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# The Danish equality paradox: Women in Danish corporate management

Caroline E. Palmer

Compared to the other Nordic countries, Denmark is lagging in its representation of women in management positions in the private sector. Corporate boards and executive positions do not meet the EU guideline of 40% women. Danish culture, lack of quotas, and parental leave legislation, among other factors, contribute to this disparity. While changing a country's culture is a long-term process, quota legislation would spur immediate progress and increase the number of women in these upper-level business roles.

## Introduction

Denmark is generally considered a nation that regards women and men as equals, and in many sectors, this is a reality, as evidenced by their female prime minister. Denmark ranks second in the EU according to the Gender Equality Index (European Institute for Gender Equality, 2020). It may come as a surprise then that the number of women in advanced management roles in the private sector does not reflect this ranking. So, by pinpointing specific examples of female leadership, one may not realize that Denmark falls short when it comes to the number of women in managerial roles. As women make up a large portion of the public sector, the issues discussed in this article pertain mainly to the private corporate sector, where the representation of women is low. This article exposes Denmark's inequalities regarding gender in management positions, offers potential reasons for why this may have happened, and proposes both cultural and policy-based solutions.

## The gender gap problem

In examining the composition of men and women in upper levels of businesses, Denmark fares well compared to the EU as a whole. The Gender Equality Index from European Women on Boards gathered information on 19 European countries: Denmark ranked seventh. Its overall score was 0.02 points above the EU average (Kantar Public, 2021). With respect to the number of women on boards of directors, at the executive level (CFOs and CEOs), Denmark is either equal to or above the 19-country average. Again, these scores demonstrate that gender equality in Denmark is high, but, when compared to the other Nordic countries, it is evident that Denmark lags behind in the level of equality in management positions.

By way of example, in Denmark, 37% of corporate board members were women in 2021, a tie for the lowest percentage for this level of leadership among all the Nordic countries. In Norway, that number was 41% and in Sweden, 38% (Kantar Public, 2021). While these numbers may not be that far apart, Denmark consistently ranks lower in many other areas of leadership, indicating that the issue is widespread. In the case of women in executive positions, a survey found that as of 2021 Denmark had 19% female executives. By comparison, in Finland, there were 24% female executives; in Sweden, 25%; and in Norway, 32% (Diversity Council, 2022). These numbers thus display a larger gap between Denmark and the other Nordic countries pertaining to women in leadership positions. In the category of women on board and control committees, the presence is 32% for Denmark, whereas in Finland and Norway, it is 37% and 38%, respectively (Kantar Public, 2021). Again, Denmark is consistently behind the other Nordics. A historical comparison of the numbers of Nordic women in corporate management indicates that the gender gap has been worsening over time for Danish women, making the issue even more pressing.

In the past, Denmark's gender gap ranked closer to the other Nordic nations but has veered away from them more recently. In 2017, Denmark ranked fourteenth in the World Economic Forum's Global Gender Gap Index, while Finland, Sweden, Norway, and Iceland all remained in the top five (World Economic Forum, 2017). Even more shockingly, in 2022, despite increasing the number of women in executive positions and boards, Denmark ranked thirty-second in the World Economic Forum's Global Gender Gap Index. Iceland, Finland, and Norway ranked numbers one, two, and three, respectively,

**Figure 1**  
**Global Gender Gap Report rankings among the Nordics, 2011–2022**



Source: World Economic Forum, 2022.

and Sweden ranked number five (World Economic Forum, 2022). This big picture relays that although Denmark is improving in some areas, the rate of change is lower than the other Nordic countries. It is not enough to attempt to reduce the gender gap, as this is a problem faced by all countries. The issue is that, somehow, the other Nordic countries have been able to increase their percentages of women in executive positions and on corporate boards at a much faster rate, which is why they maintain high positions.

If we go back to 2014, Denmark was in the top five in this same survey. Therefore, it is not as though Denmark has always been behind these other countries. It is that Denmark has been unable to have the same success in reducing its gender gap. Figure 1 displays Denmark’s downward trend across an 11-year span.

### The need for change

In a country that has more women in some sectors such as health care and service, it is still necessary to understand why this inequality of women in management matters (“Women Make up Just 15 Percent...,” 2021). It is important for women to hold positions of power in companies because men and women bring diverse perspectives to problem-solving and brainstorming. Women’s different experiences can shape how they approach tasks. By adding more women

to management roles, younger women can have role models to look up to, which can help the flow of women into the field. With an equal number of women and men in these roles, both men and women will become accustomed to seeing women on boards and in the corporate space. One study found that 54% of women said that having a role model in higher-up positions is helpful to the issue at hand (Diversity Council, 2022).

Additionally, the Organisation for Economic Co-Operation and Development (OECD) found that in the Nordic countries, increases in female employment have raised the GDP per capita growth rate. When examining Denmark specifically, it found that women work significantly fewer hours than men, and if this gap were closed, GDP per capita would increase by 19% from 2013 to 2040 (OECD, 2018). Therefore, it is evident that, for both diversity of thought and economic reasons, lessening this gap in Denmark matters (McKinsey & Company, 2018).

### Why the corporate gender gap exists

Reasons for the corporate gender gap are several and range from specific workplace issues and broader employment practices, to education pipeline differences, and to unintended consequences of social policies. Identifying and analyzing these sources is a necessary first step in formulating possible recommendations to resolve the current situation.

## **Workplace issues**

The gap between women and men in management roles is actively perpetuated in the workplace, sometimes consciously, often unconsciously. As such, women are 30% less likely to be promoted as well as 30% less likely to be recommended for projects. Other actions in the workplace also disproportionately affect women. Women face more microaggressions in the workplace, which may contribute to either others or themselves not advancing in a company: 50% of women reported experiencing a microaggression compared to 20% of men.

Microaggressions can discourage and demoralize women, as discomfort in the workplace can decrease enthusiasm for one's position. Given that there are fewer women in higher positions who face many more microaggressions than do men, this behavior must be more targeted than general. A common example of a gender-specific microaggression is that Danish women are more often questioned on their expertise than are men. Additionally, one study found that the higher the position, the more microaggressions toward women exist (Diversity Council, 2022). Aside from microaggressions, there are outright instances of sexual assault toward women. While these are not exclusively tied to women in business, Denmark was ranked as the country with the highest incidence of male physical violence and sexual assault against women in the EU (Leine et al., 2019). It may be that this ideology also affects the corporate workplace and is connected to microaggressive behavior there.

While the above are concrete examples of why women do not climb the corporate ladder, there are also general misconceptions that perpetuate the situation. In one study, two-thirds of those interviewed, including women, believed that women do not wish to be promoted or that they lack motivation. Ironically, that same study found that 73% of women were looking to be promoted (Poulsen, 2021). This disconnect between what individuals believe and what actually occurs may be a significant contributor to the lack of women in leadership positions.

From another perspective, 53% of women consider the promotion system in top management positions to be fair versus 71% of men (Diversity Council, 2022). Another study found that Danish women themselves believe that they have less of a chance of being promoted than do men (Poulsen, 2021). Many women want to be promoted but think they do not have a chance at a promotion, thereby mentally blocking themselves from success. Thus, it may be the case that women end up not applying for promotions because they do not think they will be chosen.

## **Employment pipeline issues**

Denmark's labor pipeline is one of the most segregated among the Nordic nations, with greater than 60% of workers in occupations where their gender makes up 75% or more members. Men are much more likely to pursue employment in the private sector, including engineering, technology, and mathematics, whereas women are more likely to pursue public sector service positions. Even when both men and women have similar educational backgrounds, the men are more likely to enter the private sector compared with women, who more often opt for the public sector (Sørensen, 2019).

It appears there is also a leaky pipeline occurring where the percentage of women who initially pursue business is not the same as that reflected in the top positions. There are more women than men who attend college in Denmark—one source found that around 50% of top leadership-producing degrees are awarded to women; yet, only 29% of managers and 19% of executives are women with these degrees. This gap reflects a lack of promotion and an issue with the talent pipeline post-education. As one climbs the rungs of the corporate ladder, increasingly fewer women are present, which presents a problem. For example, if a company is seeking a new CEO and the pool of possible candidates is only 19% female, gender bias aside, the statistics suggest a man will likely be chosen four of five times. Therefore, this problem must be approached at the lower levels to increase the number of women with the requisite experience to have a chance of being promoted (Diversity Council, 2022).

While many problems arise once individuals are in the corporate world, there may also be some sort of barrier limiting the number of women desiring to start their own businesses. A 2013 study determined that about 50% of women in Denmark feel that they have access to the proper training needed to start a business. That same feeling hovered around 60% for men. Overall, the numbers of both men and women who felt that they had the proper training tools for a business career were lower than Sweden's, Iceland's, and Finland's. The availability of education on business start-up resources was overall quite low, but especially so for women (OECD, 2016).

## **Sociopolitical issues**

In addition to workplace and employment pipeline issues, there are broader sociopolitical issues that affect public awareness and hence the availability of policies to rectify the management gender gap. Perhaps surprisingly, many Danes do not seem to be aware of the low number of female managers. In

fact, 58% of Danes think that there are equal numbers of women and men in leadership roles, yet the actual number of women in these spots is much lower. Interestingly, in Sweden, only 38% of the general public thinks that there are an equal number of women and men in leadership roles, when in actuality, Sweden, at 43%, has a higher participation rate for women in management positions than Denmark, at 29% (Diversity Council, 2022). Since Swedes think their businesses are more unequal than they actually are, they may have taken more initiatives toward fixing the gap. One response emerging from the larger awareness spotlight is the use of quotas to promote higher rates of inclusion.

Comparing Denmark with the other Nordic countries reveals that many of the latter have gender quotas, whereas Denmark does not. Larger Danish firms are encouraged to achieve 40% women on boards of directors, but there is no formal rule that requires they achieve this level (Smith & Smith, 2015). In contrast, other Nordic countries have more explicit quotas and rules. For example, in 2006, with a two-year grace period, Norwegian law stated that for public corporate boards, women must represent at least 40% of the makeup (Seierstad & Huse, 2017). Since this legislation was implemented, the number of Norwegian women on these boards has increased and is now above the 40% marker (Kantar Public, 2021). The Norwegian system also contains better sanctions. If a company does not meet the quota, it can be denied registration as a business and may have to dissolve (Birkvad, 2016). Clearly, the idea of company disbandment is a large threat to the jobs of many, so they have complied, such that none have had to be removed thus far.

One of the major decisions faced by both women and men is the choice to start a family. Despite most Danish women holding jobs, there may still be implications for the child-bearing decision that can fall more heavily on women. As of 2015, despite having 52 weeks of parental leave in total, Danish fathers took an average of 25 days off, whereas mothers took 300. Fathers employed in the private sector took even less time for paternity leave than those in the public sector (Nørtoft, 2018). More recently, in 2020, of those who took parental leave, fathers took an average of 35 days of parental leave and women an average of 280 days of parental leave (*Gender Equality in Denmark*, n.d.).

The Danish parental leave policies have changed since 2020, still giving parents the same number of weeks of leave but attempting to distribute them more equally. All parents with babies born after August 2, 2022, are entitled to 24 weeks of parental leave, with

13 weeks transferable to the other parent (*Aftale om implementering...*, 2021). This policy may begin to reduce the gap of time taken off between mothers and fathers, yet, considering previous practices, it may be that Danish fathers end up transferring many of their available weeks.

Aside from caring for children when they are born, the imbalance of the mother spending more time working at home is consistent throughout her life: 39% of female managers are the main worker of chores at home, whereas only 12% of male managers are similarly responsible (Diversity Council, 2022). If women are expected to do many more chores, not only will they have less time for professional work but also more likely burned out and stretched thin.

### Analysis of the “why”

The gap between the number of men and women in management positions can be grouped into two broad categories: culture and policy. There appears to be a cultural bias in Denmark, as in many countries, where women work in public service-oriented roles and men work in positions of corporate power. For women who do choose to work in the corporate world, this culture may also explain why women either do not apply for higher positions or are not chosen. Clearly, there are enough women pursuing business in school, yet they are not represented in the upper-level jobs. This same culture also leads women to spend more time caring for their children, which inevitably allows their male counterparts more time to advance. While Denmark is known for being a relatively “equal” society, this culture persists due to a lack of widespread recognition. Denmark has made strides to improve gender inequality, but it appears, at least at the management level, that the public does not recognize that there is a lack of women, suggesting a cultural shift is warranted.

In the political arena, there are two significant areas ripe for further consideration—gender employment quotas and parental leave policies. Because there is no uniform quota system in place for Danish businesses regarding the number of women at certain levels, change is not enforced. If the current ways of bringing in talent are working for companies, and there is no backlash for not including enough women, there is no reason for more women to be hired. Thus, further consideration of quota policies should be a high priority. The generous parental leave policy prior to 2022 has had the unintended consequence of exacerbating the gap between men and women in terms of the amount of time they take off for the birth of a child. It is possible that the new policy, permitting less transfer of leave between parents,

could help this disparity. However, the impacts of the new policy must be monitored carefully with an eye toward making further amendments should the gender gap continue to persist. Attention to these two areas of concern, culture and policy, may help alleviate the limitations to the number of women in management positions.

## Recommendations

A solution that may have an impact on both laws and culture is increasing public awareness of the lack of women in management positions. Currently, the Danish perception of their country's gender equality and its reality is mismatched. One of the core values that some Danes attribute to their country is gender equality (Christensen & Muhr, 2018), but because the low number of women in corporate leadership positions is not recognized, save for women holding these jobs, there is no public movement to incite change. Because Danes do hold equality in such high regard, it could be that, once they are made aware of the situation, public efforts would cause cultural and policy changes. Danes believe that the gender gap is better than it is, which is why the statistics of the number of women at each level of leadership should be reported so that the problem is fully understood. There are several ways to make the public aware of the gender gap, such as using media sources, teaching children in schools, and including workshops in the workplace.

Utilizing public media outreach can be tricky, especially when reports go against closely held public values. For example, in 2014, a report exposed Denmark's high rates of sexual assault. In response, Danish news outlets vehemently fought these allegations, which may have propagated a false sense of gender equality and security (Leine et al., 2019). Because sexual assault is often less visible to the public, its extent was perhaps easier to deny. Given that the gender gap can be more easily verified by ordinary citizens, it would be less deniable by the media. Nonetheless, the reaction to the sexual assault report shows that identifying the reality of the gender gap within Danish businesses would need to be revealed to the public carefully and considerately. If a report calling out corporate board numbers seemed overly critical of Denmark, it would be natural for defensiveness to emerge.

Once social discomfort is realized, though, the public may push for change, which would certainly involve a discussion of a quota system. However, quota systems have been met with backlash, as many may see women as quota-fillers. The EU created guidelines for gender quotas to reach 40% of women

on company boards. Many other Nordic countries agreed to this, but Denmark did not. Instead, in 2013, 1100 of Denmark's top companies were legislated to create their own guidelines for better implementing higher numbers of women. Since then, Denmark has increasingly lagged behind other Nordic countries, clearly indicating the inadequacy of this approach (Smith & Parrotta, 2015). In February of 2022, the Danish government decided to support the EU quota and may be taking steps in the future to ensure that the goal of 40% of women on boards is reached. A bill may soon propose new equality criteria (*Danish Government Changes Stance...*, 2022). One benefit of the quota system is that Danish girls would be able to see more women in corporate roles, potentially inspiring them to pursue management positions in the future.

Because executives are picked from candidates who already hold high positions, there should also be quotas at lower levels, such as managers. Any bill that proposes adding a quota to the highest positions should also place quotas in lower-level positions. Legislation such as this may help to ebb the leaky pipeline flow.

Aside from legislating quotas, the new parental leave laws, stating that the number of parental leave weeks must be more equal between men and women, may increase the latter's numbers in positions of higher management. The hope underlying the recent EU-based directive is that the amount of time women take off from work will be matched by men, evening out the time spent at home out of the formal workplace, thereby giving women an even chance at professional advancement. With this directive still in its early stages, the numbers of men and women taking parental leave have not yet begun to change significantly. Hopefully in the next few years, the amount of time that men and women take off from work may begin to converge, but the situation must be monitored closely. Although each parent is entitled to 24 weeks off, some of these weeks can be transferred to the other parent, with the result that women may still take more time off than men (Eftevaag, 2022). If that cultural pattern continues to prevail, Denmark may wish to go beyond EU guidelines and mandate each parent take equal time off.

## Conclusion

To improve the representation of women in Danish leadership roles, a multifaceted approach should be taken. Changes to the beliefs about women in business and to pertinent laws are both necessary to equalize the number of women in management positions. Cultural change is generally achieved only

over longer periods of time. Legislative change, such as employment quotas, can provide more immediate courses of action but to be truly effective may require a revised mindset that is not so quickly achievable. The chances of success will likely be enhanced by pursuing both long- and short-term solutions in conjunction. Such changes, while not easy to make, can be realized through incremental steps in both time frames.

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