



Chartered  
Governance  
Institute

# Women in the boardroom: International Governance Stocktake

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## About The Chartered Governance Institute

The Chartered Governance Institute is the premier global qualifying organisation for professionals aspiring to become a Chartered Secretary and/ or a Chartered Governance Professional. With over 130 years of history, we assist company secretaries, governance advisers, non-executive directors and others in the development of their skills, knowledge and experience. The Institute is an international organisation with nine national institutes in its network and 29,000 members living and working in over 80 countries. Most importantly, it brings its influence to bear on international trade bodies, governments, regulators, non-government organisations and companies to represent the views and current thinking of those involved in governance.

The Institute's mission is be the best explainers, the best advocates, the best educators and the most active organisation in the promotion of good governance internationally. Our members hold positions of responsibility in the field of governance across a wide range of entities. All of our members share a common interest in the promotion of excellence in governance.

# Women in the boardroom: International Governance Stocktake 2021

## Thought Leadership Committee members

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# Foreword

The Thought Leadership Committee of The Chartered Governance Institute is tasked with supporting the Institute's mission through the preparation and dissemination of papers on governance issues which are relevant to the needs and interests of our members wherever they are based and in whatever field they are active. Against that background, I particularly welcome this paper on board gender diversity.

On this occasion the Committee has made a particular effort to draw on the experience and expertise of our nine local institutes across the world. Much of the existing research and discussion on this subject comes from the perspective of an individual jurisdiction, country or market. In this paper the status of women on boards is examined from a truly international perspective with directly comparable data from jurisdictions as widely spread and diverse as Australia, Canada, Hong Kong, Malaysia, New Zealand, Singapore, South Africa, the United Kingdom and Zimbabwe.

The insights gained from the data reveal that progress towards a better gender balance on boards is often slow, uneven and patchy. However, the need for greater board gender diversity is recognised worldwide as a significant contributing factor to creating the best possible diversity of thought within the boardroom. Different countries may be taking different paths and at a different pace, but they are all working towards the goal of fair and equal treatment and opportunities for women to serve on boards. It is also clear that board gender diversity is now recognised as not just an issue of equality between men and women, but also as a contribution to more effective boards, corporate performance and to maintaining a social licence to operate. As such, this is a subject which is directly relevant to our members both as individuals and in relation to the organisations by which they are employed.

As International President of The Chartered Governance Institute, I greatly value the work which the global Institute and our local institutes are doing in engaging actively with external stakeholders to educate and raise awareness of the need for, and benefits of, greater board gender diversity. I am also greatly encouraged to see that our local institutes are themselves setting a good example, sometimes a leading example, in gender diversity — be that in terms of their membership, their executive management or their governing bodies. As governance professionals, we cannot preach what we do not practise. While this paper focuses on gender diversity, we do not forget that many other forms of diversity exist and that the pursuit of fairness of opportunity in a wider sense deserves the support of all our members.

I sincerely thank the Thought Leadership Committee for its work in bringing this paper to our global members. A particular tribute is due to Dr Rosanne Hawarden from Governance New Zealand who took on the authorship of this paper and who brought together the significant collection of all the information and insights you will find in the following pages.



**Peter Turnbull AM FCG**  
International President  
The Chartered Governance Institute

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# Executive summary

This stocktake of board diversity across all nine of The Chartered Governance Institute (CGI) jurisdictions draws extensively on locally collected data, so that the views expressed are grounded in practice more than theory. It identifies the situations and issues unique to the members of each division and the country concerned, while describing the range and flavour of the board diversity initiatives that span the corporate boards and stock exchanges of each country. Grounded in a governance as opposed to a social perspective, globally there is much in common. It is the diverse nature of each jurisdiction's response that is most remarkable. Multiple approaches to addressing historic and present gender and racial discrimination at board level provide multiple solutions that suit each jurisdiction's needs, while not precluding options to try approaches successful in other places.

While the last decade has seen an improvement in board gender diversity, being most successful in statutory boards in countries where there is political will for change, the change has been slow and patchy. The CGI, to its credit, reflects broad diversity both in its own governance structures and in its membership. The previous high ratio of male to female members is rapidly changing with countries such as China, Malaysia and Singapore now having a preponderance of female members. This reflects the increasing numbers of professional female lawyers and accountants in global business who perceive the need for quality governance qualifications and a community of colleagues to promote their own careers in governance – advantages that have been available to male members for many years through the CGI.

The short template giving the six questions asked of each division, is included in the Appendix with the methodology.

## 1. Current status

We asked for a summary description of the current status of gender diversity on boards at country level and for the last 10 years, including both historical performance and recent trends, thus building a

detailed international overview. In 2018, across the nine CGI jurisdictions where comparative data was available, the percentage of women on all boards was 21.2%. There has been a slow improvement over the last decade with patchy increases largely in state sectors where there is the political will to reach the target of 30% of board members being women. New Zealand ranks highest with 31.5%, with China lowest at 11.4%. Large corporates, and therefore the top listed indexes, have the highest percentages across the world.

## 2. The Chartered Governance Institute and its divisions' gender diversity

The second question considered the gender diversity of the divisions within the CGI (members and officers) and initiatives being taken to promote positive outcomes in diversity within the profession and on boards. The global trend is a transition from an older male dominated membership to the majority of younger members now being women. This has already occurred in China, Malaysia and Singapore. The student bodies of the other divisions reflect this gender change. Most divisions are actively pursuing board diversity initiatives with New Zealand having established a separate Women on Boards business unit and Zimbabwe developing a similar unit.

## 3. Current measures

The third question examined current national measures promoting gender diversity on boards, whether legal or regulatory, of general application or sector-specific, and whether mandatory, recommended or advisory, soft or hard, in each division. While most jurisdictions have a range of codes of conduct or enshrined legislation, most do not have quotas or 'hard' diversity requirements. Several have 'soft' or 'comply or explain' regimes that include gender diversity. The monitoring and reviewing functions of these codes are either absent or infrequent or in the early stages, often constrained where the codes have regularly been updated, such as the *UK Corporate Governance*

*Code 2018* and the *UK Stewardship Code 2020*. These functions are, however, a necessary first step in implementing and enforcing those codes.

#### 4. Successes and setbacks

The fourth question considered the measures which have worked well or have been ineffective in increasing the percentage of women on boards. The most common setback is the global slow pace of change and the low numbers of female senior executives, truncating the pipeline to listed company boardrooms. The successes include the establishment of organisations working effectively in all jurisdictions to promote women on boards and the success of targets, particularly in statutory boards and government entities.

#### 5. Opportunities and challenges

The fifth question is a wide-ranging discussion of the specific opportunities and challenges in each jurisdiction for increased board gender diversity. These include the importance of leadership, improved long-term outcomes, building gender diversity in C-suite roles and setting stretch diversity targets. Setting clear diversity objectives and engaging in strategic recruitment in varying networks plus inclusive practices build a congenial work environment. Gendered cultural norms and traditional patriarchal attitudes toward external responsibilities, particularly towards parenting as a full-time occupation out of the workforce, are still prevalent in several jurisdictions. A further challenge is to develop female talent in lower and mid-level management positions so that their careers become a pathway to the boardroom. Women who enter the labour market in low-paid jobs experience 'sticky floors', rarely progressing upwards, whereas these roles can be a 'springboard' for talented men.

#### 6. Main drivers and the way forward

The final question asked for an overview of those who, or which organisations, have been the main drivers in each jurisdiction towards increasing board diversity. Reflections on what might be done, why, how and by whom, to promote greater gender diversity on boards are given. These reiterate the many ideas and suggestions put

forward in the increasing 'women on boards' literature and indicate a national willingness to continue to find ways to improve board diversity.

#### 7. Conclusions

The CGI Board Diversity stocktake is a valuable exercise offering a finely pixelated snapshot of board gender diversity across nine jurisdictions not normally compared with each other. Board gender diversity is improving everywhere after two decades of activism but at markedly different speeds both inter and intra-country. While the discourse has changed, practice and implementation often fall short. The target of 30% has been barely achieved while a variant, the 40:40:20 target, is gaining popularity. Over the past decade board gender diversity is more widely measured and reported but, in a few countries, regular stocktakes are a recent development. Without measurement, this issue of board diversity could not be managed.

There are still a significant number of men-only boards. One step advanced from that is the considerable number of boards with only one female director. This is the 'one and done' phenomenon where shareholders and boards lack a genuine commitment to gender diversity and seek to deflect adverse stakeholder comment by the lowest possible level of action. No jurisdiction has reported any evidence to the effect that board effectiveness has been adversely affected by the active promotion of women on boards or that the 'pipeline' of female candidates has been inadequate to maintain board quality. On the contrary, the evidence suggests that the supply of board-ready women has exceeded demand.

There is little appetite for quotas but more for reasonable and shifting targets. The absence of targets for board gender diversity generally leads to little or no progress. Where targets are voluntary and accompanied by 'comply or explain' options, some progress does result if given media attention. Director network research in Australia indicates that boards are significantly more likely to have reached the 30% diversity target when they have a director who sits on another board that has reached the 30% target. These directors can become 'superspreaders' of diversity.

## Executive summary

Within the Chartered Governance Institute itself, there are significant variations between divisions as to the gender balance of their membership, with a higher proportion of younger female members. Women are well represented at the level of elected officers. The CGI is a model of diversity and inclusion. The nine jurisdictions who contributed to this stocktake on women on corporate boards offered insights which were specific to their own countries, but generally of global relevance and application. The resources provided by each jurisdiction provide a rich source of detailed material for further examples and inspiration.



# Introduction

## Background

In early 2020, the Thought Leadership Committee (TLC) of The Chartered Governance Institute commenced an international study of board gender diversity, across the nine jurisdictions represented on the Committee. Being a global endeavor has demanded that this work be of a digital nature, allowing it to continue despite the disruptions of a global pandemic. This report takes as a given that increasing the presence of women and representatives of diverse groups in the boardroom is advantageous and will not exhaustively revisit the evidence for or against this.

This project, which was led by Dr Rosanne Hawarden, a board diversity scholar, and the TLC member from the New Zealand Division, with the support of Peter Greenwood, the Chair (from the China Division) and fellow members of the Committee, undertook a 'stocktake' of the status of board gender diversity across the jurisdictions and the activities each pursues to promote diversity within the divisions. This report covers issues such as the current status of women on boards, relevant laws, regulations, recommendations or guidelines, progress made, particular challenges faced, and the success or otherwise of differing measures implemented to promote gender diversity.

From this 'stocktaking' we have developed a paper based on six questions, which from a multi-jurisdictional perspective describes the progress which has been made in respect of gender diversity, the current state of this issue and, from shared experience, to indicate paths forward. While consistency and flow are desirable, the TLC wished to retain the individual voices of each jurisdiction and the emphasis that each one places on certain aspects of diversity which are relevant to them operationally. In the longer term, it may prove worthwhile to repeat the project at appropriate intervals.

## Participating divisions

The nine CGI Divisions who participated in this research are:

- Australia: Governance Institute of Australia Limited
- Canada: Chartered Governance Institute of Canada (CGIC)
- China: Hong Kong Institute of Chartered Secretaries (HKICS)
- Malaysia: The Malaysian Institute of Chartered Secretaries and Administrators (MICSA)
- New Zealand: Governance New Zealand Limited (GNZ)
- Singapore: Chartered Secretaries Institute of Singapore (CSIS)
- Southern Africa: Chartered Governance Institute of Southern Africa (CGISA)
- UKRIAT: United Kingdom, Republic of Ireland and Associated Territories
- Zimbabwe: Institute of Chartered Secretaries and Administrators in Zimbabwe (ICSAZ).

## Summary of global gender diversity statistics by divisional membership and national percentages

By way of introduction, some global gender diversity statistics are given below to set the context of the investigation. Firstly, the gender diversity of the CGI membership is considered, followed by the percentages of women on boards of directors in each jurisdiction. This is followed by an extract from the World Economic Forum's *Global Gender Gap Report 2020* which ranks the wider communities of each jurisdiction.

Table 1 gives the summary of global member gender demographics by division showing the increasing numbers of female members from 2017–19. China, Malaysia and Singapore reflect the early trend in some jurisdictions to a majority of female members. This global change in membership gender was the surprise finding of the stocktake.

## Introduction

**Table 1:** Member gender percentages for all divisions of The Chartered Governance Institute for 2019 and 2017 including Fellows and Associate members

Division	31 Dec 2019		31 Dec 2017	
	% Male	% Female	% Male	% Female
Australia	76	24	79	21
Canada	56	44	55	45
China	33	67	34	66
Malaysia	26	74	26	74
New Zealand	79	21	81	19
Singapore	27	73	28	72
South Africa	60	40	64	36
UKRIAT	58	42	61	39
Zimbabwe	86	14	86	14
<b>Average across all divisions</b>	<b>55.7%</b>	<b>44.3%</b>	<b>57.1%</b>	<b>42.9%</b>

Source: CGI membership statistics.

**Table 2:** National percentage of women on boards at 2018 and 2014 by CGI division

Division	2018	2014	Ranking 2018
	% Female	% Female	
Australia	25.4	15.1	3
Canada	21.4	13.1	5
China	11.4	8.4	9
Malaysia	20.6	10.4	6
New Zealand	31.5	17.5	1
Singapore	13.7	9.0	8
South Africa	26.4	19.5	2
UKRIAT	22.7	15.6	4
Zimbabwe	18.0	10.0	7
<b>Average across all divisions</b>	<b>21.2%</b>	<b>13.2%</b>	

Source: Deloitte (2019) and Nyahasha (2018)

Table 2 gives the percentage of women on boards of directors in eight countries at 2014 and 2018 by all CGI Divisions except Zimbabwe (Deloitte, 2019). Headed by New Zealand, South Africa and Australia, where embedded legislative targets have resulted in statutory boards with better gender balance, these figures mask varying degrees of gender balance in private listed and unlisted firms and not-for-profit organisations. The increasing gender balance globally from 13.2% in 2014 to 21.2% in 2018 shows the slowly growing trend to more women in boardrooms.

The Deloitte 2019 *Women in the Boardroom: A Global Perspective*, 6th Edition, which is a stocktake of women on boards, is a useful summary reference. It covers 8,648 companies in 49 countries with more than 136,058 directorships and includes all CGI divisions. The Zimbabwean data is from Nyahasha (2018).

To give an indication of the wider gender diversity gap across four economic, social and governance dimensions that includes a large gap in governance leadership, the World Economic Forum's *Global Gender Gap Report 2020* summary is included in Table 3. From this table the countries in which the CGI divisions are based, are above the average closed gender gap rating of 68.6%, except for Malaysia and China. Figures for Hong Kong were not available and greater China may not be representative of Hong Kong. This slow reduction in the gender gap incorporates the board diversity change efforts that have taken place since the 1980s as women's roles in the workplace have become less gender restrictive.

### **World Economic Forum's *Global Gender Gap Report 2020***

The World Economic Forum's (WEF) *Global Gender Gap Report 2020* summary is included in Table 3 to provide context to a diversity gap, namely a large gender gap in governance leadership. Now in its 14th year, the *Global Gender Gap Report 2020* benchmarks 153 countries on their progress towards gender parity in four dimensions: economic participation and opportunity, educational attainment, health and survival, and political empowerment. For 2020 the global average of the gender gap is 68.6%.

Global gender gaps vary significantly across these four dimensions. In two sub-indexes — educational attainment, and health and survival at 96.1% and 95.7% of the gap respectively, have already been closed. By contrast, differences between women and men remain significantly larger on political empowerment, where only 24.7% of the gap has been closed and economic participation and opportunity, where 58.8% of the gap has been closed. This difference indicates significant discrimination against women in the workplace and in particular those in governance.

The WEF's 2020 report (2020:11) concluded that:

... within the labour market, gender gaps tend to widen together with seniority level. Globally, 36% of senior private sector's managers and public sector's officials are women, while the presence of women on corporate boards or as top business leaders is even more limited: only 18.2% of firms globally are led by a woman, and on average, 22.3% of board members in OECD countries are women with an even lower representation in emerging economies (e.g., 9.7% in China and 13.8% in India).

From Table 3 it can be seen that the countries in which the CGI divisions are based are above the average rating of 68.6%, except for Malaysia and China. Figures for Hong Kong were not available and greater China may not be representative of Hong Kong. This reduction in the gender gap incorporates the board diversity change efforts that have taken place since the 1980s as women's roles in the workplace have become less gender restrictive. The gender gap would be reduced further if more women were appointed to boards and C-suite roles.

**Table 3:** Country index ranking of the percentage global gender gap closed for each CGI division at 31 December 2019

Country	% Gender gap closed	% Gender gap remaining	Ranking
Australia	73.1	26.9	5
Canada	77.2	22.8	3
China	67.6	32.4	9
Malaysia	67.7	32.3	8
New Zealand	79.9	22.1	2
Singapore	72.4	27.6	7
South Africa	78.0	22.0	1
United Kingdom	76.7	23.3	4
Zimbabwe	73.0	27.0	6
<b>Average across all 149 countries ranked</b>	<b>68.6%</b>	<b>31.4%</b>	

Source: World Economic Forum, *Global Gender Gap Report 2020*

# Question 1 — Current status by country

A summary description of the current status of gender diversity on boards at country level and for the last 10 years, including historical performance and recent trends, to build a detailed international overview.

## Australia

The number of women on boards of companies listed on the Australian Stock Exchange (ASX) has increased over the last 10 years from a low base in 2010, where 11.8% of ASX 100 directors were women and only 8.7% of ASX 200 directors were women (Women on Boards Australia (WOB), Boardroom Gender Diversity Index 2020). First released in 2010, this index did not start tracking board gender diversity in the ASX 300 until 2012 when the percentage of women on ASX 300 boards was 7.6%. The number of women on ASX 300 boards has steadily increased over the last 10 years and in 2020 the percentages of women on boards were as follows: ASX 100: 32.2%, ASX 200: 30.4%; ASX 300: 23.2%. Looking at the WOB Index, the rate of growth in the number of women on boards has been approximately 2% each year over the last 10 years.

Australian ASX 100 companies, which are national leaders in female board representation,

are also leaders internationally. According to BoardEx (2020) report from an organisation who access a network of global business leaders and decision-makers, Australia ranked eighth in a group representing the top listed companies in 26 countries and second when ranked against included CGI divisions. Table 4 is an extract from the BoardEx report, showing CGI division countries and also showing the ranking and percentage of women on boards by index for 2014 and 2019. The 2019 ASX 100 provided 4 of the 12 companies which had the highest percentage of female directors among the 26 indexes analysed. In descending order these companies were: NIB Holdings, Commonwealth Bank of Australia, Medibank and the Woolworths Group. Censuses vary in gender percentages based on the selection criteria used and are most useful when compared year-on-year internally. Cross-study comparisons do not necessarily compare 'apples with apples' and small fluctuations are expected year-on-year.

**Table 4:** Percentage of women on boards in seven countries at 2019 and 2014 by CGI division country except New Zealand and Zimbabwe

Division	Index	2019 % female	2014 % female	Ranking 2019
Australia	S&P/ASX 100	32.4	23.0	2
Canada	S&P/TSX 100	30.1	21.0	3
China	Hang Seng	12.9	10.0	6
Malaysia	FTSE Bursa Malaysia KLCI	27.2	14.0	4
Singapore	Straits Times	17.0	9.0	5
South Africa	FTSE/JSE top 40	27.2	18.0	4
UK	FTSE 100	33.7	23.0	1
<b>Average across all divisions</b>	(except Zimbabwe and New Zealand)	<b>25.8%</b>	<b>16.9%</b>	

Source: BoardEx, *Global Gender Diversity Report*, 2020

## Question 1 — Current status by country

In 2020 the Governance Institute of Australia partnered with Watermark Search International to produce the sixth Australian Board Diversity Index covering ASX 300 companies. The Board Diversity Index contains detailed commentary on several aspects of board gender diversity including cultural background, skills diversity, age diversity, tenure and independence. Interestingly the Board Diversity Index notes that of new entrants to the boards of the ASX 300, only 15% were women and these women are 'better qualified and better prepared from both a governance and academic perspective' than their male counterparts.

For example, an analysis of the qualifications of ASX 300 board members and directors found that 7% of female directors had completed doctorates compared to 4% of male directors. Likewise, 22% of the female directors were MBA graduates compared to 17% of the male directors. Governance qualifications were held by 60% of female directors compared to 41% of male directors. The GIA/Watermark analysis showed that larger listed companies are more likely to have gender diverse boards with the number of women on Australian listed company boards declining in line with market capitalisation and index. The percentages of female directors by index were as follows: ASX 50: 34%, ASX 100: 32%, ASX 101–ASX 200: 30%, ASX 201–ASX 300: 28%. In reverse, the number of companies with no women on their boards increased as market capitalisation decreased. ASX boards in 2020 with no female directors were as follows: ASX 50: 0, ASX 50–ASX 100: 1, ASX 101–ASX 200: 10, ASX 201–ASX 300: 18.

In the Australian public sector boards, progress on gender diversity has been faster with the setting of targets. The effectiveness of these measures is discussed in Question 3.

### Canada

As a linguistically and culturally diverse country, Canadian authorities routinely engage in measuring and promoting the benefits of diversity. This includes an active engagement in improving board gender diversity. There is a long-standing tradition of diversity stocktakes of companies listed on the Toronto Stock Exchange (TSX) but progress towards

gender-balanced boards can be described as glacial. Two recent reports (MacDougall, Valley and Jeffrey, 2020; Osler, Hoskin and Harcourt, 2019) note a collective commitment to increasing board diversity in Canada but continue to see no increase in the proportion of female executive officers. There is also a gradual decline in the year-on-year rate at which women are being added to company boards.

Osler, Hoskin and Harcourt (2019) found that for the year ended 31 December 2019, Canadian women held 21.5% of board seats of disclosing companies, compared to 12% in 2015. In 2020, among the S&P/TSX 60 companies, Canadian women directors now hold 31.5% of the available board seats, with women appointed to over 36.4% of all newly created or vacated board seats. This discrepancy in percentages reflects the well-known effect of greater gender diversity among larger companies and top 60 boards. However, the year-on-year rate of increase in the proportion of board seats held by women is starting to slow – the increase was 2.5% from 2016 to 2017, 1.9% from 2017 to 2018 and now only 1.7% for the year ended 2018. Of the 726 disclosing companies, 230 (31.7%) reported having no women on the board, a significant improvement from 37.3% in 2017. A total of 255 companies (47.6%) had one female director (representing a small increase from the 34.2% reporting for 2017) and 241 companies (33.2%) reported having more than one woman on their boards (up from 28.4% in 2017). Women held 50% or more of the board seats in only six companies.

The sophisticated monitoring of Canadian board diversity gives more detailed breakdowns than most other jurisdictions. For example, Figure 1 shows that the retail, utilities and manufacturing sectors are leaders in board diversity. In comparison, the resource sectors of mining, oil and gas, which account for over 40% of TSX-listed companies, have the least gender diverse boards. Approximately 50% of these resource sector companies have no women on their boards (Canadian Securities Administration, 2017:27).

An interesting example is provided by the banking industry, traditionally a more female-friendly employment sector. The larger Canadian banks have generally been early adopters of diversity

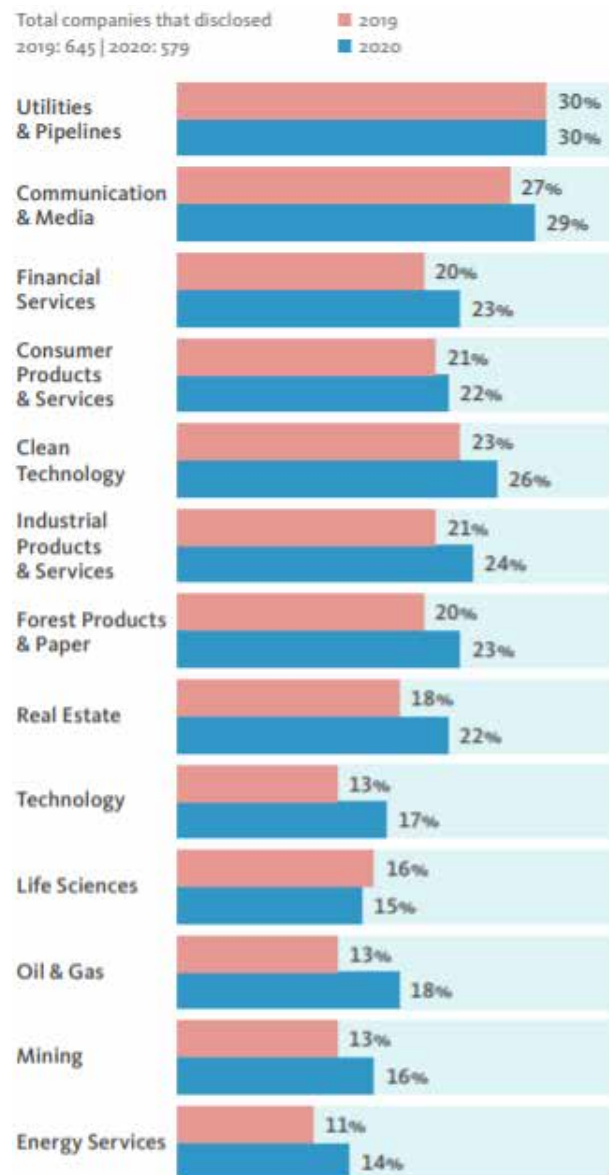


initiatives but are not often included in diversity research. The six largest banks had an average of 38% of women on their boards based on their 2019 information circulars filed for the year ending 31 October 2018 (Canadian Securities Administrators, 2019, p 6).

The most current report, the *Capital Markets Modernization Taskforce* (2021), reports that the COVID-19 pandemic has increased investor investigation into labour relations, supply chains and diversity. The Canadian Securities Administrators has established a comprehensive and extended framework of reporting that could be utilised elsewhere in the world. This includes the standard monitoring of board seats, numbers of women on boards, numbers of boards without women, numbers of female chairs and numbers of vacated seats filled by women. They also track chief executive officers, chief financial officers and general female executive officers. In addition, issuers with diversity targets are monitored for the representation of women on their boards and in executive officer positions. Term limits and other mechanisms of board renewal are monitored, including those issuers who do not disclose their mechanisms. Finally, the percentage of issuers with women on boards policies are monitored. Table 5 gives these results over a five-year period.

In May 2019, Statistics Canada provided data on the gender composition of corporate boards of all types. This form of stocktake at a national level is unique to Canada and gives an insight into the pipeline of entrepreneurial and executive directors who run small and medium businesses. The report is based on their latest data from 2016–17. Statistics Canada (2019) found that women represent 18.1% of directors of companies of all types, with varying percentages across different sectors namely, government business enterprises (35.2%), publicly listed companies (21.3%) and private companies (17.7%). Of these corporations, Statistics Canada reported that 28.0% had one woman on their boards, 15.2% had more than one woman, while a significant 56.8% of boards were comprised entirely of men. This data is skewed by the significant underrepresentation of women among companies with a single director. Only 14.6% of single director companies were women.

**Figure 1: Percentage of female directors by industry on Canadian boards 2019–20**



Source: Osler, Hoskin and Harcourt (2020:27)

## Question 1 — Current status by country

**Table 5:** Percentages of Canadian women on boards and executive officers monitored over a five-year period.

	Percentages (%)				
	2015	2016	2017	2018	2019
Total board seats held by women	11	12	14	15	17
Issuers with at least one woman on their board	49	55	61	66	73
Issuers with three or more women on their board	8	10	11	13	15
Female board seats of issuers with over \$10 billion market capitalisation	21	23	24	25	27
Female board chairs	–	–	–	–	5
Board vacancies filled by women	–	–	26	29	33
Executive officers					
Issuers with a female executive officer	60	59	62	66	64
Issuers with a female CEO	–	–	–	4	4
Policies					
Issuers with a policy relating to the representation of women on their board	15	21	35	42	50
Targets					
Issuers that adopted targets for the representation of women on their board	7	9	11	16	22
Issuers that adopted targets for the representation of women in executive officer positions	2	2	3	4	3
Term limits					
Issuers that adopted director term limits	19	20	21	21	21

Source: Canadian Securities Administrators (2019)

## China

The level of representation of women in the boardroom in Hong Kong listed companies is poor, whether judged in isolation or by reference to other leading jurisdictions. Table 6 shows that year-on-year improvements to board gender diversity are edging up slowly. In comparison to other jurisdictions, there is a bigger need for board diversity in this region with scope for action and improvement.

Analysis of the Hang Seng Index (HSI), the market index comprising 50 leading companies listed on the Hong Kong Stock Exchange (HKEX), at July 2020 shows that 76% of the larger cap companies have at least one woman on their boards. Around half (40/76%) have more than one female director and some executive directors (32/76%). The remaining 24% (or around one quarter) of HSI 50 companies do not have a woman on their boards. Half of these have never had a female director. Within HSI companies only one in seven directors is a female director.



**Table 6: Percentage of female directors on Hong Kong boards 2010–20**

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
10.4%	10.3%	10.6%	10.8%	11.00%	11.4%	11.9%	12.3%	12.9%	13.3%	14.3%

Source: HKICS internal data

In a wider set of all companies with a primary listing on the HKEX, numbering 2,500 as at September 2020, the average percentage of female directors was only 14.3%. This is only marginally higher than the HSI 50 companies, in contrast to other jurisdictions who tend to have noticeably higher percentages in their top 50 companies. One third of all companies with a primary Hong Kong listing had no women directors and overall 70% in total had one or no women on their boards. The under-representation of women on boards is an across-the-board phenomenon throughout the whole population of Hong Kong listed companies.

Progress towards higher levels of female representation in Hong Kong is snail-paced and extremely poor when compared with the progress towards gender board diversity made over the past decade in other jurisdictions. Although in some countries the rate of progress may have decelerated in recent years, this has typically occurred only when the percentage of female directors had already reached a much higher level than in Hong Kong.

## Malaysia

In 2011 the Securities Commission of Malaysia (SCM) in its *Corporate Governance Blueprint* encouraged listed companies to develop gender diversity policies and to disclose their progress towards achieving a 30% target of women on their boards by 2015. However, this target was not achieved as these were only recommendations and listed companies were not required to comply. At the time, it was believed that there was a limited supply of women who were ready to join boards of listed companies as independent directors.

In 2017 the *Malaysian Code of Corporate Governance* set the target of 30% female representation on boards by 2020. According to the Code, boards should demonstrate clear commitment to developing a corporate culture that embraces gender diversity at a leadership and employee level. The SCM had also set a target for the top 100 companies to have no all-male boards by the end of 2018. In order to monitor progress towards this objective, the SCM launched the *Corporate Governance Monitor* to provide yearly updates on the achievements and setbacks by the listed issuers documenting their efforts to achieve the 30% quota for women on their boards.

The *Corporate Governance Monitor 2019* reported that improvements were observed over 2018 in relation to the percentage of women on the boards of the top 100 listed Malaysian companies. The rate increased from 2016 (16.6%) to 2017 (19.2%) and to 2018 (23.68%). The target of at least one woman on each board was also achieved in 2018. Based on this achievement, it was expected that the target of 30% for the top 100 listed companies was likely to be met by the end of 2020. This was considered achievable as there were about 110 directorships held by independent directors with nine or more years' service who were expected to retire. It was expected that these vacancies would be filled by female directors.

The *Corporate Governance Monitor 2019* concluded that the 30% target for all listed issuers was unlikely to materialise by the end of 2020 despite the percentage of all issuers meeting their targets, which were increasing steadily from 15.7% in 2018 to 17% in 2019. For the top 100 issuers, there was a larger increase in the percentage meeting the 30% target from 16.6% in 2016 to

## Question 1 — Current status by country

24.7% in 2019. Other notable areas of improvement include an increase of 9% in the number of issuers conforming with 'step up' best practice on gender diversity reporting from 2018 to 2019. This practice requires issuers to state in their annual reports their policies on gender diversity, indicate their planned targets for women on boards and provide measures taken to achieve targets in their annual reports. Of the total number of new directors registered for all listed issuers, 17.4% are women (894 out of 5117). Around 41% of these women directors are below the age of 50. Women also accounted for 28% of senior management positions for all listed companies, higher than the Asia-Pacific average of 23%.

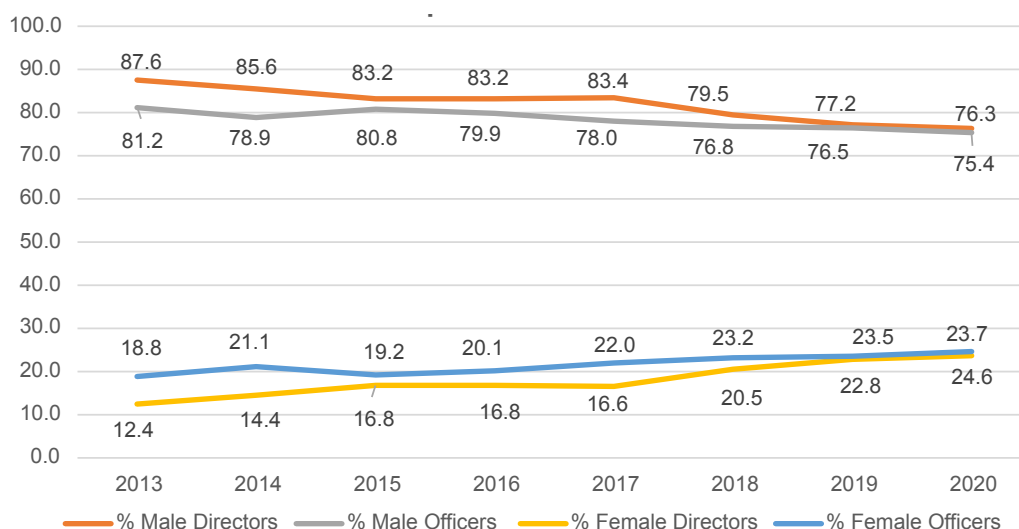
### New Zealand

Since the 1980s, New Zealand has been characterised by gender diversity activism in multiple spheres, namely government statutory boards, crown companies, listed boards and the not-for-profit sector. The first survey of women on the boards of publicly listed companies was conducted by the Zonta Club of Auckland in 1986 with regular censuses since that date. This first survey showed that of 221 listed companies with 1,057 directorships, only 13 women held 15 directorships (1.4%). By 1996, Pajo et al (1997) reported that this number had increased to 4.4% or 56 women directors in 166 New Zealand

corporations. Five censuses conducted by the New Zealand's Human Rights Commission, biannually from 2004–12, showed that in the top 100 listed companies female directors' participation had risen to 14.75%. The most recent census in 2019 found that female directors constituted 25.9% of board members of the top 100 listed companies with only 10 companies having no women on their boards.

In 2013 the New Zealand Stock Exchange (NZX) introduced a diversity reporting regime (Hawarden, 2018). This is a 'soft' initiative as there are limited sanctions for non-compliance. Not all listed companies qualified for the initiative as global companies whose primary listing was elsewhere were exempt. In 2017 the effectiveness of the first four years of this regime was assessed. Of 122 companies (718 directorships) there was a small improvement in the numbers of women directors from 12.4% in 2014 to 16.8% in 2015. This is in marked contrast to the boards of the top 100 listed companies where the percentage of female directors was much higher at 22.1%. An additional three years have now passed and as shown in Figure 2, the 2020 NZX gender gap for all companies, derived from the NZX (2020) official gender diversity statistics, shows glacial improvements with female director percentages now reaching 24.6%, almost matching female officers at 23.7%. This may be an artefact of the data but has the director recruitment market

**Figure 2: New Zealand Stock Exchange gender gap — all companies from 2013–20**



Source: NZX Gender Diversity Statistics: 1 Oct 2018–31 March 2020; Hawarden, 2018

adjusted the appointment of female directors to the available pool of female officers?

Further analysis shows that these slow improvements have been made at the expense of male directors with more than one board appointment in favour of senior female directors. This is known as the 'Golden Skirts/Golden Suits' phenomenon (Hawarden, 2018). Analysis of the NZX director network showed that the group of women holding more than one board appointment (or the female network connector directors) in the diversity reporting companies gained board appointments at the expense of the Golden Suits (the male connector directors) and aspiring female directors. Ten years ago, the 2007 survey of all 185 NZX companies reported seven Golden Skirts holding 16 seats (21% of female seats) and 110 Golden Suits holding 261 seats (27% of male seats). In the 2016 NZX data, a total of 86 connector directors link multiple boards together as they hold from two to five board appointments. Of the Golden Skirts, 24 (28% of female directors) hold 58 seats (47% of the female seats). Conversely, 62 Golden Suits (13% of male directors) hold 161 seats (22% of the male seats). Women who have made it through the glass ceiling with multiple board appointments have gained additional seats at the expense of male directors and women seeking their first board appointments. This 'soft' regime in absolute numbers is as effective as a 'hard' legislated regime with quotas, such as those in Norway and other European Union countries, but it has failed to improve the numbers of aspiring female directors' appointments to their first listed boards.

For the first time, ethnic diversity is beginning to be measured at board level. As a comparison, the Statistics New Zealand 2018 census reported that in the general population of 5 million people, Pākehā or New Zealanders of European origin comprise 70%, with Māori at 16.5%, followed by Asian people at 15.3%, and Pacific Islanders at 9%. The top 100 New Zealand companies are overwhelmingly managed and governed by Pākehā. There are very few CEOs or board members of any other ethnicity. Māori — both male and female — are almost entirely absent from the top 100 NZX company boards, as are Asian and Pasifika people. The conclusion is

drawn that progress towards gender and ethnic diversity among the leadership of the country's top companies has stalled.

The latest census, the 2019 New Zealand Census of Women on Boards, shows that the slow progress of recent years continues with the percentage of female directors now sitting above the quarter mark at 25.9%. This trend led Stock (2019) to conclude that an attitude of 'one and done' towards board gender diversity is developing. Eleven companies still have no female directors, while only seven companies have achieved gender equality.

The situation in the public service is markedly different. The New Zealand Ministry for Women and Office of Ethnic Communities (2019) stocktake of gender, Māori and ethnic diversity on state sector boards and committees, found that a concerted effort has resulted in women's representation on state sector boards and committees reaching an all-time high of 49%. Representation on state sector boards and committees has Pākehā at 71.6%, Māori at 21.1%, Pasifika at 4.6% and Asian at 3.6%. Women make up 50% of public service chief executives, while women constitute 49.6% of the top three tiers of leadership. There were 336 ministerially appointed chairs of which 128 (38.1%) were women. While this figure is lower than women's overall representation on boards, it is an increase from 2017–18, when the percentage of women chairs was 34.5%.

New Zealand is a country of two halves. Where there is political will and clear goals, gender parity is all but achieved as in the state sector. In the commercial and corporate sectors, marked disparities continue to exist with glacial progress towards equitable board diversity. The 'soft' regime of the New Zealand Stock Exchange appears to have run its course in terms of improving the appointment of women to listed company boards and new strategies are required.

## Singapore

In December 2019, Singapore's top 100 listed companies by market capitalisation achieved 16.2% female participation on their boards. Statutory boards and Institutions of a Public

## Question 1 — Current status by country

Character (IPC) have also shown improvements in women's participation at board level. Statutory boards showed the most progress among the three sectors, improving 1.8% to 25.1%, and top 100 IPCs improved by 0.4% to 27.8%. For the same period, women on the boards of all SGX-listed companies rose to 11.8% from 11.3% in 2018. (Figure 3). All-male boards are now a small minority within the top 100 listed companies – in 2019, 19 did not have women on their boards, down from 50 in 2013. The significant decline in all-male boards indicates that the message of diversity is getting across to companies.

### South Africa

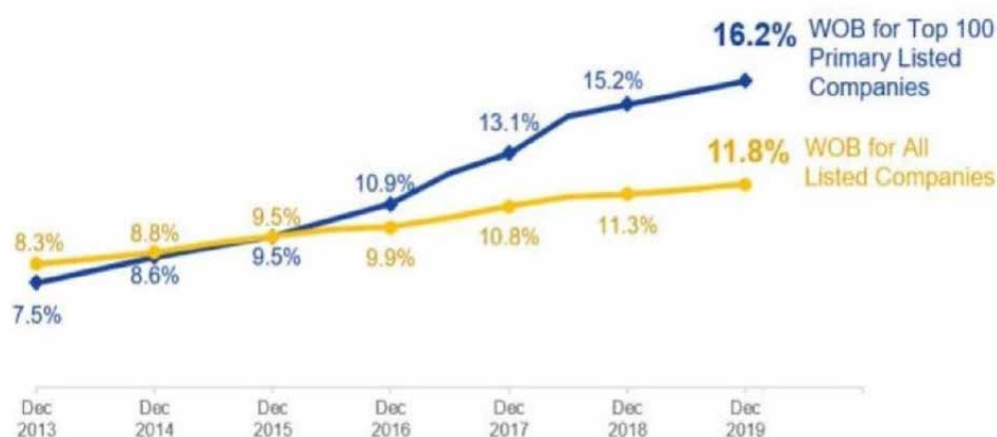
In 2008, 14.3% of Johannesburg Stock Exchange (JSE) company directors were women. By 2017, 20.7% were women. The number of female directors on JSE-listed companies increased from 540 in 2015, to 598 in 2017 (BWASA, 2017:11; Statistics South Africa, 2019:v). A significant proportion of JSE-listed companies still have no female directors, and there has been a decrease in the number of companies with three or more female directors. Women hold 41.2% of all directorships in State-Owned Enterprises (SOE) — and all SOEs have at least two female directors (Bosch, van der Linde and Barit, 2020).

The *King IV™ Report on Corporate Governance for South Africa 2016 (King IV™)* recommends that at least 25% of the board should be non-executive, most of whom should be independent. Over 80% of female directors are non-executive directors. The absence of female executive directors indicates that there are not enough female senior managers in South African companies (Bosch et al, 2020).

*King IV™* proposes that each company set and publish race and gender targets for board membership. Although gender diversity on boards has increased in South Africa over the past 10 years, the change is happening very slowly. Currently, it is estimated that women occupy approximately 20% of directorships on boards in South Africa. Furthermore, although there are some initiatives to improve the gender representation in the corporate sector, the government's proposal to institute a 50% quota for women on boards lapsed in parliament.

One of the largest influencers of diversity in South Africa has been the *Broad-Based Black Economic Empowerment Act 2003*. The Act embodies the government's efforts to situate Black economic empowerment within the context of a broader national empowerment strategy focused on historically disadvantaged people, and particularly Black people, women, youth, people with a

**Figure 3:** Singapore Stock Exchange percentages of female directors for all companies from 2013–19



Source: Annex B, Statistics Report for SGX-listed companies, Council for Board Diversity, December 2019

disability and rural communities. One of the Act's many objectives, specifically focused on women, is to increase the extent to which Black women own and manage new enterprises and facilitate their access to economic activities, infrastructure and skills training.

Shareholder activism has increased significantly in recent years, with shareholders being more vocal about the changes they would like to see in a company's board composition. In April 2019, the JSE released proposed amendments to its Listings Requirements which include extending the scope of section 3.84(ii) requiring that companies must adopt a policy on the 'promotion of broader diversity at board level, specifically focusing on the promotion of the diversity attributes of gender, race, culture, age, field of knowledge, skills and experience'.

## UKRIAT

Gender diversity in the boardroom has been a subject of keen political interest in the UK since the early years of this century. In 2020 Lord Davies of Abersoch, Minister of State for Trade, Investment and Small Business, was asked by the then government to lead a commission to examine the under-representation of women on boards, then standing – and sticking – on FTSE 100 boards at 12%. The corresponding figure for the FTSE 250 boards was only 9%. The Davies report was backed by the government and each year a progress report was published. By 2015, following a voluntary business-led approach, women represented 25% of FTSE 100 boards and 22% of FTSE 250 boards.

In February 2016, the government appointed Sir Philip Hampton and the late Dame Helen Alexander to continue the work of the Davies review by chairing an independent review to ensure that talented businesswomen are recognised, promoted and rewarded. In the past five years the Hampton Alexander Review has gradually extended the scope of the drive for greater female representation in business to include directorships and senior executive positions across the FTSE 350. This progress is shown in Table 7 from 2016–19.

Women are greatly under-represented in CEO roles. The Pipeline, a diversity and inclusion specialist consulting organisation, concluded in

**Table 7: Percentage of female directors on UK FTSE boards by index from 2016–19**

	FTSE 100	FTSE 200	FTSE 350
2016	26.6	21.5	23.0
2017	27.7	22.8	24.5
2018	30.2	24.9	26.7
2019	32.4	29.6	30.6

Source: Hampton-Alexander Review November 2019

**Table 8: Percentage of senior executive female leaders on UK FTSE boards from 2017–19**

	FTSE 100	FTSE 200	FTSE 350
2017	25.2	24.0	24.5
2018	27.0	24.9	25.8
2019	28.6	27.9	28.2

Source: Hampton-Alexander Review November 2019

2020 that there were only 13 women CEOs in FTSE 350 companies. Giving particular emphasis to this statistic, The Pipeline noted that in April 2020, there were more CEOs named Peter than there were women. This also appears to be the case for other male directors with the common first names of John and James in other jurisdictions. Since 2017 the Hampton-Alexander Review has also been measuring the representation of women in senior leadership positions, defined as members of an executive committee and direct reports. As Table 8 shows, the increase in this area is also slow, reflecting the small pool of women likely to move into board roles.

To the extent that women in such positions are among those most likely to move forward into board appointments, this lack of progress is worth noting. In international terms, using the FTSE 100 as a reference point, the UK ranked in seventh place in a grouping of 13 countries (11 European countries, plus the USA and Canada) in respect of the percentage of women on boards. In the BoardEx (2020) report the UK ranked seventh with 33.7% on their scorecard (between Belgium at 33.8% and Australia with 32.4%). While in absolute



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terms, female board representation in the UK has increased substantially over the last five years from 23% to 33.7%, the UK's ranking relative to other countries has not changed significantly.

Alongside the Davies and Hampton-Alexander Reviews, Professor Susan Vinnicombe of Cranfield University's Gender, Leadership and Inclusion Centre has been publishing an annual review of women's governance leadership since 2005, examining trends in female representation on FTSE 100 and FTSE 250 boards. More recently this review has included women executive directors on the corporate boards of the UK's top companies. As the percentage of women on FTSE 100 boards is 34.5% and the equivalent figure for FTSE 250 boards is 31.9%, Vinnicombe (2020) was hopeful that all FTSE 350 boards should hit the Hampton-Alexander target of 33% by the end of 2020. This was achieved despite difficult pandemic circumstances.

### Zimbabwe

Historically, boards in Zimbabwe have been dominated by men despite empirical evidence showing the positive contribution that women can bring to corporate boards. Njaya and Chimbadzwa (2014) reported that there were only 40 female directors in a pool of 406 directors for all companies listed on the Zimbabwe Stock Exchange (ZSE). This exchange currently lists 63 equities. In 2016, the Zimbabwean Institute of Directors reported that there were 50 female directors out of 482 directors on ZSE-listed companies, confirming an earlier report of 10% women on boards. The most recent report by Nyahasha (2018) stated that out of 403 directors on the boards of ZSE-listed companies, only 72 were women, nonetheless a marked improvement to 18%.

Nyahasha (2018) also highlighted that fewer than 10% of board positions for both CEO and Chairperson of ZSE-listed companies were filled by women. The 2020 appointments of a female managing director at Nestle Zimbabwe, a female board chair at ABC Holdings, a female CEO at

Lafarge Zimbabwe and a female managing director at NEDBANK Zimbabwe are positive developments in Zimbabwe's private sector.

Gender diversity on boards of public sector entities is higher than in the private sector because of the legislative framework put in place by the Government of Zimbabwe. A Zimbabwe National Statistics Agency (ZimStats) report in 2016 revealed that women make up 29% of boards of state-owned enterprises and parastatals (SEPs) and 23% of CEO positions at the SEPs (Table 9).

**Table 9: 2016 gender diversity on Zimbabwean state-owned enterprises and parastatals (SEPs)**

	% Female directors	% Male directors
Boards of SEPs	29	71
CEOs of SEPs	23	77

Source: ZimStats (2016:55)

## Question 2 — Gender diversity by division membership

The gender diversity of the CGI divisions (members and officers) and any initiatives being taken to promote positive outcomes in diversity within the profession and on boards, including initiatives to address gender bias.

### Australia

Admission to CGI Australia membership, and in each international division, depends on completion of the required post-graduate education with significant workplace experience. Not all members of the Governance Institute of Australia (GIA) are therefore members of CGI Australia. Historically, CGI Australia members were male as company secretaries were a men-only profession. While CGI Australia was established in 1909, the first female member was not admitted until 1927. One to two women were admitted each year between 1935 and 1945 and thereafter the rate increased to approximately five women members per year. CGI Australia did not start consistently admitting more than 10 women per year until the mid-1970s. It took until 2015 to achieve an equal division between men and women among new members.

Table 10 sets out the percentages of men and women admitted to CGI Australia membership since 1950. Of CGI Australia's current members, approximately 53% were admitted prior to 2000 because the bulk of CGI Australia's members date from a time when few women were admitted as new members.

The historically low number of new women members relates to the admission requirements for membership to the time when women consistently started to obtain the necessary tertiary educational qualifications in business, law and related studies and experience. Simultaneously, the gender representation in different professions started to improve and the demand for governance training and expertise increased. From the 1960s the number of women enrolled in Australian

**Table 10: CGI Australia percentage of new members per decade by gender from 1950–2020**

Decade of joining	% Female	% Male
Pre-1980	2	98
1980–89	14	86
1990–99	18	82
2000–09	38	62
2010–19	48	52
2020	64	36

Source: CGI internal data

universities steadily increased, reaching parity in about 1987 (Booth and Kee, 2011). Data from 2019 indicates that women represent 58.4% of students in higher education in Australia and outnumber men in higher education completion rates.

Table 11 gives the annual CGI membership breakdown by gender from 2014–20 reflecting a slow increase in female members. However, Table 12 shows that new members tend to be overwhelmingly female, a trend that is occurring in other divisions or has already occurred. Table 1 has given the summary membership statistics by gender for CGI globally.

## Question 2 — Gender diversity by division membership

**Table 11: Percentage CGI Australia membership by gender from 2014–20**

Year	% Female	% Male
2020	26	74
2019	25	76
2018	23	77
2017	22	78
2016	21	79
2015	20	80
2014	19	81

Source: CGI internal data

**Table 12: Percentage of CGI Australia new membership by gender from 2014–20**

Year	% Female	% Male
2020	64	36
2019	59	41
2018	57	43
2017	52	48
2016	46	54
2015	52	48
2014	44	56

Source: CGI internal data

Women are well-represented among the leadership of the Governance Institute of Australia, namely six of its eight (33%) board members and four of its six (66%) State Council chairs are women. It has a female chief executive and several women on its executive team. As a founding member of the ASX Corporate Governance Council (2019), the body which produced the *Corporate Governance Principles and Recommendations*, GIA has long supported initiatives to improve gender diversity on boards. GIA explicitly supports the changes to the gender diversity recommendations in the most recent edition of the *Corporate Governance Principles and Recommendations*.

Other GIA initiatives to improve board gender diversity include a strategic alliance with Women on Boards Australia. This alliance gives WOB members access to the Governance Institute's short courses and the Effective Director Course as part of their recognised governance and director training. The partnership between Watermark Search International and the Governance Institute of Australia (2020) to produce the *Board Gender Diversity Index* has strengthened the monitoring of board diversity change in Australia.

### Canada

The Canadian division of CGI is in the fortunate position where gender parity has been achieved at board level and across the membership (56% men and 44% women members). The President and CEO confirmed that board diversity is not a focal issue for this division. No specific activities have been undertaken to promote the appointment of women or other minority groups in the business community as their other activities are gender inclusive and focused on more pressing issues. This may of course change in the future as several government and industry diversity initiatives stimulate members' interest.

### China

The Hong Kong Institute of Company Secretaries (HKICS) subscribes to diversity as a general topic on the basis that a board should have a complement of diverse skill sets to contribute to strategy implementation based on the diversity of perspectives and avoidance of group-thinking that diversity brings about. Gender diversity is an important and visible aspect of diversity and if gender diversity is not properly addressed, it cannot be expected that other diversity aspects will be adequately dealt with. In other words, gender diversity is the first and easiest to ameliorate, with lessons learned able to be transferred to other forms of diversity.

HKICS has considered the role of quotas in forcing improved board gender diversity and has concluded that quotas would be inappropriate as appointment decisions should not be forced on any market participant. This may eventually be necessary if the issue cannot be adequately



managed through private market regulation. The role of HKICS is therefore to constantly remind its stakeholders, including listed company boards to be mindful of board gender diversity. HKICS continues to research board diversity and collaborate with others, while the topic of gender diversity is covered at the HKICS' Corporate Governance Conference, a signature event each year. From time to time, diversity related articles are published in HKICS' journal. Continuing Professional Development sessions are held regularly with the latest one including the Chairperson of the Listing Review Committee of the Stock Exchange of Hong Kong to promote gender diversity.

HKICS collaborates with other organisations including the 30% Club, the Community Business group and The Women's Foundation, where appropriate, to promote gender diversity. With the support of these organisations and other governance stakeholders, and to coincide with this report, HKICS has released its own review on Board Gender Diversity in February 2021.

## Malaysia

The Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) has more female members than male members. In 2019, female members comprised 74% of all membership categories. Male members at 26% are just over a quarter of the membership. This gender balance has been static for the last two years. The Divisional Committee of MAICSA over the last three years has been gender balanced.

**Table 13: Percentage of MAICSA Council Gender Balance from 2017–20**

Year	% Female	% Male
2019–20	50	50
2018	56	44
2017	45.5	54.5

Source: MAICSA internal data

Table 13 shows the increasing ratio of women on the Divisional Committee as more members are encouraged to participate in the main and sub-committees of MAICSA. Members of MAICSA are predominantly practising company secretaries who, in Malaysia, are predominantly women. According to the practice certificate database of the Companies Commission of Malaysia (February 2020), female company secretaries comprised 56% of total company secretaries with practising certificates. However, gender issues have not been given priority in the training and professional education programs conducted by MAICSA. First, the launching of the new *Companies Act 2016* and other regulatory changes have been the focus of the training programs offered to members. Second, gender issues were considered more relevant for directors rather than company secretaries. Today this argument may no longer be relevant. As influencers and advisers, company secretaries and governance professionals ought to be aware of gender issues before they can monitor, facilitate discussion on and advise the board on matters pertaining to diversity.

## New Zealand

The Governance New Zealand total membership is made up of 68% male and 32% female members which includes Fellows, Associates, subscribers, graduates and students. Within the age groups by decade there is a marked disparity, with younger members more likely to be female and older members male. This reflects the global trend with increasingly more female than male members but may also reflect the recruitment success of the Women on Boards division of Governance New Zealand (Table 14, Table 15 and Figure 4).

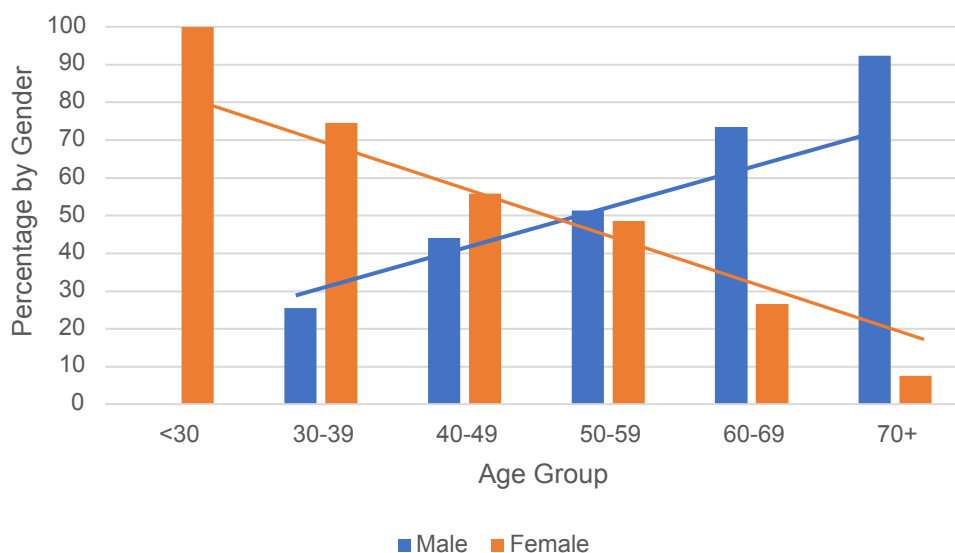
**Table 14: Percentage of Governance New Zealand Associate and Fellow members by gender and grouped under or over 50 years of age at 1 July 2020**

	50 years and below	Above 50
% Male	51	82
% Female	49	18

Source: Governance New Zealand internal data

## Question 2 — Gender diversity by division membership

**Figure 4:** Percentage Governance New Zealand membership by gender and age group at 1 July 2020



Source: Governance New Zealand internal data

### Women on Boards division

Governance New Zealand is the only division to have a unit dedicated to board gender diversity. In 2015 Women on Boards New Zealand, a not-for-profit organisation, was incorporated as a business unit of GNZ, bringing a large group of affiliate members into the organisation. This merger was viewed as an obvious fit for both organisations, serving to enhance the promotion of gender diversity in the governance space and in the boardrooms of New Zealand. The vision of the unit is 'Gender equality in governance' and the mission is to 'Inspire, educate, connect and support all women in their governance journey'. The goal is to bring through the next generation of board-ready women by providing tools and empowerment through education. The division is chaired by a GNZ board member and led by its own sub-committee selected for their skills and commitment. The flagship event of the division has been the annual Women in Governance Awards. This hugely successful event has enhanced the national profile and media opportunities of Governance New Zealand but has been postponed due to the COVID-19 pandemic. Women on Boards' division members are encouraged to qualify as full members of Governance New Zealand.

**Table 15:** Percentage of total Governance New Zealand membership by gender and age decade at 1 July 2020

	% Male	% Female
70+	92	8
60-69	73	27
50-59	51	49
40-49	44	56
30-39	25	75
< 30	0	100

Source: Governance New Zealand internal data

### Singapore

Table 16 shows that women constitute the majority of members of the Chartered Secretaries Institute of Singapore (CSIS). Traditionally, the majority of CSIS members are appointed as company secretaries in the corporate and not-for-profit sectors. This has been entrenched with the statutory recognition of CSIS' professional qualifications.

**Table 16: Percentage of members by gender of the Chartered Secretaries Institute of Singapore from 2017–19**

Year	% Female	% Male
2019	73	27
2018	72.4	27.6
2017	71.8	28.2

Source: CSIS internal data

CSIS has delivered seminars and workshops to equip members with the skill sets for governance, in both the corporate and not-for-profit sectors. The training also extends to areas of risk management, strategy and leadership.

In Singapore, director training is conducted by the Singapore Institute of Directors (SID) to equip newly appointed directors and provide continuing professional development for existing directors. SID offers a set of affordable board appointment services that companies can tap into to find and appoint suitable directors. Depending on a company's needs and interests, a company can leverage on SID's services for the entire process (Board Match) or to reach out to potential candidates (Board Post). This can require female candidates to be included.

The Listed Entity Director (LED) Programme is organised by SID with the support of the Singapore Stock Exchange (SGX). It is a pre-requisite program for first-time appointees on boards of listed companies to equip them with governance skills.

### South Africa

The Chartered Governance Institute of Southern Africa (CGISA) has seen considerable transformation in diversity terms, for both race and gender. Women form 40% of the membership. The board consists of 42% Black directors and 50% of the directors are female. The current President is a woman while past Presidents have come from both genders and belong to every race group.

From the current student registrations with CGISA and a growing membership, it is clear that CGISA is meeting a demand in South African industry for experienced governance professionals, both public and private. Given the niche area in which CGISA operates, it is fulfilling a wider educational function. It has business and personal developmental programs that promote the transformational goals of the post-apartheid economy. Table 17 illustrates the racial transformation to a majority of Black, Coloured and Indian students who now account for 80% of the student body. This means that the membership demographics will also change as these students qualify in the near future.

**Table 17: Percentage of CGISA students by race group registered in 2020**

	No of students	% students
Black students	346	66
Coloured students	40	8
Indian students	31	6
White students	104	20
<b>Total</b>	<b>521</b>	<b>100</b>

Source:CGISA internal data

### UKRIAT

ICSA:CGI forms the United Kingdom, Republic of Ireland and Associated Territories (UKRIAT) division within The Chartered Governance Institute. As such, it encompasses the United Kingdom, Republic of Ireland, Crown dependencies and associated territories which include the Caribbean, sub-Saharan Africa, the Middle East, Mauritius and Sri Lanka. It follows that its membership is not restricted to the UK. This should be taken into account when considering the statistics in Table 18 on this division's gender diversity.

## Question 2 — Gender diversity by division membership

**Table 18: ICSA:CGI members gender diversity at July 2020**

	% Male	% Female
Associates and Fellows	58	42
Affiliated members	25	75
Students	27	73

Source: CGI internal data

Given that students will generally be younger, this data suggests that the women are more numerous in the lower age range among company secretaries and other governance professionals. This trend is confirmed with an analysis of the percentage of members under 40 years old, namely Associates and Fellows at 14%, Affiliates at 57% and students at 65%. The only category with a majority of men is that of Associates and Fellows, where 69% are over 50 years old. If ICSA:CGI can retain its members in the coming years, it will achieve gender parity. This trend is similar to other divisions.

ICSA:CGI also sets a good example in its own governance. The current President and the CEO are both female. Five out of 12 current members of the Institute's Committee are women.

ICSA:CGI has been a consistent supporter of both the Davies and Hampton-Alexander Reviews and has been actively engaged in helping the Hampton-Alexander Review team contact the company secretaries of FTSE 350 companies to validate their data. In 2016 in partnership with Ernst & Young, ICSA published a paper, *Coming out of the Shadows*, on the role of the Nomination Committee, of which diversity was a key part.

Another area where this division has played a collaborative role is through the *Boardroom Bellwether*, a survey conducted with the Financial Times. This is a twice-yearly survey of FTSE 350 companies, carried out since 2012, which gauges the sentiment inside UK boardrooms including an assessment of board diversity initiatives. This is done by canvassing the views of company secretaries. For example, the Winter 2019 survey reported that gender diversity on FTSE 350 boards continued to grow, with 84% of respondents believing their boards to be gender diverse and only 3% considering their boards were not diverse in this respect. Concerns about the boardroom pipeline remained. Of those surveyed, 39% of respondents believed that their executive pipeline for the board is insufficient, with an additional 18% unsure. This was a threefold increase on the previous year when only 6% were unsure.

### Zimbabwe

The membership of the Institute of Chartered Secretaries and Administrators in Zimbabwe (ICSAZ) consists of 78% male and 22% female members across the categories of Fellows, Associates, graduates and students. As shown in Table 19, women constitute 11% of Fellows, 16% of Associates, 28% of graduates and 25% of students. The results show that the younger members are increasingly female.

Plans are at an advanced stage in the division to set up a Women in Governance and Accounting Professionals Group that will provide a platform for mentorship by senior members of ICSAZ. In addition, ICSAZ is setting up a fund to identify underprivileged students with a focus on empowering women students.

**Table 19: ICSA:CGI members gender diversity at July 2020**

	Fellow members	Associate members	Graduate members	Student members	Average %
Male	89	84	72	75	80
Female	11	16	28	25	20

Source: ICSAZ internal data

## Question 3 — Current measures by country

A description of the current measures whether legal or regulatory, of general application or sector-specific, and whether mandatory, recommended or advisory, soft or hard, in each division promoting gender diversity on boards.

### Australia

There is no 'hard' Australian regulatory requirement requiring gender diversity on boards. Over the last 30 years the Australian Government has introduced a range of discrimination laws prohibiting discrimination by age, disability, race and sex. The Australian Human Rights Commission has statutory responsibilities for this under several pieces of legislation. Despite the presence of a strong body of Australian anti-discrimination legislation in practice, the number of women appointed to listed company boards has not been as rapid as might be expected.

Since 2003 Australian listed companies are required to report under the ASX Listing Rules on an 'if not, why not' basis on their corporate governance practices against the ASX *Corporate Governance Principles and Recommendations* (2019). The first two editions of this document, released in 2003 and 2007 respectively, did not refer to board gender diversity. In 2010 the document was amended to include recommendations related to 'measurable objectives for achieving diversity'. Diversity was described as including, but not being limited to, 'gender, age, ethnicity and cultural background'. In 2010 GIA partnered with WOB to produce resources to assist listed companies in reporting against the amended *Principles and Recommendations*. The fourth edition of the document released in 2019 extended the recommendation for measurable objectives for achieving diversity to senior executives and the workforce generally. For ASX 300 companies the measurable gender objective for the board should be 30 per cent.

While the *Principles and Recommendations* refer to diversity in a broad sense, in practice the focus in Australia has been on gender diversity. Nonetheless the *Principles and Recommendations* have definitely assisted in driving an increase in Australian listed company board gender diversity.

In the Australian public sector progress on gender diversity has been faster. The Australian Government committed in 2016 to a gender diversity target of women holding 50% of government board positions. The WOB (2020) Index indicates that in 2010 federal government boards (by remuneration) consisted of 30.4% women. Since 2016 when the target took effect, the Department of the Prime Minister and Cabinet has released an annual report on gender balance on Australian Government boards. The most recent Report for 2019–20 finds women holding 48.5% of all government board positions and 36.9% of chair and deputy chair positions. The percentage of new female appointments to government boards was 50.5%, a drop from 52.7% in the previous report.

In 2020 the percentage of women on charitable and not-for-profit boards is stable at 40.4%. This is only a small increase since 2015 when the percentage was 39.6%. The highest level of female participation on Australian boards, according to the WOB (2020) Index, is 62.1%, which is on the boards of organisations regulated by the Australian Health Practitioner Regulation Agency, where traditionally women carry out these specialist health functions. In 2012 the Australian Sports Commission set a target of 40% women for national sporting body boards, which has almost been met at 39%. In its *Sports Governance Principles* released in March 2020, the Australian Sports Commission (2020:15) has refined the target to 'no gender accounts for more than 60 per cent or less than 40 per cent of the total number of directors'.



## Question 3 — Current measures by country

### Canada

In December 2014, securities regulators in 10 jurisdictions across Canada implemented rule amendments requiring TSX-listed issuers to disclose annually:

- the number and percentage of women on the issuer's board and in executive officer positions
- director term limits or other mechanisms of board renewal
- policies relating to the identification and nomination of female directors
- consideration of the representation of women in the director nomination process and in executive officer appointments
- targets for women on boards and in executive officer positions.

In 2020 the Catalyst/30% Club of Canada reported on the progress made since the introduction of the TSX measures, believing that 'Women's economic participation and leadership are essential to driving business performance, and achieving gender balance on corporate boards and among executive ranks has become an economic imperative'. This report is a snapshot of progress for Canada's largest public companies from 2015–19, using the S&P/TSX Composite Index, widely viewed as a barometer of the Canadian economy.

To provide an impetus for change, the authors give a clear collective goal that '30% of board seats and C-suite roles are to be held by women by 2022'.

Their three key findings were:

1. Companies in the S&P/TSX Composite Index have made progress for women on boards: from 18.3% in 2015 to 27.6% female directors in 2019.
2. For the first time in its history, in August 2019 every company in the S&P/TSX Composite Index (from 240 companies in 2015 to 234 in 2019) had at least one woman on its board.
3. From 2015–19, the percentage of women on executive teams among S&P/TSX Composite Index companies increased only from 15.0% to 17.9%, indicating an area of concern.

When comparing the S&P/TSX Composite Index with all the disclosing companies on the TSX, Table 20 shows that the largest Canadian companies are leaders in accelerating progress for women on boards. Companies of all sizes across the TSX continue to have much work to do to improve board diversity and to increase the percentages of women on executive teams.

Canada has become the first jurisdiction worldwide to require diversity disclosure beyond gender. Effective 1 January 2020, companies governed by the Canada Business Corporations Act 1975 (CBCA) will be required to provide diversity disclosure not only with respect to the representation of women, but the representation of Aboriginal persons, persons with disabilities and members of visible minorities, plus any other group the corporation wishes to include in its designated groups. The number and percentage of members of each such designated group on the board and in senior management must be identified as well as any target level of representation adopted for that group and, if no target has been adopted for a particular group, an explanation of why not. Advancing women from diverse backgrounds is particularly important given that it is projected that almost one in three Canadian women will belong to a visible minority group by 2031.

**Table 20: Comparison of the Canadian S&P/TSX Composite Index and the TSX companies for the year ended 31 December 2019**

	S&P/TSX Composite Index	TSX
Number of companies	234	785
% of women on boards	27.6	19.4
Average number of women on boards	2.7	1.5
Companies with no women on boards	0	179
% of women on executive teams	17.9	17.0

Source: Catalyst, and 30% Club of Canada, 2020

## China

The Hong Kong *Sex Discrimination Ordinance* of 1995 makes it unlawful to discriminate, directly or indirectly, on the grounds of sex but this has not been applied to board appointments. The Hong Kong Exchanges and Clearing Limited (HKEX), of which the Hong Kong Stock Exchange is its subsidiary, in 2018 released a gender diversity guidance for issuers, highlighting areas of low diversity (Figure 5). The current measures in Hong Kong to encourage board gender diversity are expressed in broad terms and largely operate through general voluntary encouragement rather than a specific mandatory requirement. There are no quotas, hard or soft, in any official regulation or guideline in Hong Kong concerning female directors.

Over the last decade various 'soft' measures have been attempted. For example, encouragement by the Hong Kong Government and the HKEX, is not accompanied by firm policy initiatives or specified outcomes. Encouragement by business leaders to press forward with a greater female presence on their boards and pressure from institutional investor

groups, whose efforts are limited by their minority shareholdings in a context where Hong Kong listed companies are characterised by block shareholders, has been ongoing. This has included lobbying, education and awareness initiatives by local stakeholder groups.

Effective from 1 January 2019, listed companies on the Hong Kong Stock Exchange are required to adopt a diversity policy under Listing Rules 13.92. The policy should include measurable objectives that the issuer has set. The progress needs to be periodically reported.

In addition, the Hong Kong Exchanges and Clearing Limited 2020 update now requires all listed companies to have a board diversity policy. For initial public offering (IPO) applicants with a male only board, additional disclosures are required in the prospectus on how the board intends to achieve board diversity, including the measurable objectives set. This has to be actively monitored in the years following the IPO.

Figure 5: Hong Kong Exchanges board gender diversity guidance

<u>Gender Diversity</u>	
4.5	Diversity encompasses more than simply gender but gender diversity is particularly important to many stakeholders and statistics on gender diversity can be obtained with more certainty than other factors such as cultural, educational background and professional experience, etc.
4.6	A growing number of studies have shown that gender and other aspects of diversity enables the board to better able to understand their customers' and stakeholders' needs and is positively associated with the issuer's financial performance, more effective board and better risk management. Hong Kong appears to be lagging behind other leading markets in terms of the ratio of women on boards and fall below the average growth according to some research statistics. <sup>7</sup>
4.7	A substantial proportion of our issuers are without a single woman on their boards. <sup>8</sup> There should be more transparency on the considerations for diversity, including gender, during the nomination process of directors. The diversity policy and the progress made towards meeting the measurable objective in the policy must be disclosed in the corporate governance report.

Revised MDR  
Section  
L.(d)(ii)  
(effective on 1  
January 2019)

Source: Hong Kong Exchanges and Clearing Limited (HKEX) (2018:8)

## Malaysia

First, the Malaysian Securities Commission has implemented the *Malaysian Code on Corporate Governance* including diversity measures. Practice 4.5 promulgates the essential need for the board to disclose in its annual report the company's policies on gender diversity, its targets and its measures to meet those targets. For 'Large Companies', the board must have had at least 30% female directors by 2020. These are defined as companies in the FTSE Bursa Malaysia Top 100 Index or companies with market capitalisation of RM2 billion and above.

Of the five strategic priorities under the *Securities Commission Corporate Governance Strategic Priorities (2017–20)* in the review of the state of corporate governance of public listed companies (PLCs) in Malaysia, the importance of gender diversity was stressed as Priority 3 in 'Promoting greater gender diversity on boards'.

Second, to tap into the pool of women of high potential, the organisations below have been actively promoting women as company directors, tailoring training and coaching programs to assist women to become board-ready. They also assist boards, especially those of public listed companies, to search for suitable women candidates.

## 30% Club Malaysia Chapter

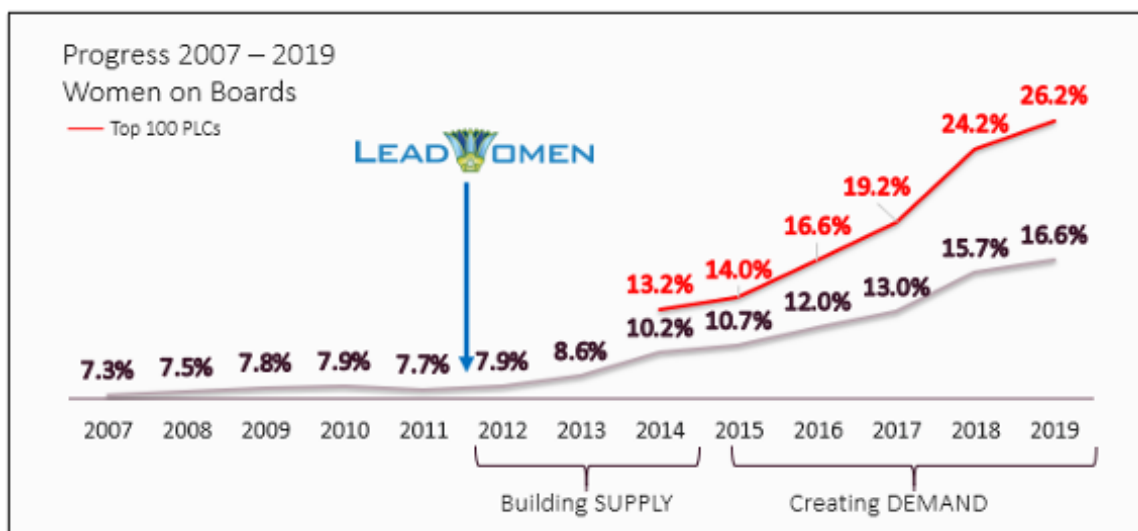
The 30% Club started as a 2010 campaign in the UK with a goal of achieving a minimum of 30% women on FTSE100 boards. The 30% Club was launched in Malaysia in 2015.

Apart from assisting corporate boards in their engagement of qualified, board-ready women, the 30% Club supports sustainable business-led voluntary change to improve the current gender imbalance on Malaysian corporate boards through encouraging debate and networking. See <https://30percentclub.org>.

## Lead Women

Lead Women Malaysia started in 2011 with a mission to increase women's representation on the boards of corporate Malaysia. Their work continues through advocacy, training and development, sourcing and placement of board-ready women, including inclusion strategies in the workplaces to ensure retention and progression of female talent. Figure 6 shows the progress made by Lead Women to track, build, supply, create and fulfil the demand for women directors. See [www.lead-women.com](http://www.lead-women.com).

Figure 6: Progress of women in Malaysia onto boards from 2007–19



Source: [www.lead-women.com](http://www.lead-women.com)



## New Zealand

New Zealand has a legal framework embodied in the *Human Rights Act 1993* which prohibits discrimination based on ethnicity, gender, age and disability, along with the *Employment Relations (Flexible Working Arrangements) Amendment Act 2007* which imposes a duty on employers to consider requests for flexible working from employees with caring responsibilities. The trend is towards gender equity in the New Zealand workforce, much greater ethnic diversity and an older average age. By 2026, the Pākehā/New Zealand European group will comprise 69.5% of the population, down from 76.8% in 2006. The New Zealand workforce is 'greying'. From 2013 onwards, there were approximately equal numbers of workers aged 25–44 and 45–64 and, by 2021, the proportion of people in the labour force aged 65 and over is expected to increase from 2% to 4% of the workforce (Statistics New Zealand, 2006). As perceptions of accelerating demographic diversification increase, the concept of 'diversity management' has become more prominent in business, in the media and in government policy analysis.

The New Zealand Equal Employment Opportunity Trust (EEO), now called Diversity Works, a government-subsidised employer collective, was established to foster voluntary implementation of EEO policies and practices. Diversity Works runs annual events to recognise workplaces that support diversity and provides educational and training resources to employers for managing diverse employees. Although this organisation has attracted significant support from New Zealand firms, it has attracted criticism that its message of 'making the most of a diverse workforce' is a conscious strategy to 'gloss over' issues of disadvantage and avoid the implementation of tougher regulations (Jones, Pringle and Shepherd, 2000:367; Houkamau and Boxall, 2011). There is broad understanding of managing diversity in the business community, but it has a low HR priority. The skepticism as to whether increasing diversity improves financial outcomes is reflected in the low appointments of women to boards of directors.

The New Zealand Stock Exchange has implemented a 'soft' regime of mandatory statistical reporting that requires issuers listed on the NZX Main Board (excluding overseas companies) to include in their annual report quantitative data on the gender breakdown of the directors and officers at the financial year-end, including comparative figures for the prior financial year-end. There are no sanctions for companies that do not espouse a diverse boardroom or executive officers, relying on the social pressure of annual board stocktakes to bring attention to companies that are succeeding or failing.

There are several organisations active in promoting the appointment of women to boards including Governance New Zealand.

## Singapore

There are no legal requirements enforcing gender diversity on boards in Singapore. However, the Council for Board Diversity (CBD) also known as the Diversity Task Force, was set up by the Ministry of Social and Family Development to promote and achieve a sustained increase in the number of women on boards of listed companies, statutory boards and not-for-profit organisations. The CBD have been actively working to increase women's participation on boards with published advisories to promote gender diversity on boards.

To place more importance on gender diversity in the Singapore General Exchange's (SGX's) *Code of Corporate Governance 2018*, regulators have adopted best practice from other countries, for example, requiring companies to disclose their gender diversity policies. The SGX's rules and templates for announcements could be amended further. Regulators could also consider highlighting or publishing how companies comply with the Code, so that others can learn from their experience.

## Question 3 — Current measures by country

The Monetary Authority of Singapore (2018:6) has recommended in their *Code of Corporate Governance 2018* that a board should:

... comprise directors, who as a group provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate. The board diversity policy and progress made towards implementing the board diversity policy, including objectives, are disclosed in the company's annual report .

### South Africa

The *King IV™ Report on Corporate Governance for South Africa 2016 (King IV™)* emphasises the need for the board to comprise the appropriate balance of knowledge, skill, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively. *King IV™* (2016:50) states that the 'The governing body should set targets for race and gender representation in its membership'.

The JSE listing requirements already require companies to have and to report on their policies on the promotion of gender diversity at board level, a requirement which came into effect in 2017. In terms of section 3.84(k) of the JSE Listings Requirements:

The board of directors or the nomination committee, as the case may be, must have a policy on the promotion of gender diversity at board level. The issuer must confirm this by reporting to shareholders in its annual report on how the board of directors or the nomination committee, as the case may be, have considered and applied the policy of gender diversity in the nomination and appointment of directors. If applicable, the board of directors or the nomination committee must further report progress in respect thereof on agreed voluntary targets.

According to the consolidated *Broad-Based Black Economic Empowerment (B-BBEE) Codes of Good Practice* (2003 and 2013), a company's level of B-BBEE compliance is determined by five metrics, namely ownership, management control, skills development, enterprise and supplier development, and socio-economic development. Pertinent reference is made to the appointment of

female leaders in the second and third metrics. A 25% compliance target was set for the exercisable voting rights of Black female directors (as a percentage of all directors) and for Black female executives (as a percentage of all executives). Compliance targets were also set for Black female employees in senior, middle and junior management. Johannesburg Stock Exchange (JSE) listed companies are expected to report on their B-BBEE compliance on an annual basis (Viviers, Mans-Kemp and Fawcett, 2017).

South African legislation has progressed in order to ensure the protection and advancement of women in the workplace. The *Employment Equity Act 1998* protects employees from unfair discrimination on listed grounds which include gender, sex, pregnancy, marital status, family responsibility or on any other arbitrary grounds. The South African Government's *Code of Good Practice on Equal Pay/Remuneration for Work of Equal Value* (2015:10) affirms the equal pay principle as addressing 'a specific aspect of workplace discrimination and the undervaluing of work on the basis of a listed or any other arbitrary ground', which includes gender.

### UKRIAT

The UK has a significant amount of legislation to support equality, diversity and inclusion in all aspects of society, since the *Equal Pay Act 1970* and much other legislation consolidated in the *Equality Act 2010*. There has also been a trend in recent years for successive governments to attempt to drive change through mandating reporting requirements, such as the Gender Pay Gap Reporting Regulations (*Equality Act 2010* and *Gender Pay Gap Information Regulations 2017*). There has also been extensive work by the Equality and Human Rights Commission (2016a), in which ICOSA was involved, culminating in their 2016 inquiry into fairness, transparency and diversity in FTSE 350 board appointments. This was further enhanced with their guidance paper on how to improve board diversity (Equality and Human Rights Commission, 2016b). There are no legal or regulatory requirements regarding gender diversity on boards, nor any mandatory targets or quotas.

The *UK Corporate Governance Code 2018* (2018:8) issued by the Financial Reporting Council (FRC) includes Principle J that 'Both appointments and succession plans should be based on merit and objective criteria and, within this context, should promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths'. Principle L provides that the 'annual evaluation of the board should consider its composition, diversity and how effectively members work together to achieve objectives'. The effective application of the Principles is promoted by a series of more detailed Provisions. These operate on a 'comply or explain' basis. Provision 23 expects the annual report to describe the work of the nomination committee. This should include 'the policy on diversity and inclusion, its objectives and linkage to company strategy, how it has been implemented and progress on achieving the objectives'. It should also include 'the gender balance of those in senior management and their direct reports'.

In 2020 the FRC issued its *UK Stewardship Code 2020*. This sets stewardship standards for asset owners and managers plus a separate set of standards for service providers, such as investment consultants, proxy advisers and data and research providers, who support them. For those entities who sign up to the Code, it comprises a set of 'apply or explain' principles.

The effective application of the *UK Corporate Governance Code 2018* and diversity interests are identified at the beginning of the *Stewardship Code* as being among the issues which all signatories should consider. Principle 2 of the *Stewardship Code* (2020a: 9) states that asset managers and asset owners should have appropriately resourced stewardship, including 'seniority, experience, qualifications, training and diversity'. A similar principle applies to service providers.

The FRC regularly reviews and reports on the implementation of its Codes. In the case of the *Corporate Governance Code*, the effective date of the reinforced terms on diversity is too recent to allow it to be considered in the most recent annual review. The FRC (2020b) in its recent *UK Stewardship Code Review of Early Reporting* noted

that, as yet, there were few mentions of the diversity of stewardship and investment teams but, where covered, the comments focused on gender diversity.

Although not having any formal legal or regulatory status, the targets for female board representation over the past decade by the Davies Review and, since 2016, the Hampton–Alexander Review have steadily acquired authoritative standing, recognition and implementation. These targets have gradually been increased, whether in the standards they set, the listed companies to which they apply or the roles, beyond directorships, where more diversity is expected. Since 2011 there has been a strong relationship between the targets set in these Reviews and actual progress.

## Zimbabwe

Since gaining its independence from Great Britain in 1980, Zimbabwe has made strides in promoting and advancing gender equality. Zimbabwe is a signatory to several regional and international protocols, treaties, conventions and other instruments protecting and promoting gender equality in general, and the empowerment of women and girls in particular. The Zimbabwe Constitution (2013) in section 17(1)(b) requires that the state must take all measures, including legislative measures, needed to ensure that first, both genders are equally represented in all institutions and agencies of government at every level; and second, women constitute at least half the membership of all Commissions and other elective and appointed governmental bodies established by or under the Constitution or any Act of Parliament.

Section 245 of the Constitution established a Gender Commission with the wider mandate to monitor and ensure gender equality. The functions of the Gender Commission include investigating possible violations of rights relating to gender; receiving and considering complaints from the public and taking such action in regard to the complaints as it considers appropriate; conducting research on issues relating to gender and social justice, and recommending changes to laws and practices which lead to discrimination based on gender; advising public and private institutions on steps to be taken to ensure gender equality;

### Question 3 — Current measures by country

recommending affirmative action programmes to achieve gender equality; and recommending prosecution for criminal violations of rights relating to gender.

In 2019, the Parliament of Zimbabwe enacted the *Public Entities Corporate Governance Act 2018* (PECG Act) to provide a legal foundation for oversight and governance of state-owned entities and parastatals (SEPs) including better management of fiscal risk, performance and service delivery, and accountability. Section 11(7) of the PECG Act requires that there shall be equal numbers of men and women on the board of every public entity. The provisions of this Act are enforced by the responsible Ministers of Government with oversight by the Corporate Governance Unit under the Office of the President and Cabinet.

The *National Code on Corporate Governance* (ZIMCODE) was developed by stakeholders in the private sector, including ICSAZ, and was adopted in 2015 by the country as a national corporate governance code for the private sector. The ZIMCODE Chapter 3, principle 94 asserts that every board should consider whether its size, diversity and demographics make it effective.

Diversity relates to academic qualifications, technical expertise, relevant industry knowledge, experience, nationality, age, race and gender. Principle 126 of the ZIMCODE further recommends that the appointment of the chief executive officer must be based on merit, skill, leadership qualities and experience without losing sight of the need to promote gender equality.

## Question 4 — Successes and setbacks

An assessment of which measures have worked well or have been ineffective in increasing the percentage of women on boards.

### Australia

#### Successes

Chief Executive Women (CEW) was founded in 1985 and has grown to a group of 650 senior women leaders. Its aim is to educate and influence Australian business and governments on the importance of gender balance, including advocacy, targeted programs and scholarships. For the last four years, CEW has issued the CEW ASX 200 Chief Executive Census tracking the annual progress of female representation in the executive leadership teams of the ASX 200 companies. The 2020 Census indicates that the progress of women into senior executive positions in large companies has levelled out, with women holding just 12% of roles with responsibility for profit and loss. Given that senior executives form the 'pipeline' for non-executive roles, this indicates that recent progress on improving gender diversity in large, listed companies may plateau. The recent *Global Leadership Team Gender Diversity Report*, issued by BoardEx (2020), ranks Australia first globally for gender diversity in top leadership teams.

Founded in 2001, WOB Australia initially received funding and support from the National Foundation for Australian Women. Since incorporation in 2006, it has organised education, training, mentoring and recruitment to increase the participation of women on boards across all sectors. It also runs a popular board vacancy service. While it has had success in assisting members to obtain listed company board positions, particularly with smaller listed companies, it has been notably successful in opening opportunities for its members on unlisted company, charity, not-for-profit and government boards. Since 2018, WOB has promoted a target of 40% women in the boardroom.

The first Australian Male Champions for Change (MCC) group was founded in 2010 with eight senior male leaders and now consists of 15 groups

and 230 CEOs, directors, heads of government departments and leaders in the military and universities. The concept of its strategy involves influential men forming a coalition to achieve change on gender equality issues in organisations and communities. The Australian Chapter of the 30% Club was founded in May 2015 with a goal of achieving 30% women on ASX 200 boards by the end of 2018. In March 2019 it announced a new objective for ASX 300 boards of 30% women by the end of 2021. The club works to influence and work with investors, executive search consultants, professional services firms, chairs and directors to achieve change.

Over the last five years the Australian Institute of Company Directors (AICD) has been actively involved in programs to increase board gender diversity. AICD maintains a web presence with recent statistics, research, reports and a chair's mentoring program for its members. It also promotes the activities of the Australian Chapter of the 30% Club.

A recent study by the 30% Club and KPMG (2020:15) on building gender diversity on ASX 300 boards noted that 'explicitly adopting diversity targets focuses the board on progressing at each opportunity and ensures diversity is a priority. Often an absence of targets leads to no progress'. This study further noted that 'although the rate of change is relatively slow across the ASX 300, targets are still viewed as the most effective method to bring about change, due to the unintended consequences with quotas'.

Despite the slowing pace of recent appointments of women on ASX 300 boards, there has been a substantial increase in the number of women appointed to larger listed company boards in Australia over the last 10 years. This can be attributed to the ASX Corporate Governance Council's 2019 *Principles and Recommendations*, the setting of



## Question 4 — Successes and setbacks

targets by organisations such as the 30% Club, AICD and WOB and the activities of groups such as CEW and MCC. Outside listed companies, the Australian Government's introduction of targets in 2016 has clearly also assisted in increasing the number of women on government boards. These are all examples of successes.

### Setbacks

The main setbacks relate to the slowing of progress on larger listed company boards, the slow progress outside the ASX 200 and the apparent contraction of the traditional 'pipeline' for non-executive directors and C-suite executives, shown in the recent CEW ASX 200 Chief Executive Census. There are also still a relatively small number of women chairs of ASX 200 and ASX 300 companies. In 2019 there were 13 women chairing ASX 200 companies. In 2020 there were 22 female chairs of ASX 300 companies. A recent *Ownership Matters* (2020:3) study also notes that there has been little increase in the numbers of female executive directors, usually CEOs and CFOs, noting that 'the present level of 6% of women executive directors was largely the same over the fifteen-year period examined'.

## Canada

### Successes

Canadian authorities have taken a leading position in regular and extended board and executive officer monitoring, which is slowly resulting in greater diversity in the upper echelons of corporate boards and executive suites. A number of interest groups have combined resources to promote increasing women on boards.

### Setbacks

Much research points to the lack of access to and availability of qualified women candidates in areas where boards commonly recruit, meaning that few female CEOs are available. Most companies use the 'merit' argument to explain why they do not specifically look for female directors but search for directors of a specific calibre and experience who match the boards internal definition of desirable worth. Boards' own networks limit the pool of candidates to those who are familiar and homogenous. Perceptions of best interest prevail.

As Catalyst (2016:6) reported:

... few issuers have adopted targets for the appointment of women to boards or executive officer positions. Their top reason for not doing so? A belief that candidates should be selected based on merit. Yet research shows that advancement based solely on merit is a concept that rarely—if ever—occurs in actual workplaces, which are burdened by systemic inequities.

Canadian boards' recruitment processes mean that the skills prioritised by nominating committees often have a built-in demographic bias like many other jurisdictions. For example, public issuers often seek board members who have experience as the CEO of another public issuer. The proportion of women CEOs in the top 100 TSX listed companies has stagnated at approximately 5% for the last decade, and therefore this criterion narrows down the pool of female candidates dramatically. Similarly, if a board is looking for candidates with significant experience as a director of a public issuer, women are less likely to have held those roles; only 14% of public issuer board seats are held by women in Canada. Many Canadian companies rely on tokenism, with one or two female directors seen as success.

## China

### Successes and setbacks

Until now, it would be misleading to talk of 'successes' in increasing board gender diversity. The reality is that the progress relating to gender diversity has been slow and HKEX knows this. The Hong Kong SAR government might weigh in more forcefully on this issue and in backing a consensus for action. At government level there are two bodies which could have a role to play in promoting board diversity. The first is the Equal Opportunity Commission (EOC), an independent statutory body set up in 1996. Its primary responsibility is to implement the anti-discrimination ordinances in place in Hong Kong, although it does advocate policy change and develop policy frameworks for public and private organisations. The EOC also has the specific power to 'work towards equality of opportunity between men and women generally'. The second is the Women's Commission, established by the Government in 2001. The Commission is tasked with taking a strategic

overview of women's issues, including developing a long-term vision and strategy for the development and advancement of women. In this context, the Commission promotes 'unleashing women's potential in the business community'.

Neither of these government agencies has a particular mission regarding increasing gender diversity on boards. However, this objective does form part of Government policy. In her annual policy address in 2018, Hong Kong Chief Executive, Carrie Lam, stated that 'We call on all listed companies to appoint more females on their board of directors'. This statement has not yet been followed by specific measures and so remains more in the way of an appeal than a directive.

As Hong Kong is a rules-based governance regime, it may eventually take regulation, in the form of clear targets or even mandatory quotas under the Stock Exchange Listing Rules, for there to be significant advancement in board gender diversity.

## Malaysia

### Successes and setbacks

Successes have been seen in the overall progress of women onto boards over recent years, especially with the medium and small cap issuers. However, the gap to be filled by these issuers within two years from 15% in 2018 to 30% by 2020 is higher compared to the gap of 6% for the top 100 companies for the same period. This is compounded by the fact that around 25% of the mid-cap and small cap issuers were yet to adopt Step 1 of the *Malaysian Code on Corporate Governance*. According to the *Corporate Governance Monitor 2019*, one of the items of greatest discrepancy in the disclosures by listed companies was on the topic of diversity, including gender diversity. Not only was there no compliance with basic practice, there was also no evidence of commitment to gender inclusion in terms of policies, measurements and future efforts by these small and mid-cap issuers. Although the number of these companies achieving the 30% target is increasing, it is difficult to identify the motivation and rationales without written policy on gender and clear measures to be taken to meet the targets.

The participation of large, listed issuers in the step-up practice regarding gender has been encouraging. However, the increase to five all male boards among the top 100 listed issuers in 2019 is a cause for concern. Hopefully, this is temporary and maybe due to inability to find the right candidates based on criteria established by these issuers adopting the step-up practice. As appointments are merit-based, the need to develop necessary competencies, expertise knowledge and experience among potential women candidates is an important part of national strategy. Success is also seen in the public sector, particularly in respect of senior administrative and ministerial positions. These high-ranking executives are among the potential candidates for the position of directors for listed issuers, especially the government-linked companies.

## New Zealand

### Successes

New Zealand has a history of regular WOB censuses that have continued to bring attention to gender disparities. The public sector is achieving remarkable success, nearing parity on statutory boards and crown companies as the political will and clear goals exist to achieve this. The Ministry for Women's (2019) stocktake of New Zealand's state sector boards and committees shows that this sector is close to reaching its target of 50% women on state sector boards and committees with the highest ever percentage of women (49%) as at 31 December 2019. The census also tracked for the first time the ethnic background of board and committee members.

The presence of several organisations including Governance New Zealand dedicated to increasing women on boards is an important reason for the successes achieved to date. The popularity of the WOB division as measured by social media numbers and attendance at events indicates there is a strong desire for New Zealand women to embark on a governance career.

### Setbacks

While board diversity regularly receives media attention, the pace of change in the commercial sector is slow. Much of this attention may only

## Question 4 — Successes and setbacks

be 'lip service' as governance experience gained in one sector does not transfer to appointments in other sectors. State sector or local body governance experience does not lead to individual advancement. These reports are largely anecdotal from GNZ members and may be true for male directors too. There is a much greater supply of qualified and board-ready women than there is a demand. Boards are spoilt for choice but do tend to favour already experienced women directors. In some years some of the gains have been lost, with numbers of women directors decreasing. Annual censuses do keep the focus on this issue of slippage but also lead to apathy given that the rate of change is so small.

New Zealand saw the inauguration in 2017 of a group called the [25 Percent Group](#). This was a group of chairs and CEOs from a selection of private, publicly listed and multi-national companies committed to achieving 'diversity of thought' at senior management level and in New Zealand boardrooms. The 25 Percent Group saw itself as part of a growing international movement championing business-led board diversity, such as the 30 Percent Club in the United Kingdom and the Male Champions of Change in Australia. This group now appears to be inactive in New Zealand. Such groups may rely on the worthy efforts of specific male champions whose commitment has not been able to continue, possibly due to lack of support and resources and, in 2020, the demands of the COVID-19 pandemic.

The issue of 'queen bees' or women directors who have made it through the 'glass ceiling' but are actively working against mentoring or promoting younger women cannot be discounted. There is a women's governance organisation in New Zealand whose membership is by invitation only. This method of controlling access to influential clubs and cliques is well known in traditional all-male business circles and leads to critiques of cronyism and elitism in the ranks of female directors. Governance New Zealand, with its inclusive by qualification approach to membership, inherently encourages diversity and avoids these pitfalls — being able to 'walk the talk' — unlike organisations which limit membership to 'shoulder tapping' and peer approval.

## Singapore

### Successes and setbacks

While success is slow, limited statistics report the growth in the percentage of women on boards. The Council for Board Diversity (2020a) reported that women's participation on boards at the end of 2019 for the largest of the 100 primary listed companies on SGX was 16.2%. This was only a small improvement of one percentage point from the previous year. All-male boards are now a small minority with only 19 companies having no women on their boards, down from 50 in 2013. There are 39 companies which have one woman on their board, 30 companies have two women and 12 have three or more women as at the end of 2019.

The Council for Board Diversity (2020b), together with five leading international executive search firms, namely Egon Zehnder, Heidrick and Struggles, Korn Ferry, Russell Reynolds and Spencer Stuart, have defined best practice in search criteria and processes relating to board appointments in Singapore. Their 2015 *Statement of Good Practice in Executive Search for Board Directors* has set the standard for recruitment of board directors in Singapore and has urged recruiting boards and their professional recruiters to subscribe to the professional practices and processes outlined in the Statement.

## South Africa

### Successes and setbacks

A major success would be the diversity rights enshrined in the South African regulatory environment, which provides a solid foundation for racial and gender diversity on boards of directors. Only listed companies are required to comply with King IV™ and the Listings Requirements. As other companies do not have to comply, this has led to a lack of transformation on the boards of smaller companies and has restricted the executive leadership at JSE-listed companies to only 3.31% of female CEOs (Hlatswayo, 2019). Without clear enforceable policies on how to achieve gender diversity, businesses are unlikely to accomplish it and are likely to fall behind their competitors as the global competition for talent grows.



Boardrooms in South Africa need to be further transformed to include more women on boards. Several reasons can be given for these low numbers of female directors and C-suite executives. These include negative stereotypes held by predominantly male boards towards female colleagues; women themselves being reticent to participate in office politics and to have more demands on their time from external responsibilities; and the gender-based violence, prevalent in South Africa at present, also speaks to the levels of discrimination and intimidation faced by women in this country. Davenport (2019) comments that the accepted statistical language of reporting violence against women is as something done to women, never as actions perpetrated by male offenders. The women on boards community can play a role in transforming the discourse to focus on the perpetrators of violence and not on the victims.

Shareholder activism in South Africa is increasing, both economic activism and governance activism, incorporated into environmental, social and governance (ESG) agendas (David and Kitcat, 2020). Empirical support for the effectiveness of shareholder activism in shaping corporate governance was found in Marquardt and Wiedman's (2016) study of US S&P 1500 firms. Shareholder proposals are an effective mechanism for increasing board diversity, irrespective of activist motivations. Their results show that mean female board representation for both activist targeted and non-targeted firms remains far below the level of representation sought by various activist groups.

## UKRIAT

### Successes and setbacks

In the UK, the voluntary model is widely perceived to have worked well, but the focus is very much on FTSE 350 companies with predictions that the percentage of female directors appointed to FTSE 350 companies in 2020 will exceed 40%. It is expected that there will be relatively little progress in smaller quoted and private companies and there are some who argue that the progress achieved, while welcome, has been too slow. However, there

are some organisations that feel able to resist or avoid the pressure, with one FTSE 350 company delisting in 2019, reportedly citing the pressure to appoint a female director as one of the drivers for the decision.

There have been some proposals to challenge the proposition that the key consideration must be merit and that more men than women meet this criterion, through blind recruitment processes and through the appointment of those from outside the 'traditional' pool of board candidates, but these have generally been less successful. There remains a widespread perception that service on a public listed company board, ideally as CEO or CFO, remains a pre-requisite for board appointment. This has an obvious effect on efforts to widen the recruitment pool. The targets, which have been set through the Davies Review and the Hampton-Alexander Review for increased board gender diversity in the UK, have generally worked well and contributed to substantial and measurable progress in this area. However, success in increasing the percentage of women on boards has not been matched by a corresponding increase in the promotion of women to senior roles outside the boardroom.

In fact, progress has been poor in terms of female representation in senior leadership and executive positions. This matters for at least three reasons. First, as a matter of fairness and equality of treatment of women vis-a-vis men. Second, as a matter of optimised business performance, in that companies are not making full use of the skills and competencies of talented women. Third, women in the higher executive and management positions form, and will form, the pipeline of well-qualified and well-prepared female candidates for board roles, be it within their own businesses or serving as non-executive directors elsewhere.

In her foreword to *The Pipeline's Women Count 2020* on the role, value and number of female executives in the FTSE 350, former Prime Minister Theresa May stated that 'There can be no good explanation for the massive under-representation of women at the top of British business — so it must change'.

## Question 4 — Successes and setbacks

The Hampton–Alexander Review 2019 was more generous in its assessment of ‘reasonable progress’ in the number of women in its FTSE 100 combined executive committee and direct reports category. However, across the FTSE 100 and 250 two-thirds of all available roles still go to men, with progress towards achieving the Hampton–Alexander target of 33% women obviously slow.

It is not immediately apparent why progress towards the targets for women on boards should be less challenging than that towards greater female representation in senior executive and management roles. One might have thought that the reverse would have been the case in that, with both measures starting from a low base, it would have been easier to bring women into the relatively less senior positions within executive management, before moving then up to ‘next step’ of a board appointment. It may be that the number of women on boards is a simple, objective, public and widely available measure, compared to the more subjective and less widely available calculation of women in non-board executive positions. Stakeholder focus is drawn more sharply to board representation. It may also be that the comparison is skewed by the fact that one woman can only hold one executive role, while one woman can hold several board seats, although the same could be said regarding men. Another explanation is a greater concentration of board appointments among relatively fewer women as research in other parts of the world has shown.

### Zimbabwe

#### Successes and setbacks

According to Choruma (2019), Zimbabwe has the necessary laws, regulations, policies and codes to promote gender equality. What can be considered as lacking is enforcement and implementation of these laws and protocols. In the public sector, the enactment of the *Public Entities Corporate Governance Act 2018* (PECG Act). This Act has been one of the successes that is ensuring good corporate governance in general, and gender diversity in particular, in Zimbabwe. The PECG Act is mandatory with the necessary monitoring structure in the form

of a Corporate Governance Unit. The only setback in the public sector has been political interference in SEPs’ board tenures with some women losing their appointments prematurely.

The private sector in Zimbabwe is still far from embracing gender diversity at the corporate apex. For listed companies, there is little or no gender diversity activism to demand similar equity in corporate boards. The revised 2019 Listing Rules of the Zimbabwe Stock Exchange did not introduce any new diversity reporting requirements for listed companies, which is perceived as a missed opportunity for the bourse to introduce diversity reporting rules.

# Question 5 — Opportunities and challenges

A discussion of the specific opportunities and challenges in each jurisdiction for increased board gender diversity.

## Australia

The 30% Club and KPMG's (2020) report succinctly summarises the opportunities and challenges for improving gender diversity on Australian listed company boards. Here seven learnings for ASX 300 companies are extracted from the diversity improvements made by ASX 200 companies. These include the importance of leadership, improved long-term outcomes, building gender diversity in C-suite roles and setting stretch diversity targets.

### Leadership

As the leader of the board, the chair sets the tone of the board and will play an important role in board recruitment and succession planning, as well as creating a collegial, welcoming culture in a boardroom. WGEA, BankWest and Curtin University (2020:14) note that 'among all leadership positions, women are least likely to be the chair of the board — a position that can often hold as much accountability and influence as the CEO.' Given the relatively small number of top 300 female chairs, the tipping point at 30%, being the point at which women chairs would be in a position to influence board recruitment and succession, is still some way off (Gilding, Lusher and Bird, 2018). External influences, such as investors and groups, all have an important role to play encouraging the appointment of more women chairs of listed companies.

### Long-term outcomes

In examining links to financial performance, the 30% Club and KPMG (2020) found a positive correlation between the likelihood of an increase in market capitalisation in the last 12 months and ASX 200 companies with at least 30% women on their boards. WGEA, BankWest and Curtin University (2020) found that increasing the number of women in senior leadership leads to a greater likelihood of companies outperforming their sector on six key profitability and performance metrics,

including return on equity, earnings before interest and tax (EBIT), sales per worker, return on assets, Tobin's Q and dividend yield. Conversely, this study found that companies that reduced the share of women in top management tiers over time were more likely to underperform relative to their peers, compared to companies that either increased the share of women or saw no change.

### Looking beyond line experience and the pipeline

Traditionally non-executive directors are recruited from among the ranks of C-suite executives, hence the high numbers of former CEOs on listed company boards. Even with line experience, women find it more difficult to secure board appointments as their roles are likely to be at lower levels of line management. The narrowness of the pipeline also gives rise to the 'golden skirts' phenomenon, whereby a relatively small number of women hold a disproportionate share of overall female board seats. The 30% Club and KPMG (2020) calculated that 19.2% of all female board directors (108 women) in the ASX 300 held 47% or 268 directorships including cross-directorships on two ASX 300 boards. The percentage of Golden Skirts had increased from the previous year but should decrease as more women are appointed to ASX 300 boards.

The opportunities to improve board gender diversity in Australia are clear, namely, to continue to work on increasing the number of women in C-suite roles and to look beyond traditional backgrounds when recruiting for women non-executive directors. There is also a preference for prior listed company experience, when recruiting for listed company directorships. The Board Gender Diversity Index notes one solution to this problem would be to see more women appointed to ASX 300–ASX 500 boards. The impact of the 4th Edition of the *Corporate Governance Principles*

## Question 5 — Opportunities and challenges

*and Recommendations*, which extends the recommended disclosures of measurable gender diversity objectives (30% for ASX 200 companies) to senior executives, and the workforce generally, is awaited with interest.

The Australian economy is traditionally strongly resource-based around mining, energy and agricultural businesses. Given the historical dominance of men in these sectors, many of their boards still reflect this history. The Watermark Search International and the Governance Institute of Australia (2020:4) Index notes that of new entrants to the ASX 300, 30% are from the metals and mining sectors and that these are the 'worst offenders when it comes to having female board members'. The Index also notes that telecommunications, energy and industrials 'would do well to redouble their efforts and the Finance and Healthcare sectors are making better headway'.

### Canada

In November 2020, the Canadian government launched the '50/30 challenge' to encourage companies to reach gender parity on their boards and in senior management positions, and 30% representation of visible minority groups and underrepresented groups on boards and senior management (Innovation, Science and Economic Development Canada, 2020).

Canadian women on boards research has shown that women directors in this country similarly face many challenges in their careers that men do not. This makes it harder for women to break through to critical positions. Challenges such as gender stereotyping, lower initial job placement, lower pay, slower advancement even when using the same career strategies as men, less access to larger, more visible, mission-critical, and international projects, and less access to highly placed sponsors who can accelerate career growth all reduce the opportunities for women to get noticed and selected for inclusion in board recruitment campaigns (Catalyst, 2016).

The Catalyst (2016) recommendations assume that four critical conditions need to be in place to improve diversity in the Canadian boardroom.

These are:

1. **Clear and intentional leadership** — Clear and intentional leadership must be shown by the chair of the board and CEO reinforcing the case for increased gender diversity, in addition to setting objectives annually, discussing progress versus objectives regularly and working to eliminate all barriers hindering the achievement of gender balance.
2. **Diversity objectives** — Clearly stated diversity objectives must align with the organisation's strategic positioning and business plans. These may include a diversity policy and targets against which progress is measured regularly.
3. **Strategic recruitment** — The board director recruitment process must be designed to identify a wide range of potential candidates from a variety of networks, who possess the competencies needed for the board and the organisation immediately and three to five years into the future.
4. **Inclusive practices** — A commitment must be made by the chair of the board and their board colleagues to create an inclusive and safe environment, where the perspectives of all directors of both genders are valued.

Some of the challenges include finding a balance between seeking directors with new skills and perspectives while retaining long-term directors who still make a valuable contribution to the board. Without vacancies, adding women is difficult. A robust board evaluation process can be an effective tool for stimulating board refreshment. This challenge includes setting term and age limits. Less than a quarter of Canadian-listed companies employ either type of limits. In Canada, board retirement ages are typically between 72–75 years, allowing those boards to have a straightforward method of ensuring board renewal.

Characteristics that make directors effective in the boardroom may have little to do with typically sought skills and competency markers that female directors have been unable to acquire with their limited opportunities. Traits such as independent mindedness, an understanding of the needs of stakeholders and governance aptitude rate higher

than industry expertise or experience as a CEO or director. Selecting candidates on more general criteria will reduce the bias towards men and widen the pool of women candidates.

## China

### Opportunities and challenges

Further rule changes under the *Listing Rules* and the *Code of Corporate Governance* will be required for the overall situation to improve. As elsewhere, there are no objective grounds to doubt the availability of sufficient capable women to serve on Hong Kong boards.

The voice of investors has not yet been as prominent as might be expected. In part this will reflect the characteristics of Hong Kong shareholders, which are dominated by block shareholders in the form of controlling families and state entities, principally those of the Chinese Mainland. For such investors, diversity on boards may be a less weighty consideration than the appointment of directors with whom they have an existing connection and in whose respect for the interests of the controlling shareholder they already have confidence. In contrast to block shareholders, institutional shareholders tend to have much smaller shareholdings, often fragmented across a range of institutions. Only a minority of companies are incorporated in Hong Kong, meaning that they are largely subject to the company laws of other jurisdictions. Only a minority will have their principal place of business or centre of their economic affairs in the SAR. Co-ordinating the voices and votes of these institutions is neither easy nor straightforward and, even when consolidated, they may still only constitute a small minority vote.

As regards family-controlled companies, the general tendency has been for their 'founding fathers' to be just that — fathers. However, the passage of the generations and a more 'liberal' attitude to the role of women in family businesses could well work its way through to increased levels of female representation on boards. There can also be a perception that cultural attitudes mean that Asia is different in terms of readiness to advance the presence of women in the boardroom. For example, Goldman Sachs announced that from

July 2020 onwards, it would not handle IPOs for companies that lack either a female or a diverse director. However, the rule would apply only in the US and Europe, but not in Asia, Latin America and the Middle East.

While any changes in the regulatory regime should not be misaligned with developments in the Chinese Mainland, a trend towards an increased role of women in business leadership would seem to be in tune with the overall political direction. For example, speaking to UN delegates in Beijing on 1 October 2020 at the High-Level Meeting on the Twenty-Fifth Anniversary of the Fourth World Conference on Women, President Xi Jinping spoke of the post-COVID-19 world and the promotion of 'new opportunities for women to participate in decision-making and be more involved in national, economic, cultural and governance activities'. President Xi also emphasised 'the need to ensure that women advance at the forefront of our times'.

Notwithstanding these challenges, the importance of garnering investor support for gender diversity on boards has been recognised in Hong Kong. The Board Diversity Hong Kong Investors' Initiative, launched in 2018 with 11 investor signatories, aims to proactively engage with Hong Kong listed companies on diversity matters in support of the targets set by the 30% Club for increased female board representation and an end to all-male boards by 2020. The original signatories to this initiative include such well-known international investors as BlackRock, Manulife and Hermes Investment.

## Malaysia

### Opportunities

There is no lack of talented women in areas of governance, legal or finance in Malaysia and due recognition has been accorded to competent and highly qualified women. Today, many business organisations, investment companies and banks are led by women who are also the executive directors. Bridging the gender gap further, many women are now being appointed to high-ranking positions in government-linked companies (GLCs) as well as CEOs of public listed companies (PLCs). Prominent positions in Malaysia, such as the Governor of Bank Negara (the Malaysia Central Bank), the Chief Justice of Malaya and the Chief



## Question 5 — Opportunities and challenges

Executive Officer of Companies Commission of Malaysia are among the important positions presently held by women.

### Challenges

The low representation of women in the private sector at corporate decision-making levels has been an important topic in recent years particularly as the appointment of female directors is related to the relevant industry sector, with male-dominated industries less likely to appoint women to their boards.

For listed companies taken as a whole, including the medium and smaller listed companies (constituting 85% of the total number of listed companies), the 30% target may take longer to achieve. The above conclusions are supported by the following observations made by the *Corporate Governance Monitor 2019*. First, for the medium and small cap listed companies the gap to be filled within two years from 15% in 2018 to the quota of 30% by 2020 is higher compared to the gap of 6% for the top 100 companies for the same time period. This was exacerbated as about 25% of listed companies had not adopted Step 1 of the *Malaysian Code on Corporate Governance* in 2018.

Second, one of the highest areas of non-compliance in the disclosure practices of listed companies is in the area of gender (Practice 4.4) in which there was no evidence of commitment

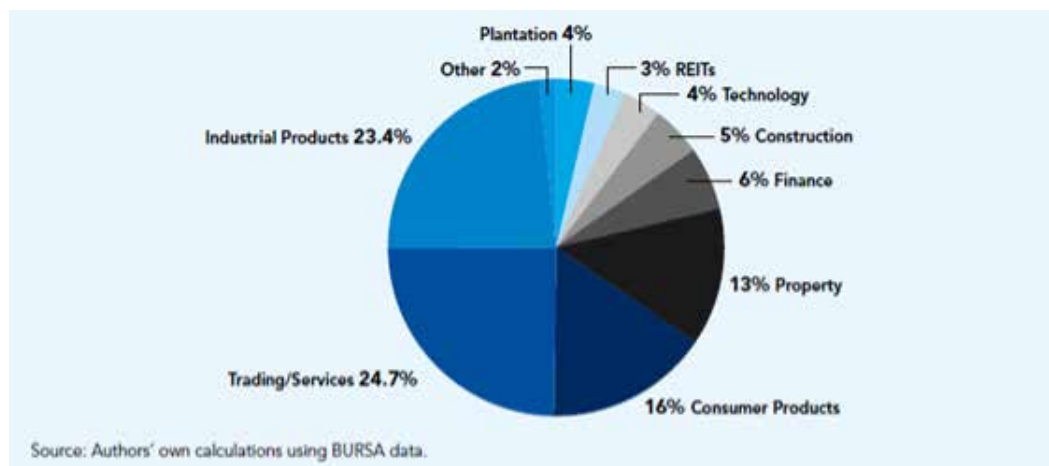
to gender inclusion in terms of policies, measurements and future efforts. It was observed that appointments on merit were a greater concern than gender when recruiting directors.

Third, out of the 930 listed companies in 2018, only 134 companies (14%) had met the 30% quota. Recruiting at least one female director for the remaining 796 companies with the right qualification, experience and expertise, while at the same time meeting the needs of these boards within two years is unlikely given the current state of the economy.

Achieving the 30% quota for any category of director positions is already a challenge. It will be harder still if the 30% quota is for women non-executive director positions, because executive director positions make up one third of board positions of listed companies as of 2018.

Finally, in 2017, the average percentage of women on boards is only 13% in the industrial products, trading and consumer services sectors, where more than half of the board positions of listed companies are to be found. The ratio is higher (21%) for corporates in the finance sector, but this sector constitutes only 6% of total board positions of the total listed companies. In other words, while the financial sector is showing progress in increasing the percentage of women per board, the opportunities for growth are limited by their small numbers (Figure 7).

**Figure 7: Proportion of Malaysian female board positions by sector**



Source: Amin and Tan (2018:77)



### Other challenges

The low number of female directors as chairs of their boards limits leadership opportunities for Malaysian businesswomen. As of 2019, only 9% of listed issuers had female directors as chairs of their boards. While it is increasingly assumed that men and women should have the same career trajectories and opportunities, women were previously expected to focus on their families, and this is a persistent legacy that influences attitudes today. In non-listed private companies, the challenges are significant. These companies are family-based and the appointment of women to the board is very much driven by tokenism and family influence rather than by commercial and diversity issues. Female directors in these firms tend to be non-independent, non-executive directors in male-dominated family businesses.

### New Zealand

#### Opportunities and challenges

The cultural, political and business environment of New Zealand encourages board gender diversity. While there are opportunities and readily available resources, the challenge to implement such a policy can be easily ignored or avoided, as there are limited sanctions. Board diversity may be viewed as a 'fair weather' policy to be put aside if more immediate issues, such as the COVID-19 pandemic response, take precedence.

There are some touch points where difficulties may emerge, if not implemented and supported at the governance level. A first step is the establishment of a written equal employment opportunities (EEO) policy and strategic plan to increase diversity across the organisation. This should be followed by executive directives that include recommendations to adopt processes that ensure diverse employees are recruited, developed and retained. These include the targeted recruitment and affirmative action hiring of women and minorities, the provision of diversity, anti-sexual harassment and anti-discrimination training for all employees, and the development of mentoring networks for minority employees and women. Other influential factors include the overall organisational climate and the role of senior managers in promoting pro-diversity attitudes while stamping out cultures of sexual harassment and

bullying. The tone is taken from the top and boards need to lead proactively in this regard. The pressure on chairs to show this leadership does fluctuate and needs to be encouraged.

The challenge to aspiring New Zealand women directors is to continue to keep pressure on the commercial sector to promote women to boards and to find ways to provide mentoring and experience. All aspiring directors, male and female, are caught in the Catch-22 bind of needing experience to get board appointments and needing to achieve that first crucial appointment that sends them through the 'glass ceiling' onto their first listed board. Getting sufficient governance experience in all types of organisations needs to be emphasised and the governance journey needs to be thought of and planned for at a young age. Governance New Zealand is ideally placed to present educational, training, and social opportunities for aspiring directors as well as established governance professionals. The challenge is to market these in an effective manner in a competitive environment.

### Singapore

#### Opportunities and challenges

'Diversity and performance is synonymous' while it is 'difficult for people to change their ways of management' — Mrs Mildred Tan, Co-chair of Council for Board Diversity, Interview with Channel News Asia, 23 September 2019.

In a conservative business community, the challenge is to measure increases in revenues that can be ascribed to an increase in diverse ideas and creative approaches to problem-solving. This includes monitoring board gender statistics. A further challenge is to encourage long serving board members to retire and develop a culture of board member renewal through education.

The challenge is to reduce the widening gender gap between men and women in their 30s and beyond. Largely due to family commitments to care for children and elderly family members, many women drop out of the workforce or prefer work that is more flexible but less rewarding. Gendered cultural norms, including traditional gender roles in South-east Asia mean that women are almost

## Question 5 — Opportunities and challenges

'obliged' to take a break from their career to raise a family, as the responsibilities of childcare still largely fall on mothers.

### South Africa

#### Opportunities and challenges

Creating greater awareness around the need for gender diversity will go a long way to promote this important transformation issue. An example of such an awareness campaign was undertaken by the JSE in 2017 with a march on Women's Day for gender equality. In doing so, the JSE played its part in the global movement of 'Ring the bell for gender equality' which marks International Women's Day and raises awareness of the vital role that organisations need to play in advancing gender equality. The Ring the Bell for Gender Equality event at the JSE is part of a collaboration between the United Nation Global Compact South Africa Network, the Sustainable Stock Exchanges Initiative (SSE), the United Nations Entity for Gender Equality and the Empowerment of Women (known as UN Women), the International Finance Corporation (IFC), the World Federation of Exchanges (WFE) and Women in Exchange Traded Funds (ETFs). By having more campaigns by leading regulatory bodies in South Africa, companies will pay attention and will realise that women are finding their voices and that companies can only achieve long-term success through gender diversity.

Accenture (2019) research shows that by upskilling more women, creating a culture of equality, accelerating, and leading the change, South Africa could unlock R319 billion into the GDP and create more jobs by achieving gender parity in the workplace. Accenture also reported that the economy needs greater active participation from women who make up just more than 51% of the total population, but only accounted for 43.8% of total employment in the second quarter of 2018 and that, in 2019, women in South Africa continue to be constrained by cultural, social and economic barriers that hinder their participation in the economy. Statistics South Africa indicates that the South African labour market is still more favourable towards men than it is to women, and that men are more likely to be in paid employment than

women, regardless of race. In the second quarter of 2019, 31.3% of South African females were unemployed, while 27.1% of male South Africans were unemployed.

Arguments that there are insufficient numbers of qualified women available for board appointments are not reflected in the increasing numbers of female post-graduates. In 2010 there were 24,000 women graduating with Masters Degrees and 6,100 with PhDs. These figures have increased in 2017 to roughly 31,000 women with Masters Degrees and 10,000 with PhDs (University of Stellenbosch Business School, 2020). There is no legislation in South Africa directly obliging companies to include women on their boards of directors. Several indirect legal measures incentivise gender diversity on boards but it is unconstitutional in South Africa to set quotas. Target setting is practised but it is not met where gender equality on boards is not a primary concern. Ongoing activism such as the recent pledge of US\$1 billion by the Gates Foundation (2020) to work towards greater gender equality is needed to mobilise shareholders, consumers and employees to amplify external pressure on companies and organisations in need of reform.

### UKRIAT

#### Opportunities

##### *Success breeds success*

In less than 10 years, the percentage of women on FTSE 100 boards has grown from 12% to over 33%. Since 2011 the number of all-male boards in the FTSE 350 has reduced from 152 to one. This success shows all stakeholders, including company boards and major investors, that ambitious targets can be set — and met. It has also demonstrated that sufficient qualified women candidates can be found and that their presence on boards has a positive effect. Furthermore, it seems that boards with more women are more likely to appoint more women. This also applies within the executive team. The Pipeline (2020: 5) concluded that women CEOs are critical to driving gender diversity at senior levels as companies in the FTSE 350 led by women have an average 1 in 3 people being women on their executive

committees, which falls to an average of 1 in 5 for companies led by men.

### **Enhanced business performance**

The growing understanding that companies with more women on their boards and in senior executive roles perform better creates opportunities for a reinforced female presence in the boardroom and on executive teams. The 30% Club, for example, has listed eight studies which 'based on different geographies and with a specific focus on gender diversity, support the intuitive view that diversity at board and management levels improves financial performance'. The Pipeline (2020) calculated that FTSE 350 companies, which have executive committees with female membership of more than 33%, have a net profit margin over 10 times greater than those companies with no women at this level.

### **Societal trends**

These are less difficult to measure but observed rather than empirical data-supported evidence suggests that there is a broader societal trend towards fairer and more equal opportunity for women, although cultural challenges remain. Across a wide span of political, economic and social activity, women seem to be gaining greater prominence, visibility and recognition, in areas as varied as political office, the police, broadcasting and the media, academia and sport.

### **Challenges**

Despite a greater societal awareness of the need for greater fairness and equality for women, there are still significant cultural challenges to increased board gender diversity, especially in creating a corporate environment which is inclusive, welcoming and encouraging. The Hampton-Alexander Review (2019) highlighted the experiences of everyday sexism for women. The 2019 Review drew heavily on research by the Global Institute for Women's Leadership at King's College, London which concluded that women at board or executive committee level were considerably more likely to have experienced incivility or insulting behaviour than their male counterparts. Women were also considerably less likely to agree that their workplace was fostering an inclusive culture.

Annual reports too often pay lip service to addressing diversity and the gender pay gap, and that their fine words are backed up by little in the way of practical actions. For example, there remains significant resistance in many businesses to flexible working.

It is not enough for boards and top executives to express their support for gender diversity; the challenge is 'to walk the walk' and to take practical and effective steps which will promote the advancement of women in business. In particular, the challenge is to encourage and develop female talent in lower and mid-level management positions so that they can join, and stay on, a pathway to career advancement and eventual board appointments. Another key difference is that women who enter the labour market in low-paid jobs experience 'sticky floors', rarely progressing upwards. By contrast such jobs can be 'springboards' for men into higher paid positions. The Government Equalities Office (2019) concluded that this springboard versus sticky floor dichotomy has worsened over time. In a trial on reducing barriers to female employment, the Government Equalities Office (2020) noted that Zurich Insurance had increased the number of women applying for management roles by 20% 'by adding six words to their job adverts', namely part-time, job share and flexible working. These can be challenging changes to make to working practices and may be more difficult in some businesses than others. If the challenges can be met, the results in promoting gender diversity are real.

A further challenge is breaking out of functional roles where women are overrepresented. The Hampton-Alexander Review (2019) reported that, among FTSE 250 companies, whereas only 16% of finance director roles were held by women, female leadership was much more common in other functions, such as general counsel (35%), company secretary (54%) and human resources director (63%). The Pipeline (2020) concluded that among the FTSE 250 companies, 76% did not have a single female executive member in a profit and loss role. Women need to break out into other roles and into the boardroom. The challenge here has two dimensions, both cultural. The first is for women to have the self-belief, confidence and

## Question 5 — Opportunities and challenges

encouragement to aim for executive positions. The second is for boards and shareholders to become more willing to source board appointments from among candidates, notably women, whose executive experience is in a wider range of corporate leadership, such as human resources.

The other challenge is that women lack mentoring and coaching to be in a prepared position when opportunities become available. The dominant ideology of patriarchy with submissive women means that many women are not assertive enough to push themselves forward for leadership positions.

### Zimbabwe

#### Opportunities and challenges

Zimbabwe is moving towards greater board diversity as shown by the significant strides it has made in addressing gender inequalities, particularly in the public sector. The capital market authorities in Zimbabwe need to step up and enforce compliance with the ZIMCODE as far as board gender diversity is concerned. There are still significant opportunities for increased board gender diversity, some of which include affirmative action, shareholder activism to push for gender-balanced boards, harmonisation and alignment of laws, revising stock exchange listing rules and aligning corporate governance codes with the Constitution.

Zimbabwean society reflects African society in general, as a patriarchal society. There is therefore a cultural challenge where women are traditionally sidelined and not given the same opportunities as men. Peters (2018) believes that some Zimbabwean men who have made it up the corporate ladder through academic excellence onto boards were raised in very traditional households where women had mainly homemaker roles. Men raised in these traditions do not readily consider women as equals in the boardroom. Peters (2018) further argues that the few women who have made it through the glass ceiling have been determined and used every tool and opportunity at their disposal, including their husbands' networks.

Taking a closer look at Zimbabwean boards, not only are there very few women but, even among the men, the same individuals sit on several boards. There appears to be a clique of men who are considered for most director vacancies. Some of these men have come to prominence from running family-owned businesses. Ironically, the family business tends to be inherited by the male heirs, while cultural inequalities sideline female heirs.

## Question 6 — Main drivers and the way forward

An overview of who, or which organisations, have been the main drivers in each jurisdiction towards increased board diversity. Reflections of what might be done, why, how and by whom, to promote greater gender diversity on boards

### Australia

#### Main drivers

The main drivers towards increased board diversity in Australia have come from societal, stakeholder and investor pressure. The extent of stakeholder support for more women on boards is clear from the range of membership of the ASX Corporate Governance Council, which worked together to produce the 4th Edition of the *Corporate Governance Principles and Recommendations* (2019) with their strengthened focus on female board representation. The Council, whose members include the GIA, is a broad-based coalition of professional bodies, industry groups and investor bodies. Through its role on the Council, this stakeholder coalition is able to promote better practice through the *Principles and Recommendations* and then to support their application in practice.

Over the past decade there has also been growing awareness, particularly among investors, of how companies perform against a group of criteria known as environmental, social and governance (ESG) criteria. Tackling gender-based discrimination and ensuring that women are given full and equal opportunity to participate at all levels of society falls squarely within ESG policies. There is also a broad appreciation that a fuller representation of women in leadership positions can promote better and better-balanced organisational performance and help address failings of corporate culture, such as those forcefully described in the final report of the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry.

The Australian Council of Superannuation Investors (ACSI), which represents a group of international and Australian asset owners and advocates on

a range of ESG issues on behalf of its members, also a member of the ASX Corporate Governance Council, has been a strong advocate for improving gender diversity on ASX listed company boards. It has adopted a firm stance on female board representation and votes accordingly. It believes that 'zero women boards are not fit for purpose. Equally, where a board has only one woman, there is a risk of falling back to being a zero women board, or that diverse views are not properly heard'. In addition to exercising voting rights that it holds on behalf of its members, ACSI also engages with companies to understand their pathways to increase the number of women on boards. As in other countries, proxy advisers operating in Australia such as CGI Glass Lewis, ISS Australia and New Zealand and Ownership Matters all advocate and engage with listed companies on improving board gender diversity. Globally, as noted in the Watermark Search International and the Governance Institute of Australia (2020) *Board Gender Diversity Index* investors, such as Goldman Sachs, Legal and General, Blackrock, State Street and Vanguard, adopt similar positions.

#### The way forward

There seems to be an emerging consensus that the way forward to greater gender diversity on boards requires a deep and broad approach. There should be depth in the sense that the focus on more women on boards is now being pushed down past the ASX 200 into the ASX 300. In 2019 ACSI extended its approach to include ASX 300 companies. The 30% Club has evolved its policy in a similar direction, expanding its focus to the ASX 300 and advocating for 30% female directors by the end of 2021. There should be breadth in the sense that having achieved a target of 30% of women on ASX 200 boards and moving close to achieving 30% in the ASX 300, a number of



## Question 6 — Main drivers and the way forward

stakeholders in the diversity debate are calling for new targets. The 30% Club and KPMG (2020) study observed that many companies in the ASX 100 are now focusing on a 40:40:20 model of diversity (40% men, 40% women, 20% any gender). It is highly likely that the 30% Club will become the 40% Club. The ACSI considers that the present level of women on boards 'is a long way from fully harnessing the potential of diversity' and that 'listed companies should set a time frame within which they will achieve gender balance (40:40:20) on their boards'.

Both these developments will lead to a considerable increase in gender diversity on boards and a greater demand for well-qualified and well-prepared female candidates. To meet this demand will require a willingness on the part of boards to search for candidates from other business sectors or from functions, such as human resources, finance, marketing and communications, where women are better represented. Boards will also need to focus on building diversity in senior management and executive positions within their own organisations, beneath director level. Apart from the wider merit of promoting organisational diversity, this will improve the pipeline for women to move forwards from these positions to executive director positions in their own companies and to non-executive directorships in other companies.

The use of executive search firms is, and will continue to be, an important influence in widening the pool of talented female directors or, given that arguably that talent already exists, broadening the perception of the size of the pool. In recent years, the use of search firms for board recruitment has increased substantially, so that it has now become an accepted and widespread practice. It is also now quite usual for search firms to be asked to prioritise female candidates, within the boundaries of anti-discrimination legislation. Search firms also potentially have a wider range of search than the personal network of individual directors. That said, the instructions given to search firms must include the clear expectation that they will look beyond any established short list of usual candidates.

In an article looking at the main drivers of women's participation on boards, Gilding, Lusher and Bird (2018) found that the 'only significant predictor that boards will reach the 30% target is that they have a director who sits on another board that has already done so'. The authors tested a range of variables: sector, market capitalisation, affiliation of a board member with a director organisation and the presence of a male champion of change. They also tested for 'network effects' and found that one network effect was statistically significant, an effect they call 'network contagion'. Writing some time before the current COVID-19 pandemic, they refer to their proposal as the 'inversion of a public health campaign to prevent the spread of a disease' and argue for:

... a more surgical approach to the issue, directed towards the frontier where boards with three women or more interact with boards under the 30% threshold. The first step in our proposed campaign is to identify the boards that meet the 30% threshold and any boards with which they share directors, then intensify their exposure.

While they admit their findings are based on a small amount of data, it is an intriguing approach.

### Canada

#### What could be done and by whom?

Catalyst (2020) has provided a comprehensive set of recommendations to accelerate progress for Canadian women on boards by focusing on two organisational groupings: companies and governments.

#### ***Companies and business leaders: Set goals and champion women***

1. Set the following specific targets by the end of 2020 and achieve them within three to five years:
  - (a) 30% female board directors for all listed boards that currently have at least one female director.
  - (b) One female board director for all listed boards that currently have zero female board directors.



2. Use at least one mechanism such as director term and/or age limits to facilitate board renewal.
3. Establish a written policy describing how the company specifically plans to increase representation of women on its board.
4. Review board recruitment policies:
  - (a) Require that lists of potential board candidates consist of at least 50% women candidates with the skills and profile sought and include women from diverse communities.
  - (b) Require that women from across multiple communities comprise at least 50% of the interview pool for every open board position
  - (c) Implement board effectiveness assessments, including gap analysis using skills matrices.
  - (d) Leverage broad networks to connect supply with demand.
5. Champion senior executive women for board service by:
  - (a) Reassessing and removing restrictions on external board service.
  - (b) Implementing programs to match talent with board vacancies.
6. Address gender equity at all levels of the organisation by:
  - (a) Reviewing, on a continual basis, recruitment, promotion and talent development systems to ensure they are unbiased.
  - (b) Investing in inclusive leadership training.
  - (c) Monitoring and tracking promotion rates, aiming for proportional promotion and retention at each level.
  - (d) Evaluating and addressing pay equity by:
    - (i) Conducting periodic pay equity studies to determine if there are wage gaps and providing funds to rectify them.
    - (ii) Implementing 'no negotiations' policies and paying for work, not potential.
    - (iii) Adopting pay transparency policies.

**Governments: Define goals, track progress and be role models for issuers**

1. Drive greater awareness among broader stakeholder groups and the general public by implementing an action-oriented public awareness campaign. Government has an important role to play in promoting understanding and action on these issues.
2. Reinforce and encourage the setting of specific targets, board renewal mechanisms and written policies as a strong call to action for issuers.
3. Ensure progress continues to be tracked and published, as the Ontario Securities Commission (OSC) has done, on an annual basis to maintain transparency of corporate governance practices relating to the representation of women.
4. If sufficient progress is not made, particularly towards a 30% target, consider more stringent legislative or regulatory approaches.
5. Model exemplary behaviour by reviewing appointments to their own agencies, boards, commissions and Crown corporations, and by setting a minimum goal of at least 40% women in these bodies by the end of 2019.

**The way forward**

In many respects Canada leads the world with its statutory efforts to achieve more representative boards and greater executive officer diversity but follows the global pattern of slow progress. While it is still too early to assess the full impact of the rule amendments, initial signs are encouraging and indicate that change is achievable. To accelerate progress, Catalyst (2016) concludes that a more collaborative approach between government and business is necessary to drive meaningful progress to parity. This Catalyst report on Canadian board diversity is the most current for that country and as a premier global research organisation into 'workplaces that work for women' is included in this stocktake for its innovative and considered opinions.

### China

#### What could be done and by whom?

HKEX would be the main driver but needs wider stakeholder support. HKICS is also doing its part from the governance perspective to promote gender diversity for good governance. The international community including, importantly, proxy advisers, investors and other relevant stakeholders needs to impress on management and company directors the need to take gender diversity seriously. The final resort would be HKEX regulatory changes through the imposition of quotas.

In the NGO sector, the 30% Club and The Women's Foundation, working together, have been prominent advocates for more diverse boards. The 30% Club, launched in 2013 as the Hong Kong Chapter of the UK group, works to raise awareness among business leaders of the benefits of gender diversity, to inspire debate and discussion and to support initiatives to build the pipeline of women in executive and non-executive roles. The Women's Foundation believes that increasing the number of WOBs remains a priority and works with 'Women to Watch' to provide women with the further skills, knowledge and connections necessary to facilitate the transition to the boardroom. The 30% Club has previously set a voluntary aspirational target of achieving 20% female representation on the boards of Hong Kong listed companies by 2020 and zero all-male boards by the end of 2020. Community Business is a not-for-profit organisation whose aim is to advance responsible and inclusive business practices in Asia. Its initiatives include a 'Diversity on Boards Campaign' to raise awareness of the importance of the need for greater diversity on Hong Kong boards and to drive positive progress.

Among professional bodies, The Hong Kong Institute of Chartered Secretaries has long been an advocate of the need for, and merits of, increased representation of women on the boards of Hong Kong companies. In 2012, the Institute, in its report *Diversity on the Boards of Hong Kong Main Board Listed Companies* was among the first organisations to examine this issue in Hong Kong. Through its involvement in policy debate, and through training and seminars for its members, the Institute has been a consistent voice on this issue.

### The way forward

Changes of any nature to Hong Kong's regulatory regime, including either voluntary targets or mandatory quotas, must rest on a broad-based stakeholder consensus which drives and encourages shareholder attitudes to the appointment of gender diverse boards. A greater role for women in the boardroom is not something that can be successfully introduced and implemented through a purely top-down process of direction and compulsion — all relevant stakeholders must contribute to any success in this domain.

In that spirit, in its report *Missing Opportunities? A Review of Gender Diversity on Hong Kong Boards* published alongside this stocktake, HKICS has put forward its own proposals for the way forward on board gender diversity. Those proposals, which have received significant support from other governance stakeholders, advocate for a voluntary target of 30% women on the boards of all listed companies; a transition period of six years to achieve this target; and, both during and after the transition period, the targets are to operate on a specific 'comply or explain' basis. The proposals include a longer-term aspirational goal such as the 40:40:20 gender formula canvassed in Australia.

### Malaysia

#### What could be done and by whom?

##### Government

In Malaysia, in 2011 the government adopted a 30% target for women in company leadership and decision-making positions and was aiming for 30% representation of women on boards by 2020. Appointments to senior roles in government and business organisations and government linked companies are stimulating board diversity and generating confidence in women's leadership in the public and private sectors.

##### Regulatory authorities

The Malaysian Securities Commission is monitoring the implementation of best practices and 'step up' practices, which include gender.

##### Bursa Malaysia

As of 2018, 51.4% of Bursa Malaysia's top, senior and middle managers are female. But in the case of Bursa Malaysia's board, the percentage of

women's representation currently stands at 55.6% compared with 30% at the end of 2018.

### **Private sector**

Private sector-led NGOs, such as 30% Club and Lead Women, raise awareness of this issue. It should be noted that the 30% Club does not call for a quota but supports voluntary change. Two Malaysian listed companies have been included in the 2020 Bloomberg Gender-Equality Index. Internal policies are driven by the private sector to encourage greater gender diversity through inclusive hiring processes.

### **Institutional investors**

The Employees Provident Fund, as the biggest institutional investor, had recently expressed its reluctance to vote for directors' reappointment if the company has no women on its board. In its statement of compliance with the *Malaysian Code for Institutional Investors 2018*, it stated its intention to abstain or not vote on resolutions that do not meet the guidelines, practices and targets of the *Malaysian Code on Corporate Governance 2017*.

### **The way forward**

At present, bodies such as 30% Club and Lead Women have played an integral role in advocating gender balance on the boards of companies through their programs. They should continue to develop networks with like-minded organisations to develop the mindset among directors that are at least less discriminatory, if not more appreciative of differences in approach that can be brought by women.

A large number of organisations have implemented policies that will help to keep women in the workforce and in the boardroom by allowing a career break in view of the exorbitant costs of maternity and childcare.

A stronger talent pipeline or repository should be developed that identifies a pool of women of high potential who could fill the gaps during talent shortages. Such a repository can also offer mentoring, comprehensive directors' training and coaching programs on emerging trends to complement the board's skill matrix. Existing organisations can be enhanced to take on these roles with a specific focus on gender diversity.

Sharing of successful ideas from other jurisdictions relating to motivation, training and orientation of eligible women towards board membership will be useful. There ought to be CGI division webinars on these issues where panelists can include local and internationally renowned policy makers, consultants and CGI speakers.

## **New Zealand**

### **The way forward**

As a country of two halves in terms of board diversity, New Zealand stands as an exemplar for other countries. The state sector is well advanced in implementing board diversity and is almost at parity. This is to be celebrated as it clearly shows what can be achieved if the will is there and a strong push to board equity is promoted, resourced and encouraged by the government of the day. This outcome has the effect of negating old prejudices and apathy used to retain the status quo.

Conversely in the commercial sector where board diversity remains low and change is slow, the drivers promoting women on boards are coming from women's organisations and Governance New Zealand. Other bodies, such as the Institute of Directors, are not focusing specifically on female directors but do have generalised policies. There are no bodies overtly working against increasing women on boards, but lip service is marked and 'by invitation only' women's groups replicate the mechanisms that allow for 'old boys and girls' networks. Arguments for quotas or sanctions are not under serious consideration.

### **What could be done?**

The national conversation in which Governance New Zealand participates should be continued and regular censuses undertaken to highlight gains and losses. Innovative reporting and marketing of events that focus on women directors, such as the Women on Boards Awards, should be continued. The various groups working to promote board diversity run the risk of competing for a small audience and more collaborative work. Activism may move the dialogue towards stronger action along the lines of Europe with sanctioned legislative changes. Boards should be encouraged to include diversity on the agenda of board

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meetings and actively extend this to recruiting directors who add diversity.

### **Why?**

A diverse nation should have diverse boards that are more inclusive of people whose untapped potential can be harnessed. In the long term, business and governance will be enhanced by wider participation and broader views and talents. Companies that are culturally open to having women on board are also more willing to embrace innovative ideas and different leadership styles.

### **By whom?**

Legislative changes would need to be enacted by the government of the day and implemented through the New Zealand Stock Exchange. Women's interest groups and professional bodies would need to support and work for more diversity at board level. Governance New Zealand would continue to exert pressure on businesses and in governance spheres to broaden board diversity. As a social initiative, women themselves need to be motivated to put themselves forward and to empower themselves through training and experience for more advanced governance goals. This may not be applicable to all women, but the numbers required are not large and in countries like New Zealand the supply of board-ready women exceeds the demand.

## Singapore

### **Main drivers**

Regulatory authorities/agencies, such as the Singapore Exchange Regulatory Authority (SGX Regco), the Monetary Authority of Singapore (MAS), the Ministry of Social and Family Development (MSF) and the Council for Board Diversity are some of the main drivers. In the private sector, the main drivers are the Association of Women for Action and Research (AWARE), the Securities Investors Association of Singapore (SIAS) and the Singapore National Employers Federation (SNEF).

### **The way forward**

#### **What might be done?**

The board should include board diversity on the agenda of board meetings. Nomination committees should search for women who have

the skill sets and industry experience to fill those that have been identified as missing.

### **Why?**

The chair and board members should recognise that women do contribute to the effectiveness and performance of the board. Companies that are culturally open to having women on board are also more willing to embrace other innovations. Women directors tend to be more consultative and lead in a different style from men.

### **How?**

It must be a top-down approach from the board to make a concerted effort to bring about the change. Therefore, the board's direction to nomination committees is important when delegating the search.

### **By whom?**

Internally, the chair of the board or the chair of the nomination committee would need to take the first step of initiating and recommending to the board the reasons a female member of the board would contribute to the business of the company. The approach should focus on the skills and knowledge of that person including familiarity with the company's business or industry, in addition to gender. Externally, to promote greater gender diversity on boards, all stakeholders of the capital markets can have a role in advancing this cause. Professional institutes in Singapore also play a role in creating greater awareness of the need for more women on boards and their potential contribution to the performance of the company. In addition, women need to be facilitated and encouraged to prepare and equip themselves with the necessary skills and knowledge. Most women, who are appointed to boards now, are usually individuals who are high achievers in different industry sectors and are prominently known. Selecting outside this limited pool of women is a challenge most boards need to address.

## South Africa

### **Main drivers**

The number of women on boards in South Africa on JSE-listed companies has been driven by legislation, of which the Broad-based Black Economic Empowerment (B-BEE) initiatives

have been some of the biggest contributors. Shareholder activism is a contributor to increasing gender diversity targets within companies. Many companies, not only listed companies, are reporting diversity targets in their integrated reports. The press has also been instrumental in speaking about gender diversity in boardrooms in South Africa. The JSE listings requirements and *King IV™* Report promote gender diversity. Though *King IV™* is not legislated, listed companies are required to comply, and courts increasingly refer to *King IV™* in their judgments.

The South African Constitution and Bill of Rights promote equality for all. Though South Africa is still grappling with historical inequalities, greater awareness is being created around the need to promote gender diversity at board level.

### **The way forward**

Holding webinars and training sessions on board diversity will ensure that members are kept abreast of developments. CGISA created a female members' annual edition of its boardroom magazine to promote women in the workplace and to acknowledge all past female presidents of the Institute.

Apart from legislation, creating awareness is an effective tool promoting this important issue. Gender equality cannot be viewed as a tick-box exercise but needs to be viewed by companies as one of the fundamental elements in achieving long-term sustainability and success. Companies should be open to engaging with all stakeholders and to embracing shareholder activism. Communication and transparency in reporting are vital.

## **UKRIAT**

### **Main drivers**

The leading driver towards increased board gender diversity in the UK has been the Hampton-Alexander Review which, from 2016, took over the task commenced in 2011 by the Davies Review. Stakeholder support, including focused stakeholder groups such as the 30% Club, has coalesced around the work of the Hampton-Alexander Review, both in setting targets for gender diversity and in meeting those targets in practice. Although the targets are voluntary, the breadth of that stakeholder support has been such

as to make them new market norms, such that non-compliance with the targets is unusual or questionable, and widely judged as such.

In his introduction to the 2019 Review, Sir Philip Hampton noted that its effectiveness 'is ultimately determined by the efforts of business leaders to change the gender balance in boardrooms and in senior executive teams'. However, it is fair to mention two particular sectors which have also been of key importance in supporting the Hampton-Alexander Review.

The first is the UK Government itself. The Hampton-Alexander Review is formally set up as a government review and is firmly backed by the UK Government, including through ministerial and official support at the Department for Business Energy and Industrial Strategy (BEIS), the Government Equalities Office and the Cabinet Office itself.

The second is the investment community. The Investment Association, a trade body for asset managers, has become highly active in its support for the Hampton-Alexander Review, including influencing the manner in which asset managers will take investment decisions and exercise their voting rights at general meetings. The 30% Club has a powerful and influential 'UK Investor Group' comprising around 40 leading investment groups. This group aims to coordinate the investment community's approach to diversity, exercise its ownership rights to effect change and encourage all investors to engage in the issue of diversity with chairs of boards and senior management teams. Individual market players are also making a difference. For example, in October 2020, ISS, a leading shareholder proxy adviser, announced its policy recommending voting against all FTSE 350 (excluding investment trusts) nomination committee chairs where the board does not comprise a minimum 33% of women.

### **The way forward**

It is not expected that there will be any change to this issue being pursued through a voluntary business-led approach. ICSA will continue to emphasise the importance of diversity and work with government, regulators and other parties as necessary to drive this work forward. This



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approach is widely considered to have been successful and there is no strong impetus to shift to mandatory targets or quotas. There must also be continued attention to the development of a female executive pipeline, driven at least in part by the mandatory reporting of the Gender Pay Gap and a willingness to question the traditional expectation that board experience is a pre-requisite for non-executive director roles.

There is an increasing focus on ethnic diversity, in spite of all the challenges this brings, where the Parker Review goal of one person of colour on every FTSE 350 board and consideration of mandatory reporting of the ethnicity pay gap are both key drivers. There is no reason to expect that the government interest in this issue will go away as it has been one of relatively few issues on which activity in recent months, other than Brexit and COVID-19, has taken place.

Within this overall approach, there may be five trends emerging in the push for greater gender diversity on boards:

1. a **levelling up of standards of gender diversity** among all FTSE 350 companies, as opposed to differing expectations for FTSE 100 companies compared to others.
2. more attention being paid to **accelerating the representation of women in CEO and CFO roles**, as well as throughout executive committees and their direct reports. In addition to promoting more gender diversity across the FTSE 350 in these roles, this will augment the pipeline of well-qualified women to move on to board appointments.
3. an extension of **pressure for gender diversity to include other aspects of diversity** as outlined in the Parker Review. This was launched by the UK Government in 2017 and considers ethnic diversity in boardrooms. In September 2020 the 30% Club announced its support for the Parker Review's goal of at least one person of colour on every FTSE 350 board, with half those seats going to women, thereby creating 175 board seats for women of colour.
4. a more **active and public 'calling out' of individual companies** which fail to meet accepted targets for gender balance. In February 2020, the Investment Association and the Hampton-Alexander Review jointly wrote to approximately 40 companies with one woman or none on their board, asking them to detail the action required to improve the gender balance in their leadership teams. In addition, the Investment Association named all the companies with no women on their boards in a press release. Most companies have responded positively to the joint letter and in recent months have taken action to address the shortfall of women.
5. a push for **greater board gender diversity on the boards of non-listed companies**. The *Wates Corporate Governance Principles for Large Private Companies* were published in 2018. They provide a framework to help large, non-listed, private companies comply with their legal obligations relating to their corporate governance and the way they report on their governance policies and practices. Principle 2 of the *Wates Principles* addresses board composition. It includes guidance that 'Appointments to the board should promote diversity in line with the protected characteristics within the Equalities Act 2010. An effective board should be able to demonstrate that there has been a considered effort to establish an appropriate balance of expertise, diversity and objectivity'. Guidance on Principle 2 further envisage that 'A policy on diversity and inclusion aligned to company strategy can support appointments to the board and succession planning. Such a policy should also consider targets and aspirations promoted by Government and industry initiatives or expert reviews'. This expressly includes the Hampton-Alexander Review.

All in all, the progress made in increasing board gender diversity among the UK's major listed companies suggests that, as regards the approach and methods used to further improve the representation of women, the coming years will see more of the same slow progress.



## Zimbabwe

An effective national law and a public policy shift on gender diversity have had ripple effects, particularly in the public sector. The government has also shown commitment to achieve gender equality by ratifying gender-related international and regional protocols, which include the United Nations Convention on Elimination of All Forms of Discrimination Against Women (CEDAW), the Beijing Platform for Action (BPfA), the African Charter on the Rights of Women and the Southern African Development Community Protocol on Gender and Development (SADCPGD). This is testimony that the legal framework and the political will is there to ensure gender equality in all spheres in Zimbabwe. For the public sector, enforcement seems to be lacking. As indicated earlier, while the Constitution prescribes equal gender representation in all government institutions and agencies, the ZimStats (2016) reported that out of the 100 SEPs surveyed, there were only 23 female chief executive officers. Also, out of the 100 SEPs board positions, there were only 29 female directors.

### What could be done?

The Government of Zimbabwe should continue with its current progressive policies on gender to correct historical and cultural gender inequalities. There is need to strengthen the institutions that are at the centre of monitoring compliance with gender quotas in all spheres. The Gender Commission should be empowered and given more resources to carry out its constitutional mandate and ensure that women's representation in positions of leadership is increased across boards in both the public and private sectors. The Gender Commission should push for harmonisation of all laws, including the *Companies Act* and the *ZSE Listing Rules*, with provisions of the Constitution, which call for gender parity in all spheres of society, including leadership. The Corporate Governance Unit, established in terms of the *Public Entities Corporate Governance Act 2018*, should enforce the law to ensure that SEPs observe the required gender diversity on their boards. The CGI Division should also make research-based representation to the Gender Commission to advocate for gender equality on the corporate boards.

### By whom?

Notable institutions that have been pushing for board gender diversity in Zimbabwe include the following:

#### **Regulatory authorities**

The Gender Commission and the Corporate Governance Unit — Office of the President and Cabinet.

#### **Private sector players**

Women on Board (WOB) – Institute of Directors (Zimbabwe), Women Excel (WE), Professional Women, Executives and Business Women's Forum (PROWEB) and Women Empowered for Leadership (WEL).

# Conclusion

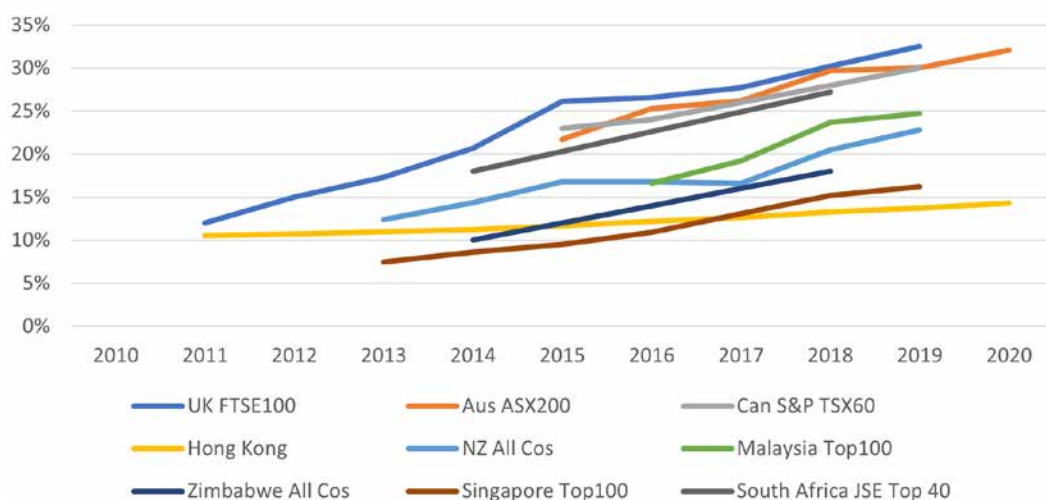
The CGI Board Diversity stocktake is a valuable exercise offering a finely pixelated snapshot of board gender diversity across nine jurisdictions, not normally compared with each other. Despite substantial cultural, social and economic differences, there are a number of broad conclusions that can be drawn from the individual granular inputs. As Figure 8 shows, board gender diversity is improving everywhere after two decades of activism but at markedly different speeds both inter and intra-country.

There is little or no dispute as to the merits of board gender diversity, whether as a matter of equality and fairness of the treatment of men and women or as a contribution to improved board effectiveness and better corporate performance. The global environment is increasingly more influential and laggard countries are forced to follow suit, especially when it comes to sourcing investment. Our concern here has been on the merits and shortcomings of the governance aspects of gender equity rather than on the social rationale and wider implications. Cultural factors for example, traditional patriarchal attitudes are a barrier in some countries but are not analysed in great detail. Our interest is rather in the business

and governance norms perceived as universal for successful engagement in a world economy. This is forcing change in statutory and corporate board composition. The increasing presence of women in boardrooms is slowly impacting smaller corporations and companies, including the not-for-profit sector and sports bodies. While the discourse has changed, practice and implementation often fall short. The target of 30% has been barely achieved while a variant, the 40:40:20 target, is gaining popularity.

In some jurisdictions, for historic or social reasons, gender diversity is pursued in the context of a wider push for diversity in other forms, such as ethnic diversity. In such cases, gender diversity lags behind the improvements in ethnic diversity. In other jurisdictions, an initial focus on gender diversity is now being widened to include other forms of board diversity. Whether it is helpful to the cause of board gender diversity to conflate this with other aspects of diversity is debatable. What is more certain is that greater gender diversity in itself can help open the way to diversity in other forms by opening up the perceived pool of suitable appointees to a much greater number of candidates.

**Figure 8:** Percentage growth of women in the boardroom for all CGI jurisdictions to 2020



Source: CGI Internal data.

Over the past decade board gender diversity has become much more widely measured and reported but it must be noted that in some instances board gender data was not collected prior to 2010. In some countries, regular stocktakes are a recent development. Without measurement, this issue of board diversity could not be managed. There is a trend to a much wider, more detailed, and more comprehensive reporting on gender performance within countries. This helps all stakeholders, be they professional organisations, shareholders, boards, management, or employees to monitor corporate performance in this area. The hope is that improved gender awareness and performance throughout businesses will feed into higher female representation at executive levels and, ultimately, to boards. The process of measurement has established that the representation of women varies widely between business sectors and between job functions within business sectors. For example, there may be more women in the retail sector than in mining and more women in human resource roles than in engineering positions. This imbalance runs through into board appointments because a corresponding industry background may be preferred and experience in certain functions is more highly valued than others.

The *World Economic Forum Global Gender Gap Report (2020)* is a convenient way to produce gross indexes that allows for analyses of variation of equity between countries over time. Table 3 gives the gender gap measure for each CGI jurisdiction. Each jurisdiction is on or above the global average unclosed gender gap of 31.4%, reflecting the CGI presence in sophisticated and interconnected global regional economies. On education attainment, health and survival expectation, the gender gap between males and females has narrowed. However, there remains a substantial gender gap as to their career progress. This gap widens as men and women move upwards to increasingly senior executive positions and to board seats. In traditionally male-dominated industries, gender diversity will be accelerated by boards and shareholders who promote diversity in their own businesses. What is required is that organisations more fairly value the entire range of executive skills and experience available to them, irrespective of gender. They should become more

willing to search for board candidates from other business sectors and with a different perspective.

There are still a significant number of men-only boards. One step advanced from that is the considerable number of boards with only one female director. This is the 'one and done' phenomenon where shareholders and boards lack a genuine commitment to gender diversity and seek to deflect adverse stakeholder comment by the lowest possible level of action. The arguments against, or obstacles placed in the way of, greater board diversity are less about the principle itself and more about the availability of sufficient meritorious women appointees. However, no jurisdiction has reported any evidence to the effect that board effectiveness has been adversely affected by the active promotion of women on boards or that the 'pipeline' of female candidates has been inadequate to maintain board quality. On the contrary, the evidence suggests that the supply of board-ready women has exceeded demand.

A common approach to increasing female representation on boards has been to start with a group of the largest, listed companies, usually defined by membership of a leading stock market index. Gradually, over time, the targets set for this initial group are strengthened and steadily extended to a wider group of listed companies. In some jurisdictions, it is now contemplated that the next step is to further extend targets to larger privately-owned companies. Where targets and quotas have been implemented, the nine CGI jurisdictions have a mosaic of regulations and codes at varying levels. There is little appetite for quotas but more for reasonable and shifting targets. It is fair to say that the absence of targets for board gender diversity generally leads to little or no progress. Where targets are voluntary and accompanied by a 'comply or explain' options, some progress does result if given media attention.

Voluntary targets or 'soft' regimes can have a similar status to mandatory targets when they are given strong moral or ethical force by vigorous stakeholder backing and airing in the press and social media.

There is some evidence that the introduction of quotas or targets can lead to the 'golden

## Conclusion

skirts' phenomenon, whereby a small number of women hold a disproportionate number of board appointments. This is also true of 'golden suits' or male directors with multiple board appointments, which tend to be reduced as the percentage of women grow on national boards. The regulation of 'overboarding' or limiting the number of board appointments an individual may hold at one time, can address this issue, but its implementation is at a personal level and relies on ethical behaviour by directors. Consciousness of this issue promotes the search for board candidates beyond a small group of standard appointees and towards a wider pool of candidates. Some interesting director network research into the Australian ASX 200 by Gilding, Lusher and Bird (2018) has indicated that boards are significantly more likely to have reached the 30% diversity target when they have a director who sits on another board that has reached the 30% target. They dub this the 'director network contagion effect'. All other variables, namely sector, market capitalisation, professional affiliation and male champions of change, made no difference to the appointment of women on boards. The global applicability of this finding is yet to be established but provides a way to use network analysis to identify the directors of boards with 30% gender diversity to promote the appointment of women on their related boards. To continue the contagion metaphor, these directors can become 'superspreaders' of diversity.

Government support for board gender diversity is essential. This can come in three different ways: through direct regulation or legislation; through the exercise of influence, persuasion and education; and by governments setting an example in the appointment of women to public authorities, state-owned enterprises or other governmental agencies or bodies. Generally, public sector entities have a higher degree of gender diversity at board level. In addition to the example which this sets for the private sector, it increases the number of women who are visible as potential board candidates within the private sector.

A steady throughput of directors also increases opportunities for board diversity. Many jurisdictions have a 9- or 10-year term rule. Across the CGI jurisdictions some stock exchanges are now encouraging term and age limits.

This provides opportunities to renew, refresh and reform male-dominated boards with the introduction of more women. While board turnover appears to be higher than expected (Hawarden, 2018), owner shareholders/entrepreneurs and executive directors continue to keep control of their enterprises. It is through their appointment as independent directors that women are most likely to appear in the boardroom, favouring lawyers, accountants and governance professionals. Stakeholder backing must include broad investor support as they appoint the board. This support is more forthcoming in the case of markets with a broad base of institutional investors, particularly those with an international character. It is harder to garner this support in the case of block shareholders who prefer to appoint individuals with whom they are 'comfortable' as a privilege of that shareholding.

With respect to The Chartered Governance Institute itself, there are significant variations between divisions as to the gender balance of their membership. As is shown by Table 1, the three Asian divisions (Hong Kong/China, Malaysia and Singapore) have a majority of female members, while the remaining six divisions have more male members. Taken as a whole, within the CGI, the proportion of women members is higher in the younger age ranges. Women are well represented in the CGI at the level of elected officers, at both the global and divisional level, and as senior executives and managers. Although all divisions support the principle of corporate board and executive gender diversity, not all have taken substantial initiatives to this end. Divisions which have established specific groups to pursue this issue have found that they have become a prominent and influential voice for action on gender diversity.

All of the nine jurisdictions who contributed to this stocktake on women on corporate boards offered insights which were specific to their own countries, but generally of global relevance and application. The way forward can best be illustrated from Canada where Catalyst's (2016) recommendations of four critical conditions which need to be in place to improve diversity in the Canadian boardroom apply to all. These are:

1. **Clear and intentional leadership** — Clear and intentional leadership must be demonstrated by the chair of the board and the CEO reinforcing the case for increased gender diversity, setting objectives annually, discussing progress versus objectives regularly and working to eliminate all barriers hindering the achievement of gender balance.
2. **Diversity objectives** — Clearly stated diversity objectives must align with the organisation's strategic positioning and business plans. These may include a diversity policy and targets against which progress is measured regularly.
3. **Strategic recruitment** — The board director recruitment process must be designed to identify a wide range of potential candidates from a variety of networks, who possess the competencies needed for the board and the organisation immediately and three to five years into the future.
4. **Inclusive practices** — A commitment must be given by the chair of the board and their board colleagues to create an inclusive and safe environment where the perspectives of all directors of both genders are valued. This should be extended down to employee level.

All of these recommendations echo the experiences shared by the CGI's component divisions in this stocktake. The resources provided by each jurisdiction show a rich source of detailed material for further examples and inspiration.

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## Malaysia

Prof Dr Syed Abdul Hamid Aljunid is the author of the Malaysian response.

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## Singapore

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## South Africa

Sabrina Paxton is the author of the South African response.

## UKRIAT

Peter Swabey is the author of the UKRIAT response.

## Zimbabwe

Ferida Matambo is the author of the Zimbabwean response.



# Appendix — Methodology

Between April and September 2020, we asked the members of the Thought Leadership Committee, with the assistance of colleagues within each of the CGI's divisions to provide their input and insight on seven aspects of gender diversity within their jurisdictions or markets. These were concerned with the current status of gender diversity at the country level, the current status of gender diversity within each Chartered Governance Institute, the current measures to promote diversity along with successes and setbacks, and the opportunities and challenges. The main drivers and the way forward were assessed.

Responses were provided by each division according to the short standardised template included below. Those responses were edited for consistency of form and content and then overall views and conclusions were extracted by the editor, Dr Rosanne Hawarden, with advice from the chair, Peter Greenwood. The whole document was peer-reviewed by the Thought Leadership Committee.

## Gender Diversity - Women on Boards International "Stock-taking" Project Template

### Background

The Thought Leadership Committee (TLC Committee) of The Chartered Governance Institute has resolved to undertake an international study, across the various jurisdictions represented on the Committee of board gender diversity. This paper will take as a given that more women in the boardroom is advantageous and will not exhaustively revisit the evidence for or against this unless new studies have been forthcoming that are unlikely to be known by the TLC.

For the purpose of this project, which will be led by Dr Rosanne Hawarden, a Committee member from the New Zealand Division, with the support of Peter Greenwood the Chairman (from the China Division) and fellow members of the Committee, we are undertaking a "stock-take" of the status of board gender diversity across jurisdictions and activities to promote this within divisions.

This will cover issues such as the current status of women on boards, relevant laws, regulations, recommendations or guidelines, progress made, particular challenges faced and the success or otherwise of differing measures implemented to promote gender diversity.

From this "stock-taking" our aim is to develop a paper which, from a multi-jurisdictional perspective, describes the progress which has been made in respect of gender diversity, the current state of this issue and, from shared experience, to indicate paths forward. We aim to have this paper finalised for publication, and supported by such other initiatives as Committee Members, The Chartered Governance Institute and individual divisions of the Institute may see fit, by December 2020.

In the longer term, if the outcome is a paper which the Committee considers to be meaningful contribution to the ongoing debate on this subject, then it may prove worthwhile to repeat the project at appropriate intervals.

### The "Inventory"

The following requests represent the information, views and input sought from the Committee Members (and/or from such other assistance as they may be able to draw upon). The purpose of this "inventory" is to promote input from individual jurisdictions in a broadly similar scope and form so as to enable that input to be more readily collated, compared and exploited in the preparation of the eventual consolidated paper.

It is recognised that not every request will exactly fit local circumstances. In individual jurisdictions, there may be more or less to say. Indeed, on occasions, there may be relevant matters which are not expressly canvassed in this inventory worth including such as the intersections of age, race/ethnic group with gender.

In every case, we invite flexibility in providing the input requested, having regard to our overarching goal of sharing experience and promoting thought and discussion on enhancing gender diversity on boards.

### The Requests

1. **Current Status:** a summary description of the current status of gender diversity on boards at country level for the last ten years (including by reference to historical performance and recent trends) in order to build a credible international bibliography.
2. **The Chartered Governance Institute and its divisions:** the gender diversity of the divisions within the CGI (members and officers) and any initiatives being taken to promote positive outcomes in diversity within the profession and on boards (such as through training and education). This could include any work being done with regard to addressing gender bias or behavioural awareness.
3. **Current Measures:** a description of the current measures whether legal or regulatory, of general application or sector-specific, and whether mandatory, recommended or advisory, soft or hard, in your country to require or promote gender diversity on boards.
4. **Successes and Setbacks:** an assessment of which measures might be considered to have worked well or have been ineffective in increasing the percentage of women on boards.
5. **Opportunities and Challenges:** an explanation of the specific opportunities and challenges in each jurisdiction for increased board gender diversity.
6. **Main Drivers:** an overview of who, or which organisations, have been the main drivers in each jurisdiction towards increased board diversity.
7. **The Way Forward:** give your views on what might be done, why, how and by whom, to promote greater gender diversity on boards. If thought relevant and appropriate this would include actions from within the CGI (including its divisions) and members.

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