Women at top level management at Contractors in Denmark and Norway

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(article starts on next page)
WOMEN AT TOP LEVEL MANAGEMENT AT CONTRACTORS IN DENMARK AND NORWAY

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Strategic management and leadership in the building sector will gain increasing importance as globalization and shorter product lifecycles will put pressure on company competences in moving fast and agile. A broader mobilisation of human resources at the top level could be a central avenue to improve strategic management. Through new recruiting the composition of the top level management could be strengthened. Today the building industry encompasses relatively few managers with strategic management competences and women at this level are very few. The paper uses institutionalist theory to explain the dynamics in changing and developing top level management. The theoretical framework argues for five interlinked domains of the individual, the enterprise, the strategic management, the board and the environment. Institutions in all areas contribute to the experienced constraints. Based on an exploratory study of Danish and Norwegian female representation as CEOs, member of boards of directors and member of boards shows very low representation of women. Four competing institutions regarding female representation are identified the male dominant, the hostage, the voluntarist and the politically correct. The present status for the Danish contractors can be characterized as the hostage, as one woman in the board seems to be the present pattern. And Norway is less different than one should think. In Denmark as a newly launched reform encompass a strong voluntary element. An EU reform is therefore a more likely driver for politically correct institutional reform.

Keywords: equal opportunities, institutional theory, women, top-level management

INTRODUCTION

The Danish government announced in May 2012 that it would implement legislation that will make it obligatory, for the 1,100 largest companies to develop and follow a policy of increased representation of women on the corporate boards. Several other countries have implemented quotas of gender representation in corporate boards, most notably Norway, but also Belgium, France, Spain, Italy and the Netherlands (Hastings 2011). This legislative pressure means that over the coming years, the construction industry in Denmark will have to develop their boards to increase formal

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representation of women. But today the construction industry encompasses very few women at this level.

The aim of the paper is first to offer an institutionalist theoretical framework for understanding the complex interplay between business environment, enterprise and the individual role, behind strategic management and board representation (Terjesen et al. 2009, Scott 2002); second, to review research on initiatives enabling women representation in strategic management, both in business in general, and in the construction industry. Strategic management is here understood as the CEO and boards of directors, the top level of everyday management and boards, with external representation. Third, to provide an illustrative example of the status in Danish Construction industry comparing it with Norway, based on public available data.

The empirical contribution of the paper is to provide data on female representation in large Danish and Norwegian contractors, which add to our understanding of the construction sector status in the area of female representation at top level management through evaluating countries and companies assumed to be forerunners. The analytical contribution lies in differentiating several institutions of gender representation.

The paper starts with a theory review, provides a method section and then moves on to the empirical material on construction in Denmark and Norway. The discussion understands the situation in Denmark as interplay between three different institutionalising processes and the conclusion is critical to the coming Danish reform.

**METHOD**

The paper adopts an interpretive institutionalist approach to gender and representation in boards (Bilimoria & Liang 2012, Scott 2001, Terjesen et al. 2009). It presents a first small exploratory screening of contractors’ board representation in Denmark and Norway. The companies for the board investigation were selected using a website of the thousand largest Danish enterprises and using websites with public available company information on Norwegian contractors. The selection covers some of the largest general, earthworks, and technical contractors in these two countries. This gives coverage of subdomains within contracting without engaging with SMEs as it is assumed that the larger companies would be leading on issues of female representation. Most of the companies are listed shareholder companies (abbreviated AS), or public listed companies whose activities are regulated by law. However two Norwegian companies are so-called common shareholder companies (ASA), which are covered by the Norwegian Quota law. Shareholder companies are required to have elected employee representatives in their board. They are treated together with other types of board members here as they do not make a gender difference in this case. Half of the selected companies are owned by multinational companies and operate in both countries – Bravida, Hoffmann/Veidekke, NCC, Skanska and YIT – but it is only the Danish and Norwegian managements which are investigated here.

When identifying the institutions active enterprise websites, reports and other materials were juxtaposed with the figures on representation. Quantitatively we evaluated boards, boards and directors with no women as male dominated, one women as token and two or more as politically correct. Whereas the voluntary are more process oriented and more constructed on the basis on public debate. A Danish study of diversity management in construction focusing on diversity efforts in a large Danish contractor serves as background (Kamp 2005, 2007).
THEORETICAL FRAME

There is a vast literature on equal opportunities to membership in corporate boards (Terjeson et al. 2009 provide a review). Grosvold and Brammer (2011) and Terjesen et al. (2009) propose drawing on theories spanning the domains of the individual, the board, the enterprise and the environment. This paper also includes a fifth domain of strategic management i.e. the CEO and the board of directors. The paper adopts an institutional approach to female representation in corporate strategic management and boards. This implies a perspective of gender as ‘not only an individual property, but also as an institution embedded in the workplace, occupations, and occupational environments through formally defined rules, roles, and responsibilities and the way in which…individuals think about their social world’ (Terjesen et al. 2009: 325).

Gender is understood as ‘socially constructed roles of and relations between women and men’ (Bilimoria & Liang 2012:3). Hopefully, such a perspective can help overcome stereotyping men and women, and at the same time also find commonalities, for example, in the building of professional identities (Dryburgh 1999, Faulkner 2009). Moreover, gender equity/equal opportunities can be viewed as ‘a social order where men and women share the same opportunities and the same constraints in both the economic and the domestic realm’ (Bilimoria & Liang 2012:3).

The institutional mechanisms enabling or constraining women’s access to the board are multiple and spans the domains of the individual, the board, the enterprise and the external environment. Terjesen et al. (2009) point at gender self-schema and status as characteristics of the individual domain. At the board level, the authors describe a privileged closed group with its own rules and ways of thinking. Their review focuses on group-level processes such as social identity, social network and social cohesion, gendered trust, ingratiation and leadership. In the enterprise domain it is resource dependency, institutional, and agency theories that are prevalent. Finally, in the external environment, it is again the institutional that is mentioned.

Grosvold & Brammer (2011) develop the external environment level by pointing at the role of national institutional systems. They investigate the macro-micro linkages of national institutional systems and their impact on board representation. Gender differentiation, i.e. the manner in which gender and the differences between genders are assigned meaning is different between the national contexts, leading to different possibilities for obtaining senior management positions. The Nordic European and Eastern European cultural clusters have lower levels of gender differentiation than the Anglo-Saxon and Latin cultural clusters (Grosvold & Brammer 2011:121). There are linkages between the market organisation and board representation of women. According to their analysis, liberal market economies (such as the US) have a higher proportion of women on their boards than do coordinated markets economies (such as Denmark) by around two percentage points (Grosvold & Brammer 2011:311).

Initiatives introducing females in strategic management

Past and present research on equal opportunities on boards has developed a range of explanations for barriers and enablers and carried out evaluations of a range of efforts (see for example Barnard et al. 2010, Terjesen et al. 2009). The discussion below is carried out by looking at voluntary and at obligatory measures, presenting a few examples of each type.
Voluntary initiatives

Companies and individuals across the world have taken a number of voluntary initiatives to improve equal opportunities. This encompasses developing a corporate governance code (EU 2012), either by complying with an existing code or by creating a code internally. Internal voluntary efforts encompass company programs such as leadership development (Hopkins et al. 2008), mentoring programs, flexible work hours and on-site childcare, which could help employees in advancing their careers as well as achieving work–life balance (Michailidis et al. 2012). Raiden & Caven (2011) find widespread informal practices in their UK construction investigation. As pointed out by Barnard et al. (2010) there is a risk when designing such efforts to fall back on essentialists’ notions of gender, for example assuming that child care would be the women’s responsibility, a finding similar to Raiden & Caven 2011, and thereby reproducing stereotypes. External voluntary efforts would typically encompass networking. Recruitment for board and strategic management memberships is often described as a network activity where existing members of the boards recruit their contacts and protégées (Heemskerk & Fennema 2009). Networks of (male) managers with, for example, similar educational backgrounds would thus obtain social cohesion, often described as an ‘old boys network’. Heemskerk & Fennema (2009) find that the social cohesion in the Dutch business elite declined between 1976 and 2001 and norms of corporate governance have become blurred. As a result, one could expect a more diverse recruitment for the elite to occur. Such development could be supported by female managers forming networks, the creation of recruitment databases etc. In a Dutch context, however, Heemskerk & Fennema (2009) experience the intervention of a law reform, making female representation in boards obligatory, leaving it redundant to speculate whether the more open network would voluntarily have acted in new ways. Barnard et al. (2010) point out that even if women’s networks are important, the making of the networks is considered laborious and engineering professions might not consider it as part of their job. O’Neill et al. (2011) demonstrate how networking is part of a voluntary institution as the strategic managers interviewed placed responsibility for women’s career advancement upon the individual. However the situation was no different with the women employees interviewed. Both groups chose to overlook the firm’s male-dominated culture and other organizational constraints.

Obligatory initiatives

The obligatory initiatives are typically public regulations intervening in the business domain, as other labour market regulation. Equal opportunity legislation has been in place in a number of societies, including the EU, for quite a long time. In recent years, the applications of quotas of gender in board representation have increased, and so has the debate about them. The oldest, best exercised and most studied example is the quota in Norway (Matsa & Miller 2011, Nielsen & Huse 2010, Storvik & Teigen 2010). After a long preparation phase, the Norwegian government implemented a quota of 40% of female representation in corporate boards in 2003. According to Storvik & Teigen (2010) the enterprises were given four years to meet the quota, data bases were established for listing prospective female board members and supporting the recruitment process. The Norwegian employers’ association created a training program aimed at company employees. After an initial phase, the Norwegian law came to encompass sanctions supporting the implementation. The most radical sanction is the forced dissolution of non-compliant companies. During the initial phase, companies did not widely implement the policy on a voluntary basis. Storvik & Teigen note that:
Equality and Diversity

‘Seven years after it was passed, the quota is widely accepted in Norwegian politics and society. The employers’ association has not reported any problems and interviews with business leaders suggest that the policy is no longer controversial’ (Storvik & Teigen 2010:3).

If the quota has become successfully institutionalized in Norway it remains controversial outside Norway (Grosvold & Brammer 2011), especially its potential benefits for business. Matsa & Miller (2011) compared Norwegian companies to other Scandinavian companies and found that firms affected by the quotas undertook fewer workforce reductions than comparison firms, increasing relative labour costs and employment levels and reducing short-term profits. Moreover they found that the boards appear to be affecting corporate strategy in part by selecting likeminded executives. On this basis, Matsa & Miller (2011) suggest that female managers may be more stakeholder or long-term oriented than their male counterparts (Matsa & Miller 2011). On the other hand, Ahern & Dittmar (2012) find that the value of the companies fell and that the boards tended to become less competent. Kossowska et al. (2005), using public statistical data, found that large Danish companies with female board representation either perform better or equal to other Danish companies over the period 1992-2001. Carter et al. (2010) could not demonstrate a link between female representation and financial performance in large US corporations. Nielsen & Huse (2010) note that many investigations on the issue remain descriptive, quantitative and superficial. They themselves used a survey of 201 Norwegian firms of all sizes, without a control group. Their findings support that the ratio of women directors is positively associated with board strategic control, with decreased level of conflict and with commencing board development activities improving the quality of board work. Nielsen and Huse (2010) contend that women’s ability to make a contribution to the board relates to their different leadership styles.

As an overall status of these voluntary and obligatory initiatives, the outcomes are mixed and contested (Barnard et al. 2010, Bilimoria & Liang 2012), but/and the slow expansion of women representation in boards is one of the more disappointing developments (Bilimoria & Liang 2012), whereas the expansion of obligatory quotas moves the public debate and the research in new, more promising directions.

WOMEN IN MANAGEMENT AT CONTRACTORS: DENMARK

The development in Denmark when it comes to gender and gender representation in management is at best ambiguous. While there is a solid basis of labour market and employment for both genders, the pay and representation remain asymmetric (EU 2012). In 2011, the association of managers in Denmark announced that they had reached 25% female membership amongst their 100,000 members (Lederne 2011). This can be compared to 12% in 1991. Amongst engineers, which are a central recruitment group for managers in construction, the female membership ratio in 2012 was 20%. Kamp (2005) found that in 2004, 22% of the engineering students were women, with indications of growth among building engineers, a growth which appears to have been recruited predominantly by consulting engineering and public units. Holt et al. (2006) found that in Denmark, the lowest female representation in executive boards and as CEOs (2%) is in construction and that the construction sector employs 10% women, with some subsectors (bricklayers) virtually without female employees or managers. A Danish investigation of the 2300 major companies covering the period 1992-2001 (Kossowska et al. 2005) showed an unchanged low level of female managers and members of boards in construction. IFKA (2007) arrived at the same
result, finding that 70% of the investigated 100 construction companies count between 0-15% of female managers. Kossowska et al. (2005) revealed an unclear answer to the issue of possible linkage between women at board level and performance and concluded that enterprises employing women in the board of directors or higher level of management either have performed better or equally, but at least they have not performed worse (!).

IFKA (2007) points at lack of systematic recruitment policies in construction companies as an explanation for the low level of female managers, IFKA (2007) found that a mere 2% of the investigated construction firms are systematically recruiting women. Figure 1 shows the female representation at the four largest general contractors, MTH, Pihl, NCC and Hoffman/Veidekke, two foundation and earthworks contractors Arkil and Aarsleff, and five technical contractors Bravida, YIT, Kemp & Lauritsen and Eltek Networks.

Table 2: Gender representation at a sample of Danish Contractors

<table>
<thead>
<tr>
<th></th>
<th>Board</th>
<th>Board of Directors</th>
<th>CEO</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Men</td>
<td>Women</td>
<td>%</td>
</tr>
<tr>
<td>MTH</td>
<td>9</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>E. Pihl &amp; Søn</td>
<td>4</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Per Aarsleff</td>
<td>6</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>NCC</td>
<td>5</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Arkil Holding</td>
<td>6</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Hoffmann</td>
<td>5</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Bravida Danmark</td>
<td>5</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>YIT</td>
<td>4</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Kemp &amp; Lauritsen</td>
<td>8</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Eltel Networks</td>
<td>4</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>56</td>
<td>8</td>
<td>12.5</td>
</tr>
</tbody>
</table>

If we look down the hierarchy where the potential female candidates can be found, the situation is not very optimistic. Kamp (2007) provides an insight among the operational site managers of a large contractor who at the time of investigation had around 25% female employees in this position. Nevertheless, the contractors' projects and operational level were still heavily male dominated. The female managers struggle to be understood and recognised as professionals, especially in the beginning of their career. They employ laborious and meticulous efforts to build a professional identity as women and project managers, controlling their behaviour, language and appearance, and by trying to obtain respect by being serious, fair and competent (Kamp 2007). These efforts explain why the female project managers probably do not envisage obtaining a strategic management or even a board position (Kamp 2007). Styhre (2011) has followed 19 Swedish male site managers working for three contractors, which do not employ any female in this position. A situation comparable to large parts of Danish construction. His study reveals the site manager, as somebody capable of enduring any work situation, handling unanticipated events excellently in crisis management and who is celebrating the ‘virtue’ of overworking. Styhre points out that the site management role are reproducing gender ideologies, imposing...
expectations on individual site managers, and erecting entry barriers for e.g. women or individuals not willing to forsake family life. Many of Styhre’s interviewees are very experienced site managers, with many years in the business behind them, and these managers voice their concerns over the site management work ethos as a concern for the coming generations. On the other hand this paternalistic approach is cancelled by Raiden & Coven (2011) who reports younger male site managers who, counter to the stereotypical view, voice a strong need to operate locally in order to stay close to home and family and even occasions where female respondents prioritise their career ambitions.

**WOMEN IN MANAGEMENT AT CONTRACTORS: NORWAY**

The development in Norway is actually less different from Denmark than one might expect. The female representation on the labour market spans from 24% in manufacturing to 34% in financing (Parmann 2012). Since the quota regulation has been implemented, there has been a lot of focus on female representation in the common shareholder company boards (ASA). The law covers a mere 400 companies, whereas public limited companies (AS) represent 200.000 companies and a female board representation at 17%. Parmann (2012) finds that the female representation in boards for Norwegian companies listed in the stock exchange (ASA) is an average of 35%, that there is 4% CEOs and 15% who are members of boards of directors. The figures for the investigated sample are in the figure below. Although women represent close to 20% of the board members, the CEO and boards of directors representation is still rather low. The two companies covered by the quota law are actually lower than 40% and the rest far lower.

*Table2: Gender representation at a sample of Norwegian Contractors*

<table>
<thead>
<tr>
<th>Company</th>
<th>Board</th>
<th>Board of Directors</th>
<th>CEO</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Men</td>
<td>Women</td>
<td>%</td>
</tr>
<tr>
<td>Veidekke ASA</td>
<td>6</td>
<td>3</td>
<td>33</td>
</tr>
<tr>
<td>Skanska Norge AS</td>
<td>9</td>
<td>2</td>
<td>25</td>
</tr>
<tr>
<td>AF gruppen ASA</td>
<td>6</td>
<td>2</td>
<td>25</td>
</tr>
<tr>
<td>Mesta Gruppen AS</td>
<td>9</td>
<td>3</td>
<td>33</td>
</tr>
<tr>
<td>NCC Construction AS</td>
<td>9</td>
<td>1</td>
<td>10</td>
</tr>
<tr>
<td>YIT AS</td>
<td>7</td>
<td>1</td>
<td>17</td>
</tr>
<tr>
<td>Bravida Norge AS</td>
<td>9</td>
<td>0</td>
<td>10</td>
</tr>
<tr>
<td>Kruse Smith AS</td>
<td>3</td>
<td>3</td>
<td>10</td>
</tr>
<tr>
<td>Reinertsen AS</td>
<td>8</td>
<td>2</td>
<td>25</td>
</tr>
<tr>
<td>Peab Norge AS</td>
<td>8</td>
<td>1</td>
<td>12.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>74</td>
<td>18</td>
<td>19.6</td>
</tr>
</tbody>
</table>

**DISCUSSION**

According to the institutionalist argument, the explanations for the asymmetric representation are to be found in the intersecting domains of individual-enterprise-strategic management- board-environment. The exploratory screening of two times ten companies showed that the selected Danish contractors are behind the Danish average.
as well as EU-27 average. Whereas the Norwegian public limited company contractors are at Norwegian average and above EU-27. The sample does not encompass a single female CEO and only two Danish boards count more than one woman representative. As Terjesen et al. (2009) point out, the legitimacy and effects of the presence are likely to change once there are two or three representatives.

The integration or rather non-integration of women can be described by four institutions of gender representation. The first maintains males as the dominant leaders in strategic management in construction (Löwstedt et al. 2011). The second, the hostage or token, recognizes it looks good to involve a woman in the board and improves the image of the company. The third, the voluntarist, places the initiative and responsibility with the individual woman, who has to fight her way up by building up the necessary competences, creating the necessary network, and competing with her male counterparts. The third, the politically correct, calls for a set of institutional initiatives to assure women equal opportunities in all domains. This latter institution encompasses educational pipelines, recruitment policies, talent management and a portfolio of public regulation, including law regulated quotas for board representation. Actually, the educational and labour market pipelines are providing the qualified women for the Danish construction industry. The three first institutions are often interlinked and mutually enforcing each other.

The actual Danish construction enterprise strategic management and board institutions can be characterised as male dominance and ‘taking hostages’. A single woman is present in the board, the companies cannot be accused of not having women but their number is kept to a minimum. The study by Kossowska et al. (2005) gives an average of 10.3% women in Danish boards based out of a population of 81 enterprises in construction and 4.8% of women in top management. These results are similar to the present study, but measured in 2001. EU (2012) finds the DK share in boards of listed companies 16% (January 2012) across sectors compared to Norwegian 35%, Swedish 25% and EU-27 is 14%. Our sample companies could be viewed as dominated by the male dominant and the female voluntarist institution. Both Styhre (2011) and Kamp (2007) provide support for what can be understood as a silent consent to this institution among the operational site managers of both sexes. It also appears to be widely accepted in the industry that very few women are represented at a high level and it can even be speculated that the women that are managers at lower levels and have potential for climbing further up, are spokesperson for the voluntarist institution (which would be more active than silent consent). But maybe it is more precise to describe the voluntarist institution as one that is reinforced by the external environment. A recent poll shows a resistance by 75% of Danish citizens to obligatory measures and the public debate amongst female managers predominantly gives voice to the voluntary institution, whereas the politically correct is heavily criticised. Nevertheless the initiative taken by the actual Danish government can be seen as a combination of voluntary and softened obligatory elements. The companies are requested to develop a gender policy but not necessarily to apply it. Moreover it is proposed to cover the 1100 largest companies only. That comparable European countries have begun supporting the politically correct institution appears not yet of sufficient importance.

Also in Norway the level of representation in the construction industry appears low on the basis of the small sample made here. In the boards, the representation is at 19.6% well below 40%. The surprise in this result lies in the fact that the official law only covers two of the large contractors. But it would not be the first time that the industry
places itself on the grey side of legislation. And it is more of a general national industry phenomenon.

Apart from Norway, many European countries such as Belgium, France, Italy, the Netherlands and Spain have all introduced laws that require gender quotas for company boards. France alone accounts for around half the increase in female European corporate board members over the past twelve months (EU 2012, press release). The level has improved by 10% in one year, 2011, moving to an average of 22%, way higher than the Danish figures (Brunet & Dumas 2012). Similarly the Netherlands law reform has improved the femal participation from 9 % in 2009 (Heemskerk & Fennema 2009) to 19% in 2012 (EU 2012). The voluntary and obligatory types of initiatives reviewed, each supporting the two institutions of the voluntary and the politically correct, might be well stabilized and normalized on restricted arenas (i.e. Norway as reported by Storvik & Teigen 2010), but on a larger European and US arena are accompanied with mixed and contested research on their results and impact (Barnard et al. 2010, Bilimoria & Liang 2012).

Meanwhile, the female managers working for contractors are busy demonstrating that they as individuals are serious, meticulous, professional partners and as competent as men are (Kamp 2007) leaving the discussions about board representation to others.

Future changes might either strengthen the voluntaristic institution, the politically correct or even show a new path. In the framework of the politically correct institution, reforms that can be employed from the public side might be a dangerous sleeping pill in coordinated economies. As pointed out by Gronvold & Brammer (2011), in coordinated economies state initiatives might be needed. It can be added that the private players might tend to await exactly that, and postpone single enterprise initiatives.

**CONCLUSIONS**

The level of female managers and board members in construction in Denmark seem to have frozen over the period of 2001-2012 at a level lower than the average EU-27. But then again in Norway the level of representation in the strategic management and boards of the construction industry appears, on the basis on the small sample made here, lower than the international reputation would expect. Even if official law demands a higher level in the boards, this is restricted to a specific part of the public limited companies. In the Danish context, women’s representation appears to be supported by a voluntarist institution in tandem with the male domination and co-shaped and reinforced by the intersected domains of the individual, the enterprise, the boards and the external environment. This institution presents as legitimate that women need to climb up the career ladder alone. The slowly increasing number of women engineers in construction creates a contrast to the few women at higher management levels, which today are representing the token institution. This tension is unlikely by itself to create the institutional change, but the presence of qualified talented managers at lower levels provides a strong basis for a governmental reform changing the institution once and for all. This reform however has to be of a different kind than the presently proposed, which represents a compromised half-obligatory or half free solution.
REFERENCES


