

Women on boards - We have a long way to go

Gender imbalance in decision-making positions is a reality in various domains including politics, science, research, and financial sectors. While a leap forward has been made with the published bill proposing legal amendments to ensure gender balance in the Maltese Parliament, we still have a long way to go when it comes to the participation of women in business management.

Indeed, the proportion of women on the boards of the largest publicly listed companies registered in the EU Member States reached 30%, whereas in Malta, women account for 9.9% of board members.¹ Research shows that when women have less decision making power either in households, in the boardroom or in government, then women's needs are less likely to be understood or met.²

On her election to the position of President of the European Commission, Ursula von der Leyen emphasized that “*gender equality is a core principle of the European Union*”.³ In fact, she stated that she will seek to build a majority to unblock the 2012 Directive. The 2012 proposal for a Directive on gender balance among non-executive directors of companies aimed to address the considerable imbalance between women and men in economic decision-making at the highest level. To ensure its progress, the proposal Directive is also one of the main priorities in the European Commission's EU Gender Equality Strategy 2020-2025 adopted in March 2020.

The Maltese Presidency in 2017 also gave this Directive its support with the organisation of a working party for Member States (MS) to pave the way forward to improve the gender balance among non-executive directors of companies listed on stock exchanges and related measures. The results of these deliberations were presented in a progress report on developments in June 2017 during the Employment, Social Policy, Health and Consumer Affairs Council (EPSCO) meeting, “*calling for further work and political reflection in order to reach a compromise*”.⁴

¹ https://eige.europa.eu/lt/gender-statistics/dgs/indicator/wmidm_bus_bus_wmid_comp_compbm

² <https://www.etuc.org/sites/default/files/document/file/2020-09/EN-Adopted%20Resolution%20Enhancing%20gender%20balance%20in%20company%20boardrooms.pdf>

³ https://ec.europa.eu/commission/presscorner/detail/en/IP_20_358

⁴ https://ncpe.gov.mt/en/Documents/Our_Publications_and_Resources/Annual_Reports/Annual_Report_2017.pdf

Various measures have been taken by a number of EU MS to make further progress on the matter. Moreover, in January 2021, Germany's cabinet approved legislation to help boost the number of female executives in top jobs. Under this legislation, the boards of German listed companies with more than three members will be obliged to have at least one woman. Companies in which the federal government has a majority stake will also have a mandatory quota of 30% of female board members. In fact, France which introduced a 40% quota in 2011, leads the way in the EU with just over 45% of board members at the country's largest publicly listed companies being female.⁵

In 2020, Malta registered some progress in decision-making and headship positions with the appointment of women in various high positions, including: The Attorney General; the Chairperson of the Public Broadcasting Service (PBS) Board; and the Head of News at PBS.; However, more work needs to be done to empower more women in decision-making positions and address Malta's very low rate of women on company boards.

To highlight the need to reach this objective, the National Commission for the Promotion of Equality (NCPE) in 2013 addressed the under-representation of women on corporate boards and in management positions when it implemented a project entitled 'Gender Balance in Decision Making', co-financed by the European Social Fund.⁶ This initiative was intended to increase the number of women in decision-making positions, empower and enable women to take up such positions, and tangibly support and advise policy makers on gender-balance in decision-making.

As part of this work, an Online Directory of Professional Women was developed in 2015 as one way to reach such targets. Moreover, the NCPE carried out a research study focusing on gender-balanced representation in boardrooms of both the public and private sectors in Malta and Gozo.

The analysis of the data collected showed that gender discrimination and stereotyping remain present in most organisations. According to the findings, this is potentially because it is the woman who is sacrificing her career to take care of the family. Not only is this the case, but evidently there exists a societal mind-set that expects women to give up their career for the

⁵https://ec.europa.eu/info/sites/info/files/aid_development_cooperation_fundamental_rights/annual_report_ge_2019_en_1.pdf

⁶ https://ncpe.gov.mt/en/Pages/Projects_and_Specific_Initiatives/Gender_Balance_in_Decision_Making.aspx



needs of the family. Needless to say, this represents a considerable loss for society and the economy due to unexploited female potential.

Whether you are a woman or a man should not influence the career you follow. Research shows that inclusive and diverse leadership is required to deal with the challenges that decision-makers face today. As Ursula von der Leyen stated, “*using only half of the population, half of the ideas or half of the energy is not good enough.*”⁷ Not good enough for the individual, not good enough for society in general.

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⁷ <https://meusac.gov.mt/2020/03/gender-equality-striving-for-a-union-of-equality/>