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Corporate Governance, Gender Equality and Family-Friendly Practices in British Firms

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Abstract

We use WERS 2004 to study whether a stock market listing makes a difference to the gender policies of listed firms, the extent to which they monitor gender equality outcomes in the areas of recruitment, promotion and pay, and how far they make provision for family-friendly practices above the level mandated by law. After controlling for firm size and related characteristics and for the extent of workplace diversity, we find that listed companies are significantly more likely to have gender policies than non-listed firms, but are no more likely to engage in monitoring of outcomes.

1. Introduction

In this paper we examine empirically the operation of 'reflexive' forms of regulation in the area of gender equality. The UK has had legislation mandating equal pay for women and men in the same employment since the early 1970s and work-life balance legislation since the mid-1990s, yet has one of the largest gender pay gaps in the EU. The persistence of the gender pay gap can be attributed in part to failures in legislative design and in the weakness of the sanctions provided by the law. However, it may also illustrate the limits of a 'hard law' strategy to employment equality issues. Policy makers have recently taken a growing interest in reflexive approaches to the issue of gender equality. In place of direct legal intervention in the pay-setting process, these mechanisms stress the role of disclosure and audit in 'steering' firms towards best practice. One such mechanism is provided by the mix of market and regulatory incentives to which firms with a stock market listing are subject. The question we examine is: what influence does a stock market listing have on the gender equality policies and practices of firms?

Our evidence is drawn from case study interviews with firms and from the WERS 2004 survey. Section 2 sets out the policy background to the study and section 3 describes findings from the case studies.[1] Section 4 sets out the analysis of WERS. Section 5 concludes.

2. Gender equality and reflexive law: the Kingsmill review

More than thirty years after the Equal Pay Act came into effect in the UK there remains a significant gender pay gap. For full-time employees the difference between the mean hourly pay of men and women is currently 16.4%, while the gap for all employees is 20.2%. In the

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[1] Sections 2 and 3 draw on McLaughlin and Deakin, 2010.

private sector, the gap is wider at 20.8% and 28.8% (ONS 2009). In certain sectors the pay gap is more pronounced. For example, a recent study of the finance sector commissioned by the Equalities and Human Rights Commission (Metcalf and Rolfe, 2009) revealed a pay gap of 40% for full-time employees.

While there are a number of explanations for the pay gap, including occupational segregation and the division of family responsibilities, it is generally accepted in policy circles that discrimination continues to play a role. Although some pay discrimination may be intentional, mostly it is assumed to be systemic and unseen, and as such only identifiable through a systematic evaluation of payment systems. Following the approach first adopted in Ontario under its 1987 Pay Equity Act (McColgan 1997), the argument for mandatory equal pay audits has been increasingly made in the UK over the last decade. The argument was first made in the UK by the Equal Pay Taskforce (2001), which argued that most employers did not believe their pay systems were discriminatory and therefore would only conduct an equal pay audit if it were mandatory.

Compulsion, however, was rejected by the government, and two months after the Equal Pay Taskforce released its report Denise Kingsmill was commissioned to undertake a similar review into women's pay and employment. Here the terms of reference were limited to an examination of *non-legislative* proposals for addressing the pay gap (Kingsmill 2001). Given this, it is not surprising that Kingsmill recommended a voluntarist approach in relation to equal pay audits. She based her arguments for a voluntary approach on the link between the management of an organisation's employees and attaining its strategic objectives. She suggested that the current pay gap reflected human capital mismanagement by UK organisations. Even if equal pay audits did not reveal systemic discrimination, she argued they would reveal the clustering of women into lower roles within an organisation. Moreover, a deeper analysis of the data would reveal a disparity between the abilities and talents of women and the positions they occupy within the firm. Pay audits, therefore, offered the opportunity for organisations to examine the various barriers to the full utilisation of the talents and skills of their employees (such as promotional structures that disadvantage those who take career breaks or reward those who work long hours). Kingsmill drew on the language of both corporate governance and CSR. In pointing to the Turnbull Report and its requirement that company boards report on the assessment of, and response to, significant risk, she argued that the failure to effectively manage human capital exposed an organisation to the same level of risk as the failure to manage financial resources. Good human capital management would reduce the risks and costs associated with equal pay and sex discrimination litigation, and the costs of staff turnover. It would also lead to an organisational composition that reflected the company's consumer base. She also pointed to the increased interest of institutional and individual investors in how effective companies were at managing their non-financial resources, implying that 'reputational effects' and shareholder activism might help drive human capital management reform.

The issue of compulsory pay audits was revisited by both the Women in Work Commission (2006) and the Discrimination Law Review (2007). The former were unable to arrive at a consensus on the issue and thus set out the arguments for and against, while recommending various policy supports to raise awareness, promote best practice and build employer capacity to address equality issues. The latter rejected mandatory equal pay audits arguing that the potential costs would outweigh any benefits, and as such would 'contravene better regulation principles'. Instead, it recommended the promotion of best practice and the introduction of mechanisms that would increase the 'reputational benefits' for organisations that voluntarily carry them out (DCLG 2007).

Following on from these various commissions and reviews, a number of public policy supports were implemented during the 2000s to encourage employers to voluntarily conduct equal pay audits and address gender diversity more generally: the Equal Opportunities Commission (EOC) published various toolkits and codes of practice on conducting equal pay audits and complying with equal pay legislation; the government began working with a number of networks of 'fair pay champions' such as Opportunity Now to promote best practice and reward exemplar employers; and the equal pay questionnaire came into effect in 2003, allowing individual employees to request information from their employer in relation to equal pay. Taken together, these various supports were considered to have raised the profile of equal pay audits in the private sector by the mid-2000s (Neathey et al. 2005). In the public sector, pay audits became *de facto* mandatory through the Civil Service Reward Principles, the National Joint Council pay agreement for local authorities, and Agenda for Change in the NHS. The public sector Gender Equality Duty also places a duty on public bodies to proactively promote gender equality and eliminate discrimination. At the same time, the issue of equal pay litigation in local authorities has been constantly in the media, highlighting the penalties involved in unequal pay and further raising the profile of equal pay issues for the private sector.

However, despite the range of public policy supports, and the various CSR and governance business case arguments put forward for a voluntary approach, the empirical evidence suggests that its impact in influencing private sector organisations to conduct equal pay audits has been very limited. The EOC commissioned a number of surveys between 2002 and 2005 examining the extent of equal pay audits among organisations. 82% of organisations in the 2005 survey had not conducted an equal pay review, did not have one in progress and did not intend to conduct one (Adams et al. 2006). Clearly the voluntarist approach has been ineffective. This is also a conclusion that the Minister for Women and Equality reached in incorporating the principle of mandatory reporting in the Equalities Act 2010. From 2013 organisations with more than 250 employees will be required to report their gender pay gap on a regular basis (GEO 2009). But why have the institutional mechanisms of corporate governance and CSR not had the impact envisioned by Kingsmill? The following section draws on the interviews with institutional investment funds and SRI managers in examining this question. It examines these questions in the wider context of the potential impact of CSR.

3. Gender inequality and CSR: case study evidence

Is the ineffectiveness of institutional mechanisms of corporate governance and CSR in relation to equal pay to do with a lack of interest in the issue itself, or does it represent a more general limitation of such mechanisms to bring about significant social change? To what extent is the faith placed by governments in voluntary, 'light touch' and various 'soft' governance mechanisms misplaced?

There is no doubting that issues of corporate social responsibility have become increasingly important for corporations driven by concerns about reputational risk and long-term financial performance. A KPMG (2008) survey showed that 80% of Global Fortune 250 companies and over 90% of the UK's largest 100 corporations report CSR information. Increasingly, responsibility for CSR lies with a board member. Additionally, firms are employing CSR managers, joining CSR membership associations, such as Business in the Community, and participating in CSR performance indices such as FTSE4Good (Grosser and Moon 2008).

On the investor side, shareholder engagement has grown significantly. The United Nations Principles for Responsible Investment was launched in 2006, and as of 2008 it had over 360 institutional signatories representing US$14 trillion in assets, up from US$4 trillion in 2006 (UNPRI 2008). In the UK, the SRI fund market is estimated to be around €331 billion (Waring and Edwards 2008). These developments have been supported by various national reporting requirements. In the UK, the SRI Pension Disclosure Regulation, which came into effect in 2000, and the 2002 Myners principles, which require pension funds (on a 'comply or explain' basis) to report their investment principles and to report annually on how they are implementing them, are both perceived to have raised the awareness of social, ethical and environmental issues for pension fund trustees. More recently, the 'Enhanced Business Review' requires companies to disclose information relating to environmental matters, employees, and social and community issues in as much as they affect the performance of the business.

And yet, despite these developments, our interviews with a range of investment funds show that the impact of such institutional governance mechanisms remains quite minimal. Firstly, even with the significant growth in SRI in recent years, it still remains very much a niche market. Even among some of the larger UK investment firms that are well known for their SRI, the SRI-specific funds ranged between two and eight % of their total equity assets under management (though other funds may have a CSR engagement overlay, or engage on CSR issues when the issue is perceived to have some financial risk, but are not explicitly SRI). As one SRI Manager noted in relation to the impact of the Myners principles 'things haven't moved on as fast as they could have… We were very optimistic… [but] it hasn't really grown that much'.

Secondly, the extent of 'investor activism' is somewhat limited. While most interviewees were able to cite examples of investor activism that had led a fund manager to engage with a company on an issue, or file or support a shareholder resolution, the general view was that fund managers were not being challenged to any great extent by institutional investors. There was some evidence that union trustees were beginning to raise employee issues, though UK unions were perceived to well behind their US counterparts in realising the potential to influence organisational change through their pension funds. UK unions are now offering their members training in relation to being a pension fund trustee, and over time this may lead to more institutional activism. Two investment firms also noted that there was a disconnect between pension fund trustees and the mission of the organisations they are representing, and that they would expect organisations such as charities, campaign groups, and public sector organisations in education and health, to be far more active in relation to SRI. In relation to campaign groups and charities (who would have significant investment funds from donations), it was noted that some of them do not even have an SRI policy and might well be 'investing in an activity which they are campaigning against…. You would have thought of any sector… they would have got it before anybody else'. While NGOs are effective in influencing the engagement of SRI funds, it is mostly done through the media or by lobbying SRI funds directly, but rarely as investors through their investment funds. The explanation offered for this disconnect was that the pension fund trustees are often more conservative than the individuals within their organisations who are interested in ethical and social issues. Additionally, despite the fact that CSR issues can be legally taken into consideration by trustees, there is still a 'mindset about obsession with fiduciary duty… that by taking these sorts of issues into account, are you breaching that or are you not?' Given the current uncertainty around defined benefit pension schemes, combined with instability in the stock markets, it is not surprising that CSR issues may not feature highly for pension fund trustees seeking to maximise returns for their pension funds.

Engagement with companies is driven not only by individual and institutional investors, but also by SRI investment funds themselves as part of their own strategic aims. One investment firm talked about their aim being to educate fund managers and 'transform the capital markets and get them to [have] sustainability issues… reflected in investment decisions'. Thus, SRI investment firms draw up their own engagement plans around key social, ethical and environmental issues, and then build sector and issue expertise so they can engage not only with companies, but also with the fund managers and brokers. But even at this level there are blockages as fund managers are rewarded for short-term gains and the gains from CSR are not always tangible. As one interviewee noted, the stock market price of a firm may drop in response to some negative CSR news but it often returns to its previous level after a short period, suggesting that the initial decrease was 'a market reaction to unexpected news as opposed to the market really factoring in what the impact is of a company not managing [CSR] issues'.

In relation to specific issues, such as gender diversity, it is evident that in relation to CSR there is a hierarchy of concerns. Employee issues are generally viewed as one of the four clusters of significant CSR issues along with governance, environment and social issues, but within the employee cluster, issues like use of child labour, supply chain employment conditions, and health and safety carry the greatest reputational risk and are the easiest to engage on, whereas issues such as freedom of association and union recognition are more problematic. It was also suggested that there is a fine line between engaging with companies over important issues and moving into micro-management, and that some issues like union recognition and collective bargaining might fall into micro-management. There were some reports of engagement with companies in relation to diversity and developing equal opportunities policies, but no significant engagement over equal pay issues. One investment firm had produced a document in 2002 about using SRI to close the gender pay gap but this was very much exploratory work, and as yet they have not been able to turn the information into a form that fund managers could process as part of investment decisions. Thus, there is a multiplicity of issues that investors have to take into account, which leads to the relative marginalisation of certain issues.

The issue of transparency and lack of quantitative information that third parties can use to make meaningful investment decisions was seen by most interviewees as the biggest barrier to significant levels of institutional activism in relation to CSR issue. Developments such as the Myners principles and Statements of Investment Principles were seen as only a start. While pension disclosure rules have led to a significant increase in the number of pension funds drawing up statements about investment principles, the consensus was that the actual impact on practice was questionable; 'a one-off policy statement sits in the drawer or in an investment management agreement signed by two people that probably left the company a couple of years ago'. Without meaningful reporting about how the policy is actually being implemented and what has been achieved, the perception is that most are meaningless statements of intent. However, for pension funds to engage effectively on CSR issues with the companies they invest in, they will also require a commensurate level of transparent, quantitative and regular information to be reported by these companies. As one interviewee noted, currently 'companies choose what they are going to report on…. when it comes to environmental and social issues', and the lack of standardised performance indicators means the CSR performance of companies cannot be assessed, ranked and challenged by civil society and by investors: 'transparency is a fundamental tenet of responsibility; without transparency you can't have accountability [and] third parties have no way of judging what you have been doing'. The lack of meaningful reporting is a strong theme on CSR reporting in the literature. A PWC (2007) report on the effectiveness of the Business Review found that while 83% of companies included a CSR section in their annual reports, only 17% connected CSR issues to their strategic objectives. In relation to employees, it found that while 60% of companies claimed that its employees were an essential asset for achieving strategic objectives, only around 20% included relevant performance indicators.

4. The impact of stock exchange listing on gender equality policies, monitoring and practices: evidence from WERS 2004

The Workplace Employment Relations Survey is the most comprehensive survey of employment practices in British workplace. The 2004 survey makes it possible to study the impact on corporate governance on employment relations, by identifying the ownership form and corporate governance structure of the employing organization. Among other things, WERS distinguishes between private-sector employers with a stock exchange listing and those without. In relation to equality, WERS enables us to see whether an employer has a gender equality *policy*; whether it *monitors* gender equality in relation to recruitment, promotion and pay; and whether it implements family-friendly *practices* above the level mandated by law. By combining the corporate governance and gender equality data from WERS, we can get a measure of how far listed firms are more likely than others to prioritise gender equality issues in the way that reflexive theory suggest they might. We can also test for other possible influences on gender equality policy and practices: whether a firm has government contracts, and thereby comes under pressure to comply with best practice on gender equality issues (among others); whether it deals directly with the public as consumers (a 'B2C' firm), a possible indicator of its greater sensitivity to reputational issues; whether it subscribes to or otherwise complies with voluntary standards stressing good HR practice on matters including equality, such as Investor in People guidelines; what its ownership structure is (whether it is family-owned and/or foreign owned); whether it has an employee share- or profit-sharing scheme, a possible indicator of employee empowerment; whether it employs a significant number of female managers; and whether it has a strong union presence.

Table 1 sets out summary statistics for the private-sector firms in the WERS sample and Table 2 contains a list of definitions of the variables reported there. WERS is a nationally-representative sample of workplaces in manufacturing and services with 5 or more employees in Great Britain. It covers both the public and private sectors. Around 15% of private-sector workplaces sampled by WERS 2004 belonged to employers with a stock market listing; 26% had government contracts; and 40% dealt directly with members of the public as customers. Around half of all private-sector workplaces had a gender equality policy. However, only

12.5% monitored their recruitment practices from a gender-equality point of view, 6% monitored promotion, and 4% monitored pay.

Table 3 compares results on gender policy, monitoring and practices for listed firms and the rest. On a bivariate analysis, it can be seen that listed firms were significantly more likely than non-listed ones to have a gender policy and to engage in monitoring of recruitment, promotion and pay. However, some of these differences disappear once we control for other potential influences. Table 4 reports the results of a weighted probit regression which enables us to compare the effects of a stock market listing with those other external pressures (government contracts, B2C, voluntary standards) while controlling for firm characteristics and the extent of workplace diversity. From this it can be seen that while having a stock market listing matters for whether a firm has a gender policy, it makes no difference to gender monitoring, and has little impact on family-friendly practices (reduced working for parents, maternity leave and paternity leave are significantly correlated with listing). Of the other external pressures, government contracts do not appear to be significant drivers of equality, but being a B2C firm is significant for both gender policies and monitoring (although less so for family-friendly practices). Firm size (as might be expected) is strongly correlated with the incidence of policy, monitoring and practices. Firms employing a high proportion of female managers are more likely to have a gender policy and to monitor recruitment and promotion, but not pay. Union presence is strongly linked to having a gender policy and to the monitoring of gender equality in recruitment.

Table 1 Summary statistics: private-sector workplaces in Britain

	Sample Mean	Standard Deviation
External Pressures		
Stock market listing	0.144	0.323
Government Contracts	0.261	0.404
B2C	0.408	0.452
Voluntary Standards (Investor in People)	0.321	0.430
Firm Characteristics		
Firm size (log of employees)	2.724	0.865
Firm age	26.410	31.845
Family controlled firm	0.456	0.459
Foreign controlled firm	0.153	0.331
Firm competition	0.390	0.449
Employee share schemes	0.184	0.357
Profit-sharing (incentive pay)	0.369	0.444
Workplace Diversity (organizational perspective)		
Workplace proportion female managers	0.352	0.348
Workplace proportion technical and professionals	0.113	0.194
Workplace proportion older workers	0.207	0.166
Workplace proportion part-time	0.271	0.259
Workplace proportion union	0.195	0.365
Gender Policy and Practice		
Gender Policy	0.504	0.460
Review Recruitment on gender	0.125	0.305
Review Promotion on gender	0.061	0.221
Review Pay on gender	0.039	0.179
Family-friendly Policies / Practices		
Work at home	0.231	0.388
Reduced work	0.426	0.455
Flexitime	0.025	0.145
Maternity	0.497	0.460
Paternity	0.439	0.457
Parental	0.019	0.125
Term-only	0.090	0.264
Childcare	0.013	0.104
Job Share	0.041	0.182

Source: The Workplace Employment Relations Survey 2004.
Notes: The sample mean is weighted using workplace sampling weights.

Table 2 Definition of variables

External Pressures

Stock market listing
Firm listed on a stock exchange.

Government Contracts
Provides goods or services to public sector.

B2C
Provides goods and services to general public.

Voluntary Standards (Investor in People)
Accredited as an Investor in People.

Firm Characteristics

Firm size
Log of total employees.

Firm age
Years of firm operations.

Family controlled firm
Single individual or family owns at least 50%.

Foreign controlled firm
Foreign ownership is 51% or more .

Firm competition
Firm faces "very high" competition in the market.

Employee share schemes
Firm operates employee share schemes.

Profit-sharing (incentive pay)
Firm gives profit-related or profit-related bonuses.

Workplace Diversity (organizational perspective)

Workplace proportion female managers
Proportion of employees who are female managers and senior officials.

Workplace proportion technical and professionals

Proportion of employees in the workforce belonging to the professional and technical occupational group.

Workplace proportion older workers
Proportion of employees who are aged 50 or more.

Workplace proportion part-time
Proportion of part time workers.

Workplace proportion union
Proportion of employees who belong to union.

Gender Policy and Practice

Gender Policy
Workplace has a formal written policy on equal opportunities that “explicitly mention equality of treatment or discrimination” on sex/ gender.

Review Recruitment on gender
Workplace reviews recruitment and selection procedures to identify indirect discrimination by gender.

Review Promotion on gender
Workplace reviews promotion procedures to identify indirect discrimination by gender.

Review Pay on gender
Workplace reviews pay rates by gender.

Family-friendly Policies / Practices

Work at home
Working at or from home in normal working hours.

Reduced work
Ability to reduce working hours (e.g. switching form full-time to part-time employment).

Flexitime
Employee has no set start or finish time but an agreement to work a set number of hours per week or per month.

Maternity
Female employees going on maternity leave receive their normal, full rate of pay.

Paternity

Male employees taking time off work around the birth of their child receives their normal, full rate of pay.

Parental
An employee taking parental leave receives their normal, full rate of pay.
Term-only
Employees are entitled to work only during school term-time

Childcare
Workplace has nursery or employee receives financial help with child-care.

Job Share
Workplace has job sharing schemes.

Table 3. Gender policies and monitoring & family-friendly practices: listed versus non-listed firms

	Listed Firms		non-listed firms		Difference Between the Groups
Variables	Sample Mean	Standard Deviation	Sample Mean	Standard Deviation	t-stat on differences
Gender Policy	0.847	0.413	0.428	0.431	11.50 ***
Review Recruiting	0.188	0.449	0.110	0.273	2.14 *
Review Promotion	0.116	0.367	0.050	0.190	2.21 *
Review Pay	0.089	0.327	0.033	0.156	2.13 *
Maternity Leave	0.675	0.538	0.446	0.433	4.70 ***
Reduce working hours	0.670	0.540	0.378	0.422	6.05 ***
Paternity Leave	0.528	0.573	0.384	0.424	2.86 **
Working at home	0.166	0.427	0.235	0.369	-1.86 +
Term-only contracts	0.141	0.399	0.078	0.233	2.09 *
Job Sharing	0.080	0.312	0.039	0.169	1.64 +
Parental Leave	0.055	0.263	0.025	0.137	1.41
Flexitime	0.039	0.222	0.025	0.135	0.82
Child care	0.033	0.206	0.008	0.076	2.41 *

Source: The Workplace Employment Relations Survey 2004.
Notes: The sample mean is weighted using workplace sampling weights.
*** Statistically significant at the 0.001 level; ** at the 0.01 level; * at the 0.05 level

Table 4: Gender policy, monitoring and practices in British firms (weighted probit regression)

	Gender Policy	Gender Monitoring			Family-Friendly Policies / Practices								
		Recruitment	Promotion	Pay	Work at home	Reduced work	Flexitime	Maternity	Paternity	Parental	Term-only	Childcare	Job share
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
External Pressures													
Stock market listing	0.735 **	-0.044	0.168	-0.014	-0.147	0.527 **	-0.471 +	0.412 *	0.383 *	-0.050	0.100	0.372	-0.327
Government Contracts	0.169	0.176	0.104	-0.277	0.191	-0.114	0.250	0.353 *	0.120	0.238	0.064	-0.230	0.437 *
B2C	0.515 **	0.500 **	0.497 **	0.479 *	-0.844 ***	0.401 **	-0.557 **	0.254 +	0.059	0.054	-0.069	0.134	-0.470 **
Voluntary Standards (Investor in People)	0.123	0.146	0.030	0.027	-0.075	0.291 *	0.587 **	0.153	0.335 **	-0.028	0.324 *	0.181	0.382 *
Firm Characteristics													
Firm size	0.319 ***	0.184 ***	0.175 **	-0.001	0.180 ***	0.080	0.356 ***	-0.081	0.073	0.292 ***	0.304 ***	0.379 ***	0.407 ***
Firm age	-0.001	-0.000	0.002	-0.001	-0.004 *	0.004 *	0.001	0.000	-0.003 +	-0.001	0.002	0.003	0.001
Family controlled firm	-0.305 *	-0.272 +	-0.111	-0.648 **	-0.093	0.052	-0.229	0.029	-0.040	-0.270	-0.157	-0.271	-0.118
Foreign controlled firm	0.351 +	0.007	0.256	-0.237	-0.078	0.007	-0.361 +	-0.189	0.233	0.051	-0.379 *	0.275	-0.097
Firm competition	-0.099	0.194	0.155	0.282 +	-0.090	0.065	0.058	0.191	0.162	-0.005	-0.311 *	0.091	0.230
Employee share schemes	0.075	-0.195	0.061	-0.454 *	0.243	-0.036	0.262	0.090	-0.121	0.648 **	0.422 +	0.526	0.147
Profit-sharing (incentive pay)	-0.147	-0.064	0.004	0.372 *	0.285 *	0.109	0.016	-0.011	0.030	0.018	-0.090	-0.077	-0.067
Workplace Diversity (Organizations)													
Workplace proportion female managers	0.754 ***	0.949 ***	0.512 *	0.300	-0.036	0.654 ***	0.106	0.178	-0.171	0.332	-0.089	0.522 +	0.011
Workplace proportion technical and professionals	0.487	0.293	-0.359	0.640	1.059 ***	-0.143	1.303 ***	-0.219	0.057	-0.219	0.438	0.840	1.005 **
Workplace proportion older workers	-0.393	-0.206	-0.389	0.791	-0.332	-0.267	1.175 *	-0.422	0.051	0.038	0.722	-2.280 **	0.745 +
Workplace proportion part-time	-0.812 **	0.183	-0.235	-0.498	-0.126	0.602 *	0.721 +	0.145	-0.164	0.083	1.816 ***	0.208	0.825 *
Workplace proportion union	3.794 ***	0.325 *	0.221	0.505	-0.047	-0.004	0.023	0.087	0.233 +	-0.160	0.270 +	-0.091	0.031
Industry	Yes ***	Yes ***	Yes *	Yes ***	Yes	Yes **	Yes **	Yes	Yes	Yes *	Yes *	Yes *	Yes ***
Region	Yes	Yes ***	Yes ***	Yes **	Yes	Yes	Yes	Yes **	Yes ***	Yes +	Yes ***	Yes ***	Yes *
F-stat	7.04 ***	6.81 ***	5.65 ***	10.22 ***	5.98 ***	5.83 ***	9.63 ***	2.59 ***	2.68 ***	8.49 ***	9.07 ***	9.99 ***	9.94 ***
Subpopulation no. of obs.	1441	1441	1441	1441	1441	1441	1441	1441	1441	1441	1441	1441	1441
Number of obs.	1943	1943	1943	1943	1943	1943	1943	1943	1943	1943	1943	1943	1943

Notes: The standard errors (not reported) account for the stratification in the sampling procedure.
*** Statistically significant at the 0.001 level; ** at the 0.01 level; * at the 0.05 level; + at the 0.10 level

5. Conclusion

In this paper we report preliminary findings from a study of the relationship between having a stock market listing and firms' approaches to gender equality. We find that listed companies are significantly more likely than non-listed ones to adopt gender equality policies, to engage in monitoring, and to put in place family-friendly practices. However, after controlling for firm size and other firm and workplace characteristics, the correlation between listing and policies remains significant, but that between listing and monitoring does not. B2C firms are significantly more likely than others not just to have gender equality policies but also to engage in monitoring of gender equality outcomes in the areas of recruitment, promotion and pay. Other predictors of policies and monitoring include a high proportion of female managers and a high proportion of union members in a given workplace.

In short, the evidence appears to point to some positive effects of a stock market listing. However, these effects are largely confined to gender policies rather than to the monitoring of gender equality outcomes or to the substance of family-friendly practices.

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