

# Women on Boards across the Commonwealth

## Business Case for Women on Boards

- A McKinsey review reported that companies with top-quartile representation of women in executive committees perform significantly better than companies with no women at the top and had an increase of +55% average earnings before interest and tax.<sup>1</sup>
- A MSCI study demonstrated that boards on which women are represented are more likely to be financially successful, have less likelihood of governance scandals and are less likely to operate in tax havens.<sup>2</sup>
- Silverstein & Sayre estimate at least 64% of consumer spending is controlled by women globally so having women on boards will give corporations the competitive advantage to create products that better fit consumers' needs.<sup>3</sup>
- Investing in women leaders positively impacts a country's GDP and the welfare of future generations; Booz&Co calculated the increase of GDP through the entrance of new female participants to be 27% for India, 10% for South Africa and 5% for the UK.<sup>4</sup>

## Base Line Data

The Commonwealth Secretariat produced a report from baseline data research carried out over six months in 2014/15 on the status of women in leadership across the Commonwealth. The report looked at numbers of women in senior management and leadership roles across the public and private sectors including cabinet ministers and private sector board members, the findings of which are highlighted here.

<sup>1</sup> McKinsey. 2013. 'Gender diversity in top management: Moving corporate culture, moving boundaries' <http://www.mckinsey.com/~media/mckinsey%20offices/france/pdfs/womenmatter%202013%20report.ashx> (accessed 28th July 2015)

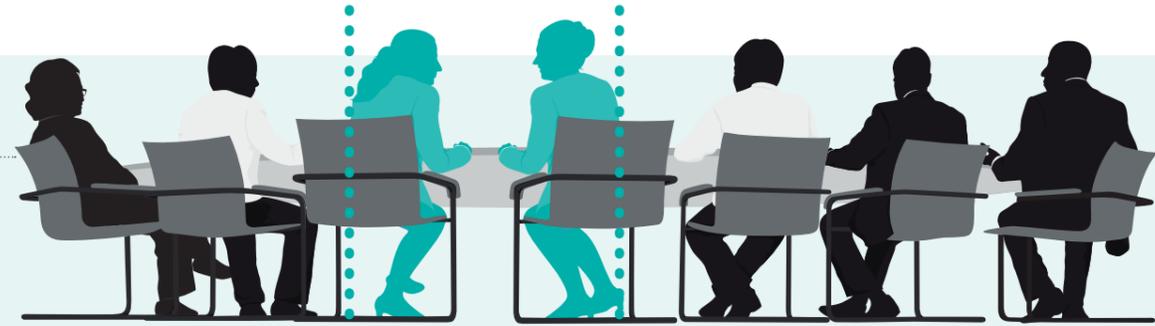
<sup>2</sup> MSCI. 2014. '2014 Survey of Women on Boards'. <http://30percentclub.org/wp-content/uploads/2014/11/2014-Survey-of-Women-on-Boards-1.pdf> (accessed 28th July 2015).

<sup>3</sup> Silverstein, M. J., & Sayre, K. (2009). Women Want More: How to Capture Your Share of the World's Largest, Fastest-Growing Market. New York: Harper Collins Publishers.

<sup>4</sup> Booz & Co. (2012). Empowering the Third Billion: Women and the World of Work in 2012. [http://www.booz.com/media/uploads/BoozCo\\_Empowering-the-Third-Billion\\_Full-Report.pdf](http://www.booz.com/media/uploads/BoozCo_Empowering-the-Third-Billion_Full-Report.pdf)

## THE COMMONWEALTH PLAN OF ACTION FOR GENDER EQUALITY

Stipulated a 30% target for women in decision making in the political, public and private spheres in order to benefit from gender diversity in their decision making.



30%

## Africa

### State Owned Enterprise Boards

- In Africa 7 out of the 15 researched<sup>5</sup> Commonwealth countries' state-owned enterprise (SOE) boards were made up of at least 30% women, this is more than the number of Commonwealth countries from all other regions combined.
- This success is not, however, true across the region with a regional average of 25.1% and individual countries having levels of 0%.
- The Seychelles had the highest percentage in the region at 45% and the highest throughout the 44 Commonwealth countries for which data was available.



### Private Sector Boards

- Numbers of women on boards in the private sector were far lower than that of women on SOE boards with only one country achieving over 30% women on boards, Rwanda.<sup>6</sup>
- A third of African Commonwealth countries researched had less than 10% women on private sector boards.



<sup>5</sup> Data missing for: Malawi, Mozambique, Sierra Leone and Zambia

<sup>6</sup> Data not applicable for Lesotho

## Asia

### State Owned Enterprise Boards

- Overall the region had low numbers of women on state-owned enterprise (SOE) boards with only one researched Commonwealth country achieving over 10%, the highest Malaysia and the lowest in the region was at 5%.<sup>7</sup>
- The regional average was 9.3% on SOE boards.



### Private Sector Boards

- The private sector boards in the region showed more encouraging numbers of women with four of the Commonwealth countries achieving over 10% women on board, Bangladesh, India, Malaysia and the Maldives.<sup>8</sup>
- Data for SOE boards was unavailable for Bangladesh but on private sector boards they lead the region along with the Maldives, both reaching 17% women on private sector boards.
- Countries that had low numbers of women on SOE boards also had low numbers of women on private sector boards.



<sup>7</sup> Data missing for Bangladesh and data not applicable for Singapore

<sup>8</sup> Data not applicable for Brunei- Darussalam

## Caribbean and Americas

### State Owned Enterprise Boards

- The region performed well in terms of the number of women on SOE boards with four of the twelve Commonwealth Caribbean countries having over 30% women on SOE boards, Antigua and Barbuda, The Bahamas, Belize and Dominica.<sup>9</sup>
- It is worth noting most countries in the region had comparatively low numbers of boards and members overall.

**4**  
**12**

### Private Sector Boards

- For the ten countries in the region where data was applicable all had at least 10% women on private sector boards and two countries, Barbados and Dominica, had over 30% women board members.<sup>10</sup>
- Countries with high volumes of companies in the region, including Canada and Jamaica, did not perform quite as strongly.

**30%**  
**BARBADOS & DOMINICA**

<sup>9</sup> Data missing for Guyana

<sup>10</sup> Data not applicable for Antigua and Barbuda, Belize and St Vincent and the Grenadines

## Europe and Pacific

### EUROPE

- Across the three European Commonwealth countries no one reached 30% women on SOE boards but the highest was the United Kingdom with 27% women and a high aggregate number of boards.
- None of the Commonwealth countries had less than 10% women on SOE boards and the average across the region was 20%.
- In Europe, the private sector boards had lower percentages of women on boards but higher aggregate numbers, the UK had the highest percentage at 23% women on private sector boards.
- The average across private sector boards was 13.3%.

**0**  
**27%**  
**UNITED KINGDOM**

**23%**  
**UNITED KINGDOM**

### PACIFIC

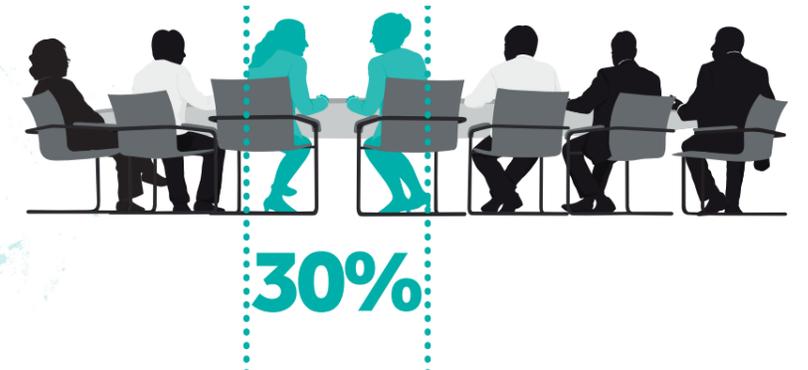
- In the Pacific region two of the eight Commonwealth countries reached over 30% women on SOE boards- Australia and New Zealand.<sup>11</sup>
- Across the region there are generally low numbers of total female board members.
- In the Pacific region data was only applicable<sup>12</sup> for four of the Commonwealth countries' private sector board members.
- None of the countries had 30% women on private sector boards but Australia and Vanuatu lead with 22% women on boards.

**2**  
**8**  
**30%**  
**AUSTRALIA & NEW ZEALAND**

**23%**  
**AUSTRALIA & VANUATU**

<sup>11</sup> Data missing for Nauru, Tuvalu and Vanuatu.

<sup>12</sup> Data not applicable for Fiji, Kiribati, Papua New Guinea, Samoa, Solomon Islands, Tonga and Tuvalu.



### Call to Action

To increase women's leadership, the private sector should:

- embrace career flexibility,
- become transparent about gender and encourage a more inclusive culture,
- and create programs for networking, mentoring and sponsoring.

To increase women's leadership, governments should:

- consider quotas and targets,
- aid in flexible working legislation,
- oblige companies to increase transparency of their boards and publish key gender equality figures .

To increase women's leadership, civil society should:

- make successful female leaders more publically visible,
- provide training for and encourage women's employment and education,
- increase awareness of the business case for increased women's leadership.

For further details, see 'Strategies for Increased Participation of Women in Leadership across the Commonwealth' report.