Policy Briefing

Women, Power & Policymaking

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Women on Corporate Boards in Africa: Beyond Tokenism

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Executive summary

Women are under-represented on corporate boards and other leadership structures in Africa. This problem is a reflection of the historical disadvantages and gender inequalities women face. The status quo is, however, ironic given the relatively large female population in Africa and women's influence on more than three-quarters of consumer decisions on the continent. This policy briefing sheds light on women on corporate boards in Africa. While recognising contextual differences among countries, policy directions are suggested that could result in gains for several stakeholders.

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Introduction

Gender equality has featured prominently on the global development agenda for more than two decades.[1] Despite the universal appeal of its rhetoric and the regular policy conversations on the topic, progress in terms of gender diversity on corporate boards is slow and rife with tokenism.[2]

In the private sector, the considerable gender gap in corporate leadership is central to this conversation. This policy briefing will focus on women serving on corporate boards in Africa within the context of gender equality and inclusivity. Attention should be given to board gender diversity not only because of the universal need to address gender inequality, but also because of growing evidence on the related gains for several stakeholders. This policy briefing argues that a deliberate 'policy push' from multiple angles will help to achieve robust inclusion. Five policy proposals are recommended that should be implemented simultaneously, namely:

- Sector-specific quotas (mandatory or advisory depending on sector dynamics);
- Corporate board commitment;
- Incentives to grow a board-ready pool of women candidates;
- Male advocacy; and,
- Mentoring and training initiatives.

Women on boards: the African context

Despite women comprising a large proportion of the population in several African countries, female representation on corporate boards is still low (see Table 1). On average, only 12.7% of corporate board positions in Africa are filled by women, according to the African Development Bank.[3] There are also significant variations in female board representation across African countries. While in South Africa, female share of board membership is 21% according to the Organisation for Economic Co-operation and Development (OECD),[4] in

1 The Beijing Women Conference of 1995 has been credited as being ground-breaking for women's empowerment. UN Women, 'As the Beijing Declaration turns 20, the 59th Commission on the Status of Women will take stock of women's rights, and mixed progress', Press Release, 26 February 2015, http://www.unwomen.org/en/news/stories/2015/02/as-the-beijing-declaration-turns-20, accessed 30 July 2019.

2 In its classical sense, tokenism refers to an appointment from a group in order to prove non-discrimination against that group, or influence perception at face value. See Zimmer L, 'Tokenism and women in the workplace: The limit of gender-neutral theory', *Social Problems*, 35, 1, 1988; Burgess Z & P Tharenou, 'Women board directors: Characteristics of the few', *Journal of Business Ethics*, 37, 1, 2002, pp. 39–49.

3 AfDB (African Development Bank), *Where are the Women Inclusive Boardrooms in Africa's Top Listed companies*? Abidjan: AfDB, 2015.

4 OECD (Organisation for Economic Co-operation and Development), 'Female share of seats on boards of the largest publicly listed companies', https://stats.oecd.org/index.aspx?queryid=54753, accessed 30 July 2019.

Côte d'Ivoire only 5.1% of corporate board directors are women.[5] A regional disparity is also observed, with Southern Africa having the highest regional representation at 20% (see Table 2). This compares with the OECD average of 22%.[6] In terms of political representation, the continental average for female political leadership is 23%. While countries such as Rwanda and South Africa have rates of 61% and 42% women in political leadership positions, respectively, in Nigeria women occupy only 5.6% of political leadership positions.[7]

Although these statistics are a reflection of the broader historical disadvantages that women have experienced, their disproportionate representation on boards is ironic considering that women represent more than half of the African population. Their contribution to the region's economy is extensive. For example, women influence more than 80% of consumer spending.[8] Disconcertingly, they also form the poorest percentage of the African population. This situation is largely ascribed to women being under-represented in the higher productivity sectors: they make up over 80% of the informal sector in sub-Saharan Africa.[9]

Table 1 Women's representation in selected African countries (2016–2019)

Country	Comparison across countries		
	% female population	% female political leaders	% female corporate board members
Botswana	50.6	9.5	16.9
Ghana	50.2	13.0	17.7
Kenya	50.3	22.0	19.8
Morocco	50.2	21.0	11.0
Nigeria	49.3	5.6	16.8
Rwanda	50.0	61.3	30.0
Senegal	50.9	42.0	NA
South Africa	50.9	43.0	21.0
Zambia	50.4	18.0	16.9

Sources: World Bank, 'Population female', https://data.worldbank.org/indicator/SP.POP.TOTL.FE.IN, accessed 30 July 2019; UN Women, 'Facts and figures: Leadership and political participation, http://www.unwomen.org/en/what-we-do/leadership-and-political-participation/facts-and-figures, accessed 30 July 2019; International IDEA (International Institute of Democracy and Electoral Assistance), 'Gender quota database', https://www.idea.int/data-tools/data/gender-quotas, accessed 30 July 2019; AfDB (African Development Bank), 'Where are the Women Inclusive Boardrooms in Africa's Top Listed Companies?'. Abidjan: AfDB, 2015; The Commonwealth, 'Women on boards across the Commonwealth', http://thecommonwealth.org/sites/default/files/inline/P14766_SGO_Women%20on%20Boards_11WAMM-E-copy.pdf, accessed 30 July 2019

5 AfDB, *op. cit.*
6 OECD, *op. cit.*
7 Gender Quota Database, https://www.idea.int/data-tools/data/gender-quotas, accessed 30 July 2019; Cheeseman N & S Dodsworth, 'Why African democracies are failing women', *News Day*, 14 March 2019, https://www.newsday.co.zw/2019/03/why-african-democracies-are-failing-women/?fbclid=IwAR1x4mTOJcrRpA3pqZzmKYLQIlaZ5Ed%20ZtxjBHDYN_npd44kWkprF4TSvZw, accessed 30 July 2019.
8 Ossola A, 'Companies are working towards diversity in leadership but inclusion is a long way off', Quartz Publications, 16 April 2019, https://qz.com/work/1592127/companies-need-to-be-thinking-about-inclusion-not-just-diversity/, accessed 30 July 2019.
9 UN Women, 'Women in informal economy', http://www.unwomen.org/en/news/in-focus/csw61/women-in-informal-economy, accessed 30 July 2019.

Table 2	Sub-regional disparities in female representation on boards
Region	**% of female representation on boards**
East Africa	16
North Africa	9
Southern Africa	20
West Africa	11

Source: McKinsey & Company, *Women Matter: Ten Years of Insights on Gender Diversity*, October 2017, https://www.mckinsey.com/featured-insights/gender-equality/women-matter-ten-years-of-insights-on-gender-diversity, accessed 30 July 2019

While men comprise over 80% of directorships globally, and often determine the composition of the boardroom,[10] the global drive to increase female representation on boards has gradually reduced this gender gap. In European countries that have implemented mandatory board gender quotas, such as Norway and Belgium, women now occupy 30–40% of their corporate board seats.[11]

There has been progress in terms of diversifying boards in other developed and developing countries as well, but it is slow paced. Specific progress has been noted in the banking sector in selected African countries. In Nigeria, the number of female board members in banks recently increased, with women occupying 22% of board positions[12] and chairing the boards of three of the top five banks in the country. In Rwanda, 30% of bank directors are female.[13]

Reasons for the board gender gap

The main causes of the gender gap are related to cultural and societal considerations. Firstly, there are deeply rooted cultural and religious barriers. These barriers are described in terms such as the 'glass ceiling', the 'double-barrel burden' and the 'queen bee'. The glass ceiling refers to the unseen yet pervasive barriers that prevent women from climbing the corporate ladder beyond a certain level. The double-barrel burden refers to the perceived conflict between the biological/social roles of women and their career aspirations. Indra Nooyi, the former chief executive officer of PepsiCo, aptly described this as a conflict between the biological and career clock of a woman.[14] The 'queen bee' metaphor refers

10 Guy M, Niethammer C & A Moline (eds), *Women on Boards: A Conversation with Male Directors*, IFC (International Finance Corporation), 2011, https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/ifc+cg/resources/focus_case+studies/focus+9+women+on+boards+-+a+conversation+with+male+directors, accessed 30 July 2019.

11 Johnson S, 'Gender parody: How to get even more white men on your corporate board', *European Business Review*, 4 July 2018, http://www.europeanbusinessreview.com/gender-parody-how-to-get-even-more-white-men-on-your-corporate-board/, accessed 30 July 2019.

12 Ogwu SM, 'CBN directive: Women occupy only 22% boards' seats in 21 banks', *Daily Trust*, 2 February 2018, https://www.dailytrust.com.ng/cbn-directive-women-occupy-only-22-boards-seats-in-21-banks.html, accessed 30 July 2019.

13 Mbabazi D, 'Banking: Where are the boardroom women?', *The New Times*, 27 April 2017, https://www.newtimes.co.rw/section/read/211383, accessed 30 July 2019.

14 YouTube, 'Conversation with PepsiCo CEO Indra Nooyi and David Bradley', The Aspen Institute, 1 July 2014, https://www.youtube.com/watch?v=KzLpryLUYsk, accessed 30 July 2019.

to reluctance on the part of top-level women to help other women reach the highest corporate echelons.[15]

Secondly, strong incentives to bring about a fundamental behavioural shift with regard to gender are lacking among those with the power to make that shift. At individual and societal levels, understanding of social and even biological facts around gender is changing, yet the behaviour of men and women is not changing fast enough to keep up. The classification of gender social roles in many parts of Africa is thus still conventional.

The appointment of women directors is one of the ways in which equity in gender power can be achieved. This is why the slow progress in terms of the appointment of more women to boards in Africa should be challenged.

More women on boards: why it matters

Gender equity has both a moral and economic case.

The current situation suggests an inequitable use of human talent. It has been estimated that about $12 trillion could be added to global gross domestic product by 2025 and up to $300 billion in Africa if the gender gap is narrowed.[16] This gap denies Africa the benefit of untapped resources capable of increasing overall prosperity on the continent.

Evidence on the link between women directors and profitability is still emerging and mixed,[17] but there are several practical reasons why gender-diverse boards are important. A gender-diverse board tends to have a positive impact on a company's profits and risk management.[18] Women directors contribute positively to boardroom dynamics, broadening the company's market knowledge and raising its profile.[19] Empirical evidence points to the fact that women directors facilitate bigger philanthropic contributions and corporate social responsibility.[20] Corporate boards with more women also tend to be more

15 See also Viviers S, Mans-Kemp N & R Fawcett, 'Mechanisms to promote board gender diversity in South Africa', *Independent Research Journal in the Management Sciences*, 17, 1, 2017.

16 Mckinsey & Co, *Women Matter: Ten Years of Insights into Gender Diversity*, October 2017, https://www.mckinsey.com/featured-insights/gender-equality/women-matter-ten-years-of-insights-on-gender-diversity, accessed 30 July 2019; Mckinsey Global Institute, *The Power of Parity: How Advancing Women's Equality Can Add $12 Trillion to Global Growth*, September 2015, https://www.mckinsey.com/~/media/McKinsey/Featured%20Insights/Employment%20and%20Growth/How%20advancing%20womens%20equality%20can%20add%2012%20trillion%20to%20global%20growth/MGI%20Power%20of%20parity_Full%20report_September%202015.ashx, accessed 30 July 2019.

17 See Homroy S & C Green, 'Targets to bring women into the boardroom are missing the point', *The Conversation*, 29 October 2015, http://theconversation.com/targets-to-bring-women-into-the-boardroom-are-missing-the-point-49787, accessed 30 July 2019.

18 Guy M, Niethammer C & A Moline (eds), *op. cit.*; Hersh E, 'Why diversity matters: Women on boards of directors', *Harvard Business Review*, 21 July 2016, https://www.hsph.harvard.edu/ecpe/why-diversity-matters-women-on-boards-of-directors/, accessed 20 March 2019.

19 Guy M, Niethammer C & A Moline (eds), *op. cit*.

20 Jia M & Z Zhang, 'Women on boards of directors and corporate philanthropic disaster response', *China Journal of Accounting Research*, 5, 1, March 2012, pp. 83–99.

ethically oriented.[21] Moreover, heterogeneity is a core issue in corporate governance and company leadership. The composition of the board and management in particular should reflect the diversity of broader stakeholder groups.[22]

The mere appointment of a woman to a board may not be sufficient. Evidence points to the fact that the number of women who are appointed matters. The critical mass theory posits that a minimum of three women are required to impact board dynamics, as male directors then tend to exhibit less group bias.[23]

Women on boards could also be considered a business sustainability issue. That is, it matters in order for companies to remain competitive and relevant given changing demographics as well as social norms. It has been estimated that by 2028, there will be more female graduates than males, and 75% of discretionary spending will be controlled by women.[24] This suggests that, in future, the success of a company will depend not only on its ability to serve changing demographics but also on its ability to attract, retain and promote women as employees.

Policy proposals

While there are contextual differences across the many and varied states of Africa, this analysis proposes that greater gender equality is a goal shared by many on the continent. This policy briefing recommends the following five proposals.

1 Mandatory quotas

Quota-based gender policy is a key mechanism used to increase women's representation in several countries globally. The introduction of mandatory quotas resulted in a substantial increase in female board membership in several European countries, such as Norway.[25] This successful trajectory has informed the idea that such quotas could be enforced in African countries. Quantitative measures do not guarantee substantive change, however. While this measure might improve the status quo from a quantitative perspective, it might

21 Kakabadse NK *et al.*, 'Gender diversity and board performance: Women's experiences and perspectives', *Human Resources Management*, 54, 2, 2015.

22 Fucci M & T Cooper, 'The inclusion imperative for boards: Redefining board responsibilities to support organizational inclusion', *Deloitte Insights*, 2 April 2019, https://www2.deloitte.com/insights/us/en/topics/value-of-diversity-and-inclusion/redefining-board-responsibilities-to-support-organizational-inclusion.html, accessed 30 July 2019.

23 Willow G & M Van Der Linde, 'Women representation on boards: A South African perspective', *Meditari Accountancy Research*, 24, 2, 2016, pp. 211–225; Jia M & Z Zhang, 'Critical mass of women on board of directors, multiple identities and corporate philanthropic disaster response: Evidence from privately owned Chinese firms', *Journal of Business Ethics*, 118, 2, 2018, pp. 303–317.

24 Ernst & Young, 'Women: The next emerging market', https://assets.ey.com/content/dam/ey-sites/ey-com/en_gl/topics/growth/WomenTheNextEmergingMarket.pdf, accessed 30 July 2019.

25 Storvik A & M Teigen, *Women on Board: The Norwegian Experience*, Friedrich Ebert Stiftung, June 2010, https://library.fes.de/pdf-files/id/ipa/07309.pdf, accessed 30 July 2019; *The Economist*, 'Ten years on from Norway's quota for women on corporate boards', 17 February 2018, https://www.economist.com/business/2018/02/17/ten-years-on-from-norways-quota-for-women-on-corporate-boards, accessed 30 July 2019.

create problems owing to a lack of depth in the pool of board-ready women. This can lead to the 'golden skirt phenomenon', where a few women accumulate board positions,[26] or to tokenism, thereby defeating the spirit of the quota prescription.

Legislating or incorporating gender elements in regulatory policies is increasingly used in many African jurisdictions. For instance, Kenya and South Africa constitutionally reserve board positions for women in state-owned enterprises.[27] In 2012, the Central Bank of Nigeria also mandated that Nigerian banks should reserve 30% of their board seats and 40% of management positions for women.[28] Corporate governance codes such as South Africa's King IV Report and the Nigerian National Code of Corporate Governance provide that board appointments should ensure diversity through a variety of attributes, including gender diversity.[29]

One major criticism of board gender quotas is that they could de-emphasise meritocracy and have unintended consequences. Although this is a valid concern, recent studies argue that board gender quotas could actually increase the overall competence of a board by displacing less competent men.[30] Rather than being merit driven, board appointments are often made through social networks and other informal recommendations. As a result, less competent men could arguably be appointed to a board based on their connections rather than competency. Voluntary targets, which may vary by country and sector, should be set. These targets could eventually graduate to mandatory quotas, especially where targets are not reached.

2 Company diversity commitments

Many listed companies already have a gender diversity policy professing their commitment to women's inclusion.[31] In South Africa, for example, commitment to a gender policy has been required since 2017 before a company can list on the Johannesburg Stock Exchange.[32] While this is a positive step, such policies are an insufficient measure of a company's commitment. It is essential that companies move from rhetoric to substantive action to demonstrate their legitimate commitment.[33]

26 Huse M, *The 'Golden Skirts': Changes in Board Composition Following Gender Quotas on Corporate Boards*, BI Norwegian Business School, https://www.anzam.org/wp-content/uploads/pdf-manager/473_ANZAM2011-148.PDF, accessed 30 July 2019.

27 AfDB, *op. cit.*, p. 38.

28 *Ibid.*, p. 39.

29 See Institute of Directors Southern Africa, *King IV: Report on Corporate Governance for Southern Africa 2016*, https://c.ymcdn.com/sites/iodsa.site-ym.com/resource/collection/684B68A7-B768-465C-8214-E3A007F15A5A/IoDSA_King_IV_Report_-_WebVersion.pdf, accessed 30 July 2019; Nigerian National Code of Corporate Governance, 2018, Part A, section 1 (2.1), https://assets.kpmg/content/dam/kpmg/ng/pdf/advisory/2018-Nigerian-Code-of-Corporate-Governance.pdf, accessed 30 July 2019.

30 Besley T *et al.*, 'Gender quotas and the crisis of the mediocre man', *LSE Business Review*, 13 March 2017, https://blogs.lse.ac.uk/businessreview/2017/03/13/gender-quotas-and-the-crisis-of-the-mediocre-man/, accessed 16 April 2019.

31 Business Engage Association, *The State of Gender on JSE Listed Boards 2017*, 2018, https://www.businessengage.co.za/wp-content/uploads/state-of-jse-listed-board-2017-low-res.pdf, accessed 30 July 2019.

32 *Ibid*.

33 Legitimacy theory holds that substantive actions confer higher legitimacy on business than symbolic actions such as diversity policies, which in themselves are inadequate and passive. See Suchman M, 'Managing legitimacy: Strategic and institutional approaches', *Academy of Management Review*, 20, 3, July 1995, pp. 571–610.

Towards this end, businesses should develop board policies with specifics on term limits and recruiting beyond the usual network. This includes demonstrating their commitment to develop and contribute to the pipeline of eligible women by training promising candidates from mid-level to senior management.

3 Incentives to grow the board-ready pool of women candidates

Beyond voluntary targets and mandatory quotas, additional incentives should exist to encourage businesses to improve inclusivity. For instance, a system of rewards or recognition from government for contributing to the board-ready pool of women candidates could influence organisational behaviour towards more concrete action. A 'name and fame' culture, in which companies are recognised and awarded by non-governmental organisations, sector regulators, industry or business membership associations would contribute further towards propelling company transformation.

4 Male advocacy

The support of men is critical to change the gender imbalance evident on corporate boards. Men should be enticed to move to the forefront of advocating for change in the gender status quo. They have considerable power to do so, as they not only occupy most board positions but are also actively involved in the board appointment process through nomination committee positions and referrals from their social networks. Moreover, there are intuitive arguments why men should promote gender inclusivity. These are based on men's self-interest and family relations; men are often husbands and have daughters whose welfare they should promote. This means they should be interested in empowering women and changing the current social dynamics that tend to reinforce the gender status quo. Men have a role, and should be included in the work of women's empowerment advocacy generally.

5 Mentoring and education for women

Mentorship programmes are key to preparing board-ready pools of female candidates. Besides advocating for improved opportunities for girls to complete secondary and tertiary education, the capacity needed for serving on corporate boards is acquired over a long period; a special mentoring programme can be helpful in this regard. For example, a formal career-planning programme targeting women could be designed at an organisational or sectoral level that will involve more experienced directors.

Conclusion

While women's empowerment is mostly seen as a 'women's issue', it should rather be treated as a governance issue. The implementation of the policy proposals discussed above is aimed at achieving true inclusion. In order to realise the real intent of the clamour to reduce the board gender gap, appointments must go beyond tokenism.

Policy recommendations

- The quota system and voluntary targets should be used to correct the historical shortfall of women on boards.
- Several organisations already have gender diversity policies. Companies should now focus on moving from rhetorical commitments to substantive actions.
- In addition to voluntary targets and quotas, other incentives should be explored to encourage businesses to begin improving inclusion in top corporate structures.
- The conversations on women empowerment are still largely women-centred. By ensuring that men are also involved in these conversations, the direction of advocacy and the social dynamics thereof could be changed.
- Mentoring and improved educational opportunities for girls and women are essential.

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Cover image

The management team are sat round the conference table looking through at the companies performance figures for the month, a senior member of staff, possibly the business owner or director is sat smiling to camera as the meeting continues behind her (Stock Photo/Getty Images)