

Corporate boardrooms: where are the women?

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When a woman rises to the top rung of the traditionally all-male corporate ladder in Africa, it's front-page news because women's progress in business leadership on the continent continues to be achingly slow.



A board meeting in progress in Nairobi, Kenya. Photo: AMO/ George Philipas

According to a ground-breaking 2015 study by the African Development Bank (AfDB) titled *Where Are the Women? Inclusive Boardrooms in Africa's Top-Listed Companies*, in the 307 top African companies, women accounted for only 14% of total board membership. That translates to one woman out of every seven board members. And one-third of the boards have no women at all, adds the report.

Countries with the highest percentage of women board members are Kenya (19.8%), Ghana (17.7%), South Africa (17.4%), Botswana (16.9%) and Zambia (16.9%). Companies that have seated more than a small handful of women include the Kenya-based East African Breweries Limited (EABL) with a board that's 45.5% women, followed by South Africa's Impala Platinum Holdings Limited at 38.5% and Woolworths Holdings Limited at 30.8%.

On the downside, the country with the lowest percentage of women on boards is Côte d'Ivoire (5.1%), followed by Morocco (5.9%), Tunisia (7.9%) and Egypt (8.2%). Uganda hangs around the continent's average of 12.7%, according to the report.

The economic and developmental case

Geraldine Fraser-Moleketi, AfDB's special envoy on gender, makes an economic and developmental case for more women on company boards. "Women serving on company boards sharpen the continent's competitive edge and make inclusive growth a reality."

Women Matter Africa, a report by McKinsey & Company, a US-based global management consulting firm, further highlights the financial benefits for companies having women on their boards. “The earnings before interest and taxes margin of those with at least a quarter share of women on their boards was on average 20% higher than the industry average.”

But women are under-represented on all rungs of the corporate ladder — in non-management as well as middle and senior management positions, notes the McKinsey & Company report, which states that only 5% of professional women make it to top management in companies in Africa.

And even those women who join management may not necessarily wield influence because they usually occupy “staff roles rather than line roles from which promotion to CEOs usually come”.

The AfDB report concurs with McKinsey & Company’s finding that most women in corporate organisations are frozen at the periphery. The method used to appoint board members doesn’t favour women, maintains Fraser-Moleketi. “Board appointments are made through old-boy networks, locking women out,” she says, and the process of choosing a nominee is not always transparent.

Limited by patriarchal beliefs

Expected to combine work with family duties, women are further limited by patriarchal beliefs that channel them into low-wage careers such as teaching and nursing. The belief among many Africans that a woman’s career should complement — not interfere with — her family responsibilities is a traditional notion of a woman’s role that fails to acknowledge the benefits of gender diversity to society.

Women are “victims of ongoing socio-cultural prejudice”, says Viviane Zunon-Kipre, chair of the board of Société nouvelle d’édition et de presse based in Côte d’Ivoire.

African women can take some small solace in the fact that the continent ranks first in female membership of boards among emerging regions. Africa’s 14.4% is far higher than Asia-Pacific’s 9.8%, Latin America’s 5.6% and the Middle East’s 1%.

African women as board members

Also, more African women are becoming board members in blue chip companies, non-governmental organisations and financial institutions, and government enterprises are appointing women to their top management, says Wangethi Mwangi, a non-executive board member and former longtime editorial director of the Nation Media Group (NMG). The media company operates in Kenya, Rwanda Tanzania and Uganda.

Although the NMG has only two women among its 13 board members, Mwangi explains that “women head the digital, procurement, human resources, operation and marketing departments, while in editorial we have a female managing editor”. In departments such as procurement, advertising and marketing, women “perform very well”, he says.

EABL is the gold standard for women’s board membership in Africa. But just a decade ago women constituted only 16% of its board, Eric Kiniti, the company’s corporate relations director, points out.

The company’s policy is to take gender into account during the hiring process. “Before hiring at the senior management level, we ask that there must be a female candidate in all our short lists. And if there isn’t, we ask why,” he says.

Each member of EABL executive is individually responsible for tackling gender biases that might exist within the business. “As signatories to the UN Global Compact and the UN Women’s Empowerment Principles, we have a set of codes internally to secure diversity in our workplace,” maintains Kiniti.

One of the UN Women’s Empowerment Principles requests companies to “establish high-level corporate leadership for gender equality”. Companies promoting women to top management positions are therefore in sync with the 2030 global goals. Sustainable Development Goal 10, Reduced Inequalities, specifies that “everyone will have equal opportunities and nobody will be left behind”.

Making gender diversity a priority

To increase diversity in companies, including on boards, McKinsey & Company recommends four administrative goals: the first is that companies “make gender diversity a top board and CEO priority”.

The second is to “anchor gender diversity strategies in a compelling case”, which means communicating relevant policies to employees. The third is to “confront limiting attitudes toward women in the workplace”, which means focusing on changing perceptions of women’s traditional responsibilities. The fourth is to “implement a fact-based gender diversity strategy”, which involves using metrics and data to understand women’s contributions within a company.

The AfDB agrees with these recommendations, adding that companies should publish gender-aggregated data in their annual reports and that corporate governance codes should impose quotas for women’s representation on boards.

“To kick-start the process of increasing the numbers of women on boards, quotas have been shown to be very effective in many European countries, notably Norway, Finland and more recently France,” says Fraser-Moleketi.

Norway adopted a gender quota policy in 2003, requiring firms operating in the country to increase the percentage of women on their boards to at least 40%, from an average at the time of 7%. The government warned it would deregister companies not complying with the regulation.

At 40.1% currently, Norway has the world’s highest percentage of women on company boards. The global average is 15%.

Lack of penalties for non-compliance

Unlike in Norway, African countries adopting policies that support women’s leadership in companies are not necessarily enforcing those policies. The Kenyan constitution requires that of the elective or appointive bodies of a company, no more than two-thirds of the members be of the same gender. Unfortunately, the law is silent on penalties for non-compliance.

South African laws generally promote gender equity in state-owned institutions, but women constitute about 33% in those institutions.

Morocco’s 2011 constitution guarantees gender equality in all appointments, yet only a negligible 0.1% of those in management positions in private companies are women. In 2016, the *Global Gender Gap Report* published by the World Economic Forum ranked Morocco 139 out of 145 countries in narrowing the gender gap. A 2015 study by the International Labour Organisation found no female CEO in any large company in Morocco.

Irina Bokova, director general of UNESCO, observes, “A sustainable society and a thriving democracy depend on all of its citizens being included and involved in public debate and decision making at every level.”

Many African companies claim to be equal-opportunity employers. They must now match their words with actions.

Source: [*Africa Renewal*](#)

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