. A study by Erhardt and colleagues (2003) suggests that a higher percentage of women on the boards of large US companies is associated with increased, rather than decreased, accountancy-based company performance (measured as return on assets and return on investment). A US study by Miller and del Carmen Triana (2009) suggests

'How does a larger percentage of women on company boards affect company performance?'

that the relationship between boardroom gender diversity and company performance might be, at least in part, explained by firm innovation. In other words, gender diversity on company boards leads to higher firm innovation, which in turn leads to increased accountancy-based performance.

In relation to stock prices, the evidence is inconclusive. Campbell and Mínguez-Vera (2008) investigated the effect of female board representation on firm value (measured as Tobin's Q) after the appointment of women on company boards was included in the *2006 Unified Good Governance Code.* The authors found that Spanish investors did not 'punish' companies for appointing women to their board. Rather, gender diversity (measured as percentage of women on the company board and by the Blau and Shannon indices[1]) positively predicted firm value while the opposite was not the case.

A study by Carter and colleagues (2003) finds the same positive association between gender diversity on boards and firm value in US companies. In contrast, a study from Denmark fails to find this association (Rose 2007). There are, of course, many factors that need to be considered when explaining these ambiguous findings. We contend that attitudes towards gender diversity in general, as well as quotas and other affirmative action policies in particular, influence how investors react to the appointment of women to company boards. The next section is therefore devoted to the question of what factors predict positive and negative attitudes towards quotas and other affirmative action policies and how these attitudes can be changed.

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1 Both of these measures are calculated from percentage of men and women on the board but also take the number of board members into consideration.

4 What factors predict attitudes towards quota systems?

For quotas and other affirmative action policies to reach their full potential, it is important that attitudes towards such an approach are generally positive. Unfortunately, in many countries, including the UK, this is not the case (for example, Allen and Dean 2008). We find that attitudes towards quotas vary systematically between different groups and are based on different variables, as set out below.

Sexism and racism

A number of studies show, perhaps unsurprisingly, that sexist and racist attitudes are associated with negative views about affirmative action. For example, Shteynberg and colleagues (2011) show that white US American participants who scored highly on measures of modern racism also had more negative attitudes towards race-based affirmative action. This association was partly explained by the extent to which individuals perceived such policies as fair. In other words, if people believe that racism is no longer an issue in modern society, they also perceive affirmative action as unfair, and hold negative attitudes towards affirmative action and organisations that endorse affirmative action, presumably because affirmative action is no longer deemed necessary. A meta-analysis by Harrison and colleagues (2006) that examined evidence from 35 years of research on resistance to affirmative action reveals similar results.

Another study demonstrates that prejudiced attitudes impact on the relationship between whether or not an affirmative action policy is seen to benefit black and white participants' satisfaction with their own promotion opportunities. Participants who demonstrated highly prejudiced attitudes were unhappy with their opportunities if they believed that black participants benefited from an affirmative action policy. However, for those white individuals who weren't prejudiced towards black colleagues, this relationship did not exist. For them, whether or not they were happy with their opportunities had nothing to do with their beliefs about the affirmative action policy (James et al 2001; see also Harrison et al 2006).

In the case of gender, Kane and Whipkey (2009) found that 'modern sexism' (measured as the belief that women don't face discrimination in the workplace and that women aren't able to have a warm and caring relationship with their children if they work) predicted negative attitudes towards gender-based affirmative action. Interestingly, more old-fashioned forms of sexism (for example, where women were viewed as unsuitable for politics) did not predict negative attitudes.

The relationship between attitudes towards affirmative action and modern racism and sexism is perhaps understandable at face value. If one believes that a minority group is not discriminated against, affirmative action may seem like an unfair advantage.

Meritocratic beliefs

A number of studies demonstrate that the degree to which one believes that the world is meritocratic (that is, that every

'If one believes that a minority group is not discriminated against, affirmative action may seem like an unfair advantage.'

individual gets what they worked for), influences attitudes towards quotas and other affirmative action policies (Islam and Zilenovsky 2011, Kane and Whipkey 2009, Meier 2008). For example, Meier (2008) conducted a survey among Flemish politicians and demonstrated that, even a decade after gender quotas had been implemented in the political system, many men were still strongly opposed to them. This opposition was partly due to different explanations of the under-representation of women in politics. While most women stated that they felt women got fewer chances in politics, most men disagreed with this statement. In line with meritocratic beliefs, men believed that women were under-represented in politics because they didn't fight hard enough for their positions, while the majority of women did not agree with this statement.

This study indicates that men did not support quotas and that this was due to different perceptions of fairness relating to the status quo and preferential treatment for women. Similar effects have also been found in relation to female affirmative action policies in corporate organisations and in universities, as well as for other minorities (Faniko et al 2012, Kane and Whipkey 2009, Phelan and Rudman 2011).

Other studies suggest that the effects of meritocratic beliefs can also hold true for those individuals who benefit from affirmative action policies. For example, Islam and Zilenovsky (2011) surveyed women and found that, when these women believed that a gender-affirmative action policy was in place (regardless of whether this was actually the case), they had a more negative attitude towards leadership positions and therefore displayed lower leadership aspirations. Again, this finding was partially due to the

perceived fairness of the policy. It appears that meritocratic beliefs not only influence people's attitudes generally towards quotas and other affirmative action policies, but also have an impact on the attitudes of the beneficiaries themselves towards advancement in the respective domain.

Demographic variables

Another factor that may influence attitudes towards affirmative action policies are demographic variables. Studies from this area of research generally show two main results. First, those individuals who don't benefit from the affirmative action policy (for example, men and white people) are less supportive of the policy (Harrison et al 2006, Kane and Whipkey 2009, Levi and Fried 2008, Lowery et al 2006, Moscoso et al 2012, O'Brien et al 2010, Oh et al 2010). This makes sense, as affirmative action can be perceived to harm one's own group, and evidence does indeed suggest that the anticipated effects for one's own group may be more important than those anticipated for the target group.

For example, Lowery and colleagues (2006) conducted a series of experiments in which they presented affirmative action policies in different ways. They found that the attitudes of white participants were dependent on how they thought the policy would impact on their own group. Moreover, when the white participants believed that their group would be negatively affected by the policy, the degree to which being identified as white played a role. Those individuals who highly identified as white were strongly opposed to the policy, whereas those to whom their race was less central were less opposed. This difference disappeared when the description of the policy explicitly stated that there were no negative consequences for whites.

O'Brien and colleagues (2010) found an interesting consequence of this effect. They framed affirmative action policies in an educational context as either having negative or no consequences for the majority group, and found that majority members voiced 'concerns' about the minority group being stigmatised as a result of the policy more often when it was framed as negatively affecting their own group. The framing had no effect on the degree to which they voiced objections based on fairness or meritocracy. This indicates that such 'concerns' for the target groups of quotas and other affirmative action policies should be evaluated critically when emanating from advantaged groups. It may not be the effects on the target groups that these concerns are based on, but rather the negative effects for their own group.

Secondly, research from this area demonstrates that being part of a disadvantaged group plays a role in another way. Group membership influences attitudes towards quotas and affirmative action policies that target other minority groups as well. For example, Kane and Whipkey (2009) demonstrated in their study that support for gender-based affirmative action is not only predicted by gender, but also by being part of an ethnic minority or being of lower education. Faniko and colleagues (2012) found that those who are highly educated have more negative attitudes towards affirmative action policies, albeit only for 'hard' policies such as quotas. They also found that this relationship was partly due to threats to meritocratic beliefs. In other words, those who have in some way made it to the top (at least education-wise) have stronger beliefs in a meritocracy in which you get what you work for, and this in turn influences people's attitudes towards quotas and other affirmative action policies.

These findings are important but also potentially concerning as they indicate that those individuals who are in power and thus have the opportunity to shape affirmative action policies (that is, highly educated men and ethnic majorities) are also the least likely to support them, especially the type of policy that has been shown to be the most effective in addressing the under-representation of stigmatised groups – quotas.

Policy strength

The research indicates that people can have different attitudes towards affirmative action policies depending on the strength of a policy. The rigour of a policy can range from voluntary measures such as equality and diversity training offered by an organisation to mandatory quotas with severe sanctions. Generally, attitudes towards harder policies such as quotas are more negative (Harrison et al 2006, Levi and Fried 2008, Moscoso et al 2012).

In their meta-analysis, Harrison and colleagues (2006) distinguish between several forms of affirmative action policies based on their strength, namely 'opportunity enhancing' policies (for example, providing training for under-represented groups), 'equal opportunity' policies (for example, forbidding open discrimination), 'tie-break' policies (for example, the preferential selection of minority members if two applicants are equally qualified) and 'strong preferential treatment' policies (such as quotas). As expected, the authors find that resistance to the stronger types of policy is significantly greater and, unsurprisingly, that this is especially the case for groups whose attitudes towards affirmative action policies are generally more negative (for example, majority members and those individuals with high meritocratic beliefs).

Measures to improve attitudes towards quotas if they are introduced

Regardless of whether or not mandatory quotas are viewed as the most effective approach to improve progression for minority groups, they are increasingly being introduced in several domains. It is very likely that the EU directive to improve gender diversity in the boardroom will be introduced and affect a large number of employers across the EU. Therefore, it is important for organisations that have no choice but to comply with a quota system to optimise its impact and mitigate any potential negative effects:

- **Frame the policy in a positive way.** A study by Awad (2013) shows that the same policy can lead to quite different reactions based on whether it is called 'affirmative action' or framed as 'promoting diversity'. When the latter was the case, African-Americans were less stigmatised than when they were perceived by colleagues as having been hired based on an affirmative action policy. Similarly, because quotas are highly controversial, it could be worth the implementer of the quota-like policy framing it in a different way, for example referring to it as a voluntary target.
- **Make structural discrimination visible.** Several studies demonstrate that merely perceiving a group to be under-represented does not lead to stronger support for quotas or other affirmative action policies. For example, a meta-analysis by Harrison and colleagues (2006) showed that resistance to such policies was only reduced when the under-representation was attributed to discrimination. Therefore, it is important for an implementer of an affirmative action policy or quota system to articulate the discrimination that exists against the targeted group.

- **Highlight the importance of merit.** People generally dislike the idea of others being selected solely on the basis of their minority group membership (for example, because they are women). However, most affirmative action policies do include merit as an important factor (for example, as in the case of the proposed EU directive relating to gender diversity on boards, the provision is to hire a woman only if a female and male candidate are equally qualified). However, a study by Heilman and colleagues (1998) demonstrates that if these merit-based criteria are not emphasised, people assume that they are non-existent, leading to negative outcomes such as stigmatisation of the targets of the affirmative action policy.
- **Involve those who do not benefit from the policy in its development.** We have already shown that those individuals who aren't targets of affirmative action policies tend to be less supportive of such policies. A study by Hideg and colleagues (2011) suggests that this can partly be overcome by involving these majority groups in the development of the policy. However, it is important to ensure that this does not simply result in less rigorous (and less effective) policies.

Conclusion

Based on the evidence, it is apparent that affirmative action policies targeted at a particular level in an organisation are beneficial in changing representation numbers, but this does not necessarily improve representation of the minority group at other levels.

In deciding on the value of quotas, the questions to consider include:

1   **Which outcomes are the most important?** Is it the fast and effective increase in numbers at the top, or is it avoiding negative outcomes such as the stigmatisation of members of targeted groups and the potential resentment and resistance of majority group members who do not benefit from the quota system?

2   **What percentage improvement should be aimed for?** It is important that minority group representation should go beyond tokenism. To counter the imbalance caused by the effects of stereotyping and bias, representation levels should seek to mirror population distributions. Therefore, in relation to female representation, arguably it would be justifiable to aim for an equal 50% quota for both genders.

In deciding on the value of introducing affirmative action policies, the questions to consider include:

1   **How much support is there for affirmative action policies?** While support might be mixed, the fact that majority members might object (and this objection might translate into more negative attitudes towards the organisation) should certainly not justify maintaining the status quo. However, to increase the acceptance of affirmative action policies where they are perceived to be critical to trigger change, the policies should be part of a wider diversity strategy and diversity awareness training.

2   **How will affirmative action policies be developed and communicated?** We have pointed to a number of ways in which policies can be created to maximise their uptake and support, including involving majority group members in their development, emphasising the role of merit and providing evidence of discrimination against the targeted group.

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