

Benefits of women on boards

In an increasingly fast-paced and ever-changing global market, companies have to sustain a competitive edge. Companies are looking to attract the best executives, however they may be missing out on a key source of talent: *women*. In fact, official statistics show that in Malta, women constitute only 4% of the board members of companies listed in the stock exchange, compared to the 24% average in the EU28..

A call for gender-balanced leadership is one of the commitments outlined by the United Nations for International Women's Day 2017. **#BeBoldForChange** is the UN theme chosen for this year to celebrate the achievements of women and raise awareness on the actions that need to be taken to accelerate progress towards gender equality. This awareness raising aims to forge a better working world – a more gender inclusive world in various spheres of society, including decision-making and leadership.

Indeed, studies have documented the positive impacts that women's membership on company boards make in terms of company performance. Women bring a fresh perspective to complex issues. Compared with their male counterparts, women board members are more likely to take active roles, challenging issues and asking difficult questions. Together with their male colleagues, women may also bring a broader understanding of markets and consumers. In addition, women tend to be more flexible and better able to manage ambiguous situations.

In addition, studies also demonstrate that companies with the highest representation of women board directors attained significantly higher financial performance than those with lower representation. It is widely acknowledged that diversity, well managed, produces better results. Smart companies appreciate that diversifying their boards with women and men can lead to more innovation, and good governance.

However, negative perceptions do exist, In fact, the perceptions on the reasons why women are under-represented in decision-making positions in company boards were analysed in a study published in 2015 by the National Commission for the Promotion of Equality (NCPE). Respondents believe that the leading cause behind this is the fact that women give priority to family needs and consequently put career progression aside.

Various government initiatives are addressing the need of more women participating in the labour market providing opportunities for their career advancement. These include the free childcare services for all working parents and for those who are studying, the breakfast club, and *Klabb 3-16* with an after-school programme, among others.

Moreover, the Maltese Presidency of the Council of the European Union has prioritised the *Proposal for a Directive of the European Parliament and of the Council on improving the gender balance among non-executive directors of companies listed on stock exchanges and related measures*. To ensure progress, work is underway on this draft Directive launched by the European Commission in 2012. This proposed legislation aims at accelerating progress

towards a gender-balanced representation on boards, thus increasing the participation of the under-represented sex in board-member positions in publicly listed companies, with the exception of small and medium enterprises.

To facilitate the process at the national level, NCPE has developed the Directory of Professional Women that is giving further visibility to professional and competent women, and increasing their opportunity for appointment on boards, committees and other decision-making positions. There are currently over 230 professional women reistred on this Directory that is available online on NCPE's website – www.equality.gov.mt

Recruiting women to boards is thus a crucial step. Skilled and experienced women are ready to take on the challenges of the corporate boardroom and contribute to the success of companies. For companies with low female representation on the board, the time to act is now! Very simply, as one company director puts it in a study conducted in the US: "In the boardroom, women *are* change".

So let's **#BeBoldForChange** on this International Women's Day in order to challenge barriers and gender discrimination to strengthen our cultural, social, economic and political development for the good of society.

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