



Women on Top: A Boardroom Story



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FEMALE REPRESENTATION LANDSCAPE IN BOARDROOMS

GLOBAL

Although Boardroom Diversity Is Increasing, Women Remain Underrepresented, and Progress Is Slow.

- Of the 2,765 MSCI ASWI Index companies, 20.0% of directors were women in 2019, up from 17.9% in 2018.
- An analysis of more than 8,600 companies in 49 countries showed women held 16.9% of all global board seats in 2018, up from 15.0% in 2016.
- Only 5.3% of board chair positions were held by women in 2018.
- Companies with a woman board chair were more likely to have a larger share of women board members (28.3%) compared to companies with men board chairs (17.1%).
- Nearly three-quarters (71.8%) of MSCI ACWI companies located in jurisdictions with established compulsory quotas had at least 30% women directors in 2019.
- Among companies located in jurisdictions with no elective or compulsory gender quota requirements, only 20.3% of boards reached the 30% women director threshold, and 23.0% had no women directors.

Women's Global Representation on Boards, 2019						
Country	% Women Directorships, 2019	% Women Directorships, 2016	% With Three or More WOB, 2019	% With 1-2 WOB, 2019	% With Zero WOB, 2019	Quota and Year Introduced
Australia	31.2%	26.0%	58.2%	40.3%	1.5%	No
Canada	29.1%	22.8%	63.0%	35.9%	1.1%	Pending
France	44.3%	37.6%	98.6%	1.4%	0.0%	Yes, 2010
Germany	33.3%	19.5%	81.0%	17.2%	1.7%	Yes, 2015
India	15.9%	12.8%	21.3%	78.8%	0.0%	Yes, 2013
Japan	8.4%	4.8%	3.4%	63.2%	33.4%	No
Netherlands	34.0%	18.9%	65.2%	34.8%	0.0%	Yes, 2013
Sweden	39.6%	35.6%	96.6%	3.4%	0.0%	Yes, 2016
Switzerland	24.9%	17.5%	48.8%	51.2%	0.0%	Pending
United Kingdom	31.7%	25.3%	82.2%	17.8%	0.0%	No
United States	26.1%	20.3%	56.2%	42.8%	1.0%	CA Only, 2018

*For reference, view 'Reference' section.

UNITED STATES

Boards in S&P 500 and *Fortune* 500 Companies Are Gradually Diversifying.

- More than one-quarter (26%) of S&P 500 board directors are women, a record high.
- There are no all-male boards in the S&P 500; all companies have at least one woman director.
- Despite reaching these milestones, the representation of women on S&P 500 boards continues to be low.
- On average, boards today have 2.8 woman directors, compared with 1.7 a decade ago.
- Only 8% of boards include just one woman, an improvement from 36% in 2009.
- In 2019, women accounted for almost half (46%) of new board directors in the S&P 500.
- Women of colour were 10% of new directors.
- Women are also underrepresented on *Fortune* 500 boards. In 2018, fewer than one-quarter (22.5%) of board directors were women.
- In the same year, women of colour accounted for only 4.6% of board directors in the *Fortune* 500.

- **Quotas in the United States:**

- ✓ In September 2018, California became the first state to introduce quotas requiring publicly traded companies to include women on their boards of directors.
- ✓ Illinois, Massachusetts, New Jersey, and New York have all introduced legislation aiming to improve the representation of women on corporate Boards.

EUROPE

In the European Union, Quotas Are Improving Progress.

- As of October 2018, women held 26.7% of board seats in the largest publicly listed companies in EU member states.
- Women comprised 6.7% of board chairs in 2018, which more than doubled from 3.3% in 2012.
- Nine of the top 10 countries ranked by the percentage of companies with three or more female directors were in Europe; all but one of these countries (UK) have gender quotas in place.
- As in 2018, European company in the MSCI ACWI Index had at least one female director.

CANADA

Nearly a Quarter of *Financial Post* 500 Board Seats Are Held by Women.

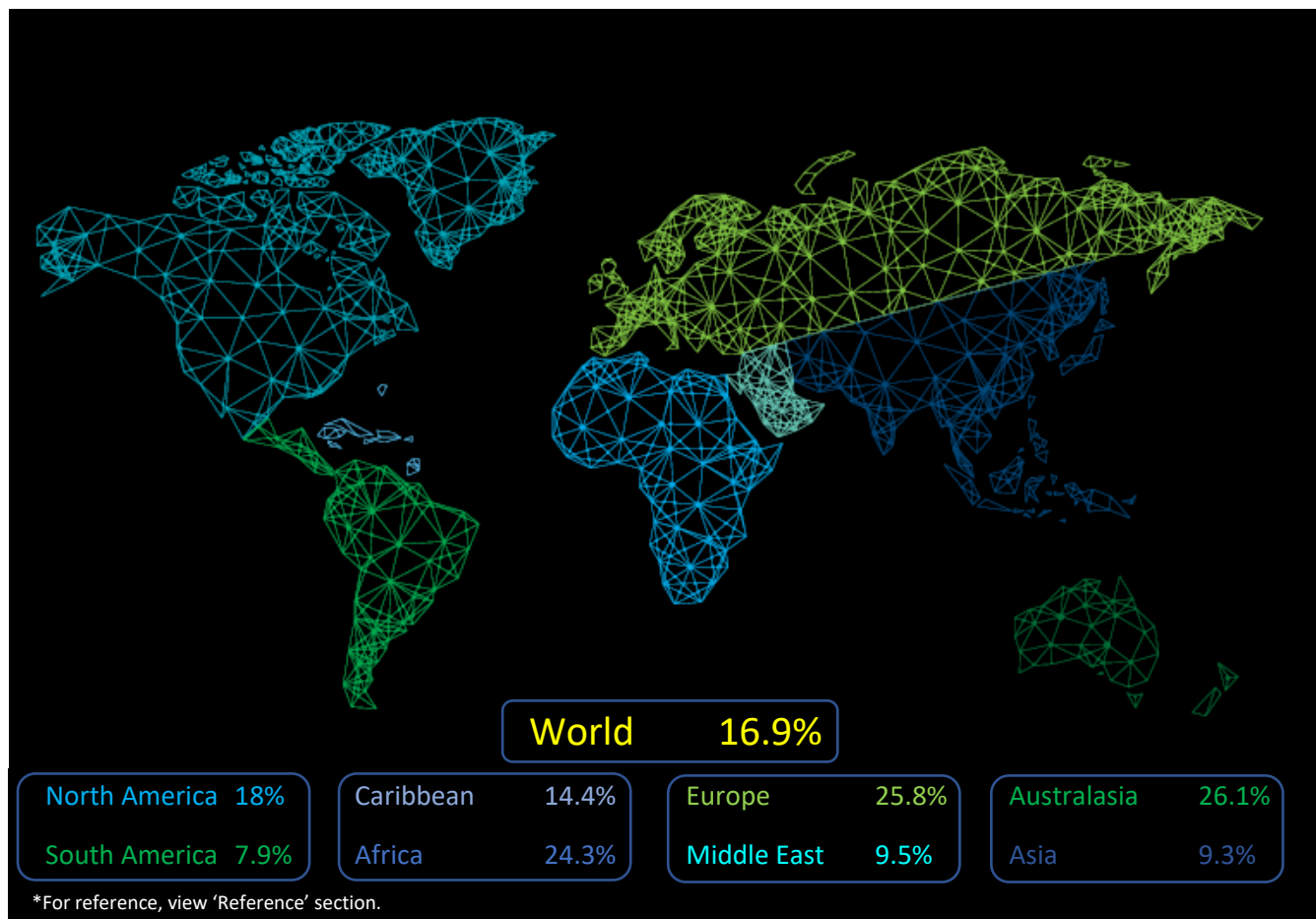
- Women held nearly one-quarter (24.5%) of *Financial Post* 500 board director seats in 2018, up from 22.6% in 2017.
- Almost half (43.7%) of board directors in *Financial Post* 500 companies indicated that **their board had a target for the number of women on their boards** in 2018.
- Of all *Financial Post* 500 companies, 15% had no women on their board.
- **TSX Boards Have Made Some Progress:**
 - ✓ Of the 726 companies on the TSX reporting women board director data, companies reporting zero women on their boards declined from 37.3% in 2017 to 31.7% in 2018.
 - ✓ All 240 companies on the TSX Composite (representing roughly 70% of total TSX market cap) now have at least one woman board director.

THE BENEFITS OF GENDER-BALANCED BOARDS

Women Need to Hold at Least Three Board Seats for Companies to Reap Diversity

- In 2019, slightly more than one-third (36%) of global (MSCI ACWI¹) boards had at least three women, up from 32% in 2018.
- Research from scholars and organizations has found that women need to hold at least three board seats to create a “critical mass,” which can lead to better financial performance). Reaching critical mass can change boardroom dynamics substantially, creating an environment in which innovative ideas can spring from gender diversity.
- Women’s board tenures are shorter, and women are less likely to hold leadership positions than men. Women holding leadership positions on boards is positively associated with other women directors having longer board tenures.
- Recognizing the value of gender-diverse boards, institutional investors are starting to vote against all-men boards in US companies.

SCENARIO OF BOARDROOMS IN THE WORLD



The global, regional, and country analysis are based on a dataset covering nearly 8,648 companies in 49 countries – more than 136,058 directorships – spanning Asia Pacific, the Americas, and EMEA, unless otherwise noted.

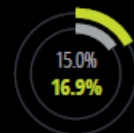
Statistics defined

- **Total companies analysed:** The sample size for each country profile's analysis.
- **Percentage of board seats held by women:** Calculated by dividing the number of board seats held by women by the total number of board seats in a given sample. The same methodology applies for the percentage of board chairs that are women, CEOs and CFOs that are women, and for the statistics provided for committees.
- **Women on boards:** Denotes the total number of women holding directorships in a given country based on available data. Since an individual may hold more than one board seat across multiple companies, this number may be less than the total number of board seats held by women.
- **Stretch factor:** Calculated by dividing the total number of board seats occupied by women/men in a given country by the unique number of women/men on boards in that particular country. The higher the stretch factor, the greater the number of board seats occupied by the same woman/male director in a given country. A stretch factor of 1 indicates that all board seats in a given sample are held by different women/men.
- **Women on boards with female/male CEO:** Denotes the % of board seats held by women in companies with a female CEO versus the % of board seats held by women in companies with a male CEO.
- **Women on boards with female/male chair:** Denotes the % of board seats held by women in companies with a female chair versus the % of board seats held by women in companies with a male chair.
- **Top five industries with highest percentage of women:** Industry classifications were grouped into six different industries: *financial services*; *consumer business*; *technology, media, and telecommunications*; *manufacturing*; *energy and resources*; and *life sciences and health care*. For each of these industry sectors, the % of women serving on boards was calculated by the number of board seats held by women in a given industry sector divided by total number of board seats within that given industry sector.

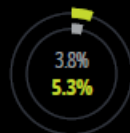
GLOBAL OVERVIEW

WOMEN ON BOARDS

■ 2018 ■ 2016



BOARD SEATS
HELD BY WOMEN



BOARD CHAIRS
THAT ARE WOMEN



10,856

WOMEN
ON BOARDS



8,648

TOTAL COMPANIES
ANALYZED

AVERAGE TENURE (YEARS)

■ 2018

8.0

Men

5.5

Women

BOARD MEMBER

7.7

Men

5.4

Women

CHAIR

AVERAGE AGE (YEARS)

■ 2018

60.9

Men

57.0

Women

BOARD MEMBER

63.1

Men

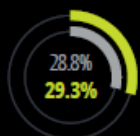
59.4

Women

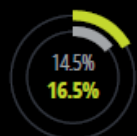
CHAIR

WOMEN ON BOARDS WITH

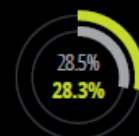
■ 2018 ■ 2016



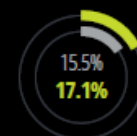
FEMALE CEO



MALE CEO



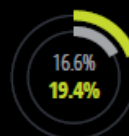
FEMALE CHAIR



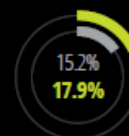
MALE CHAIR

TOP INDUSTRIES WITH THE HIGHEST PERCENTAGE OF WOMEN ON BOARDS

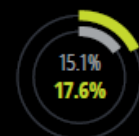
■ 2018 ■ 2016



CONSUMER
BUSINESS



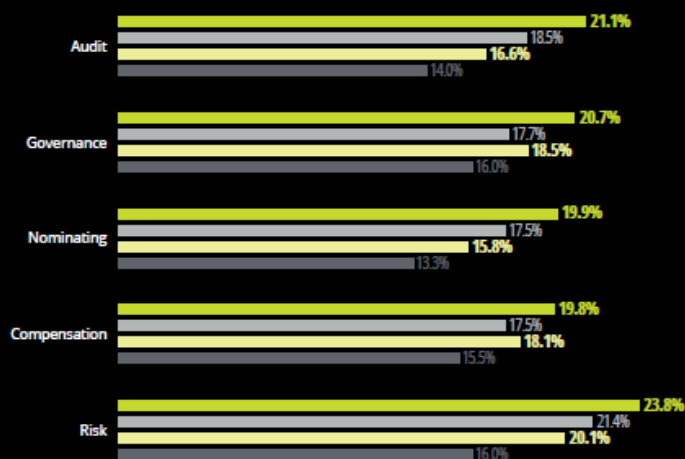
LIFE SCIENCE &
HEALTH CARE



FINANCIAL
SERVICES

WOMEN BOARD COMMITTEE PRESENCE

■ Members (2018) ■ Members (2016) ■ Chairs (2018) ■ Chairs (2016)



STRETCH FACTORS

■ 2018 ■ 2016

1.17

Men

1.31

Women

1.26

CEOS THAT ARE WOMEN

■ 2018 ■ 2016

3.9%

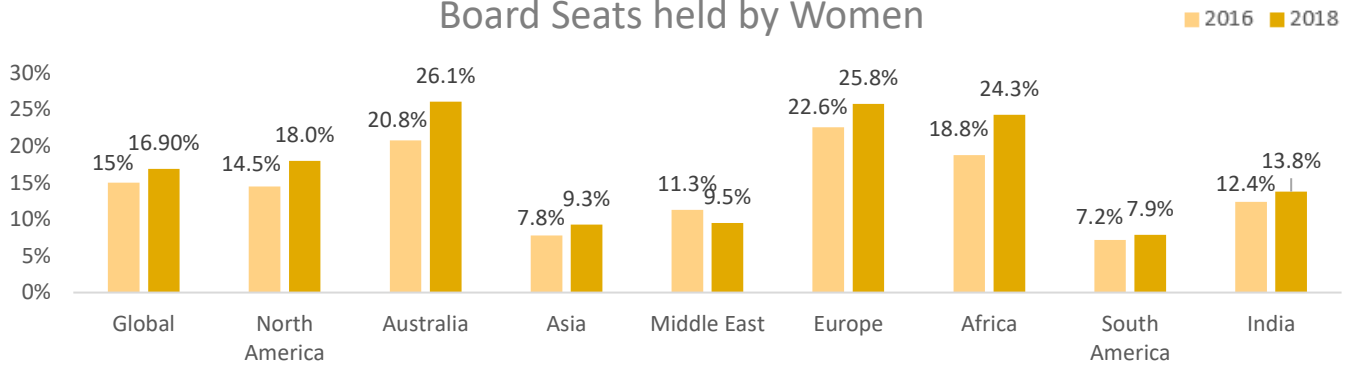
4.4%

CFOS THAT ARE WOMEN

■ 2018

12.7%

Board Seats held by Women



Average Tenure in 2018 (Years)

Board Member



Chair

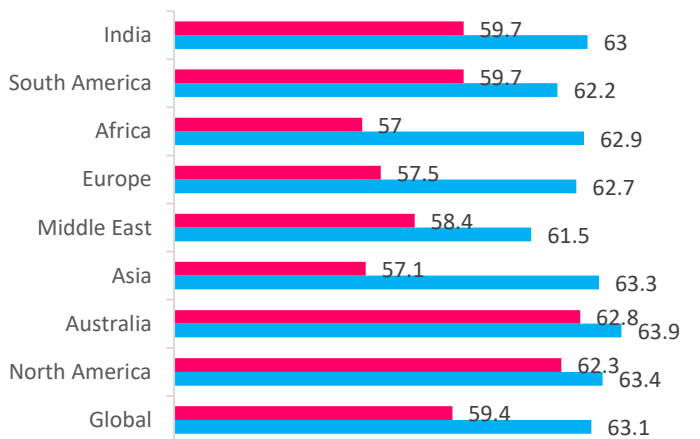


Average Age in 2018 (Years)

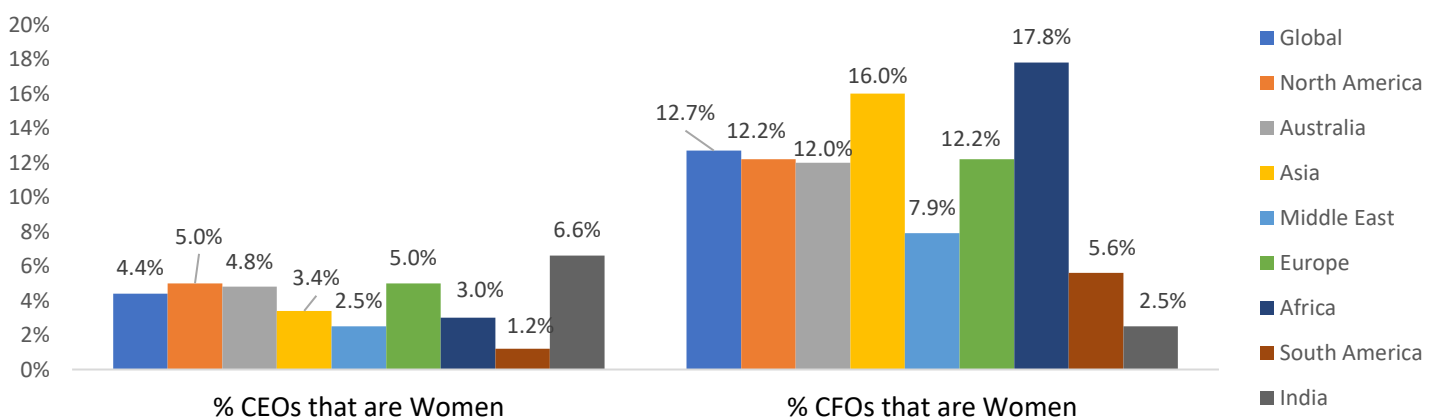
Board Member

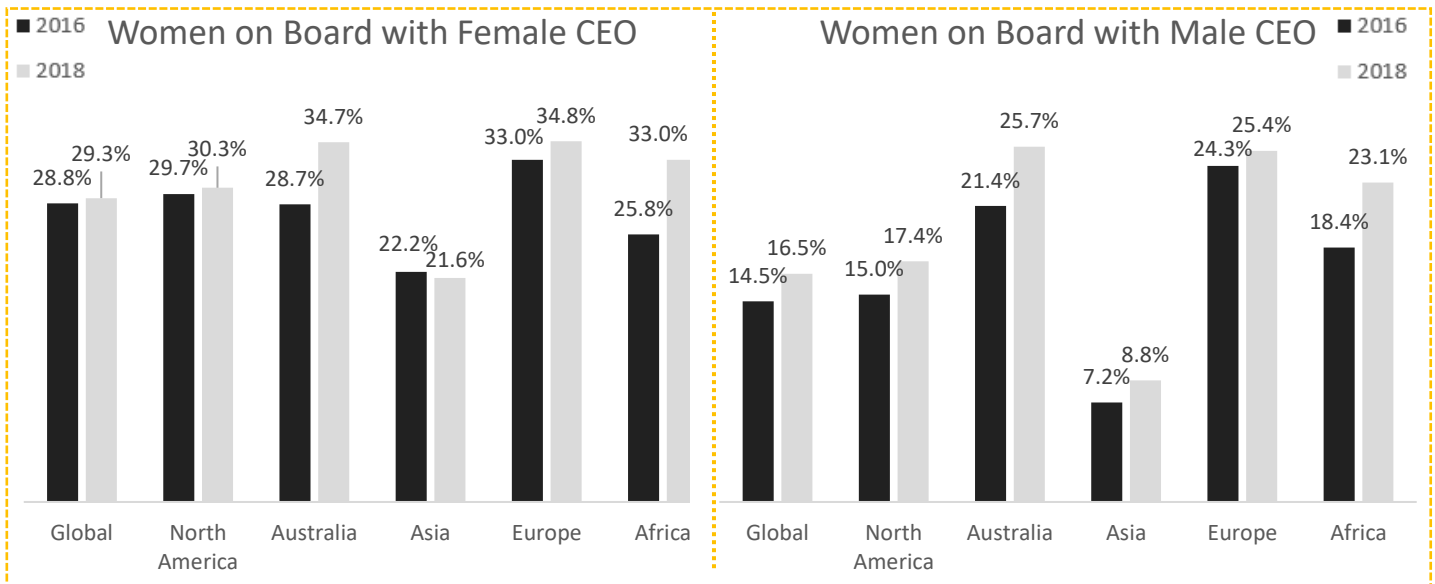


Chair



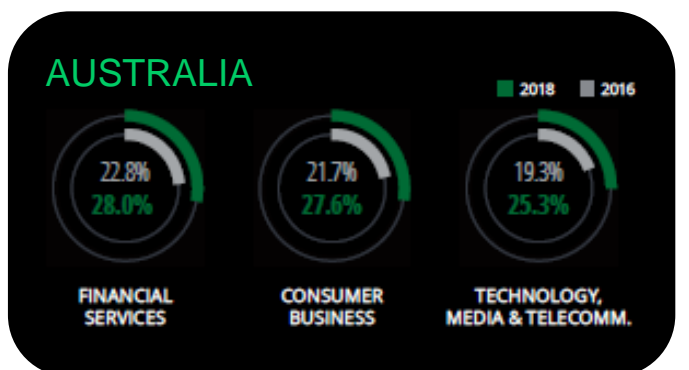
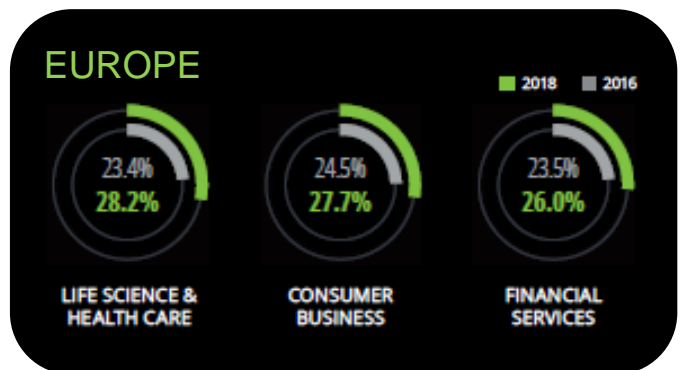
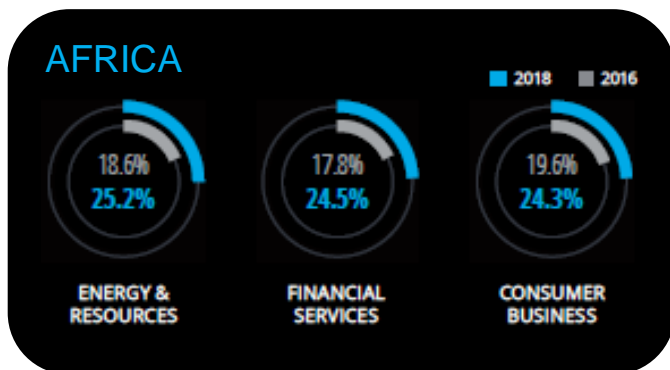
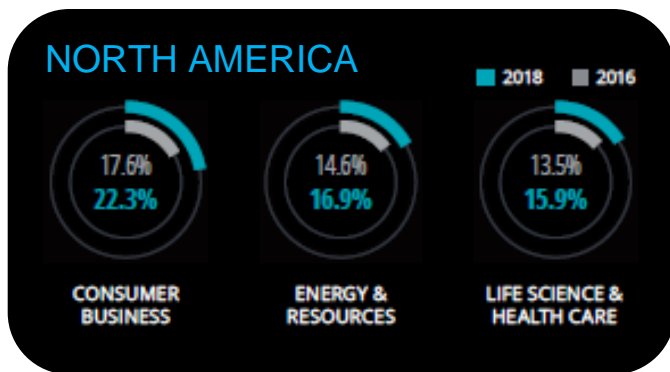
% of Women as CEOs & CFOs





*For reference, view 'Reference' section.

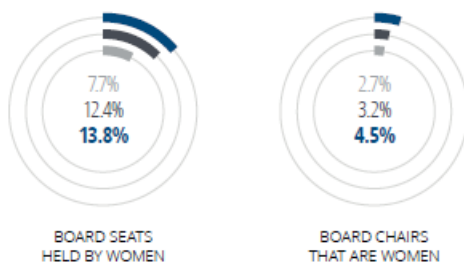
Top Industries with Highest Percentage of Women on Boards



*For reference, view 'Reference' section.

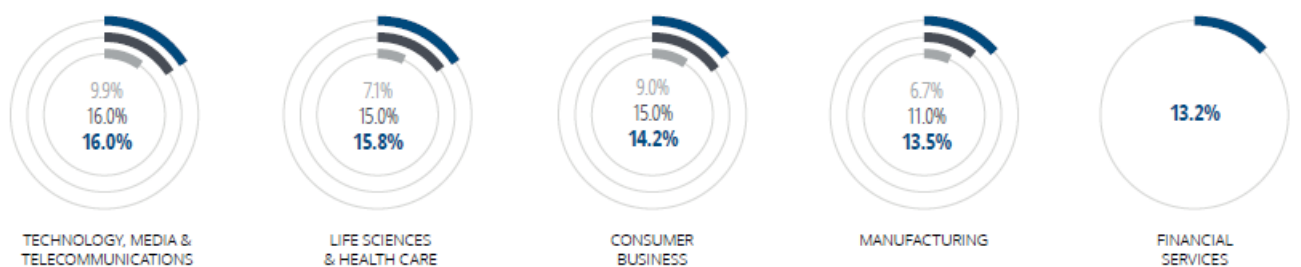
INDIAN SCENARIO OF BOARDROOMS

OVERALL NUMBERS

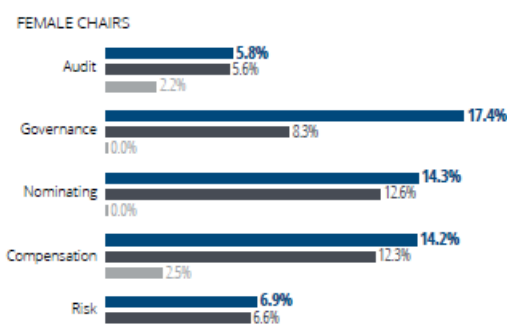
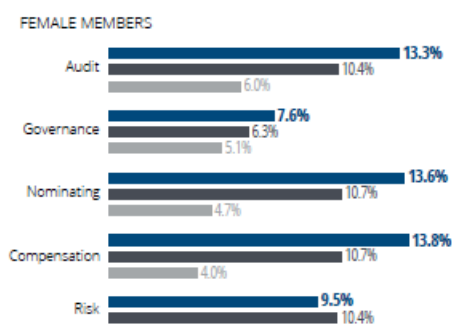


AVERAGE TENURE (YEARS)		AVERAGE AGE (YEARS)		STRETCH FACTOR		
8.0	5.0	61.8	57.5	1.21	1.22	1.22
Men	Women	Men	Women	2014	2016	2018
BOARD MEMBER		BOARD MEMBER		WOMEN		
9.5	8.1	63.0	59.7	1.15		
Men	Women	Men	Women	2018		
CHAIR		CHAIR		MEN		

TOP INDUSTRIES WITH THE HIGHEST PERCENTAGE OF WOMEN ON BOARDS



COMMITTEES



*For reference, view 'Reference' section.

Quotas

Listed companies and other large public limited companies in India are required to appoint one or more women to their boards under the Companies Act of 2013.¹ Vacant board seats previously held by female director are required to be filled by other females within three months of the vacancy or by the company's next board meeting whichever is later. The Securities and Exchange Board of India (SEBI) recently introduced a provision under its listing requirements addressing gender diversity.³ Boards of the largest 500 listed companies, as ranked by market cap,

were required to have at least one female independent director by April 2019. The remainder of the top 1,000 listed companies have until April 2020 to comply.

Other initiatives

The Insurance Regulatory Authority of India's governance guidelines⁴ reinforce that insurance company boards should follow the Companies Act of 2013 requirement to have at least one female board member. This broadens the scope of the act to include unlisted insurance companies, for which the IRDA is the primary regulatory body.

Country	Percentage	% Change (2016)	Country	Percentage	% Change (2016)
Norway	41	-1	Thailand	14.2	2.5
France	37.2	3.9	Colombia	13.9	-0.6
Sweden	33.3	1.6	Philippines	13.9	3.5
Finland	31.9	7.2	India	13.8	1.4
New Zealand	31.5	4	Singapore	13.7	3
Belgium	30.5	2.9	Turkey	13.2	1.7
Italy	29.3	1.2	Luxembourg	12	-2.9
South Africa	26.4	6.9	Hong Kong	11.4	1.8
Germany	26.2	6.7	China	10.6	-0.1
Australia	25.4	5	Greece	9.5	-5.9
Denmark	25.4	1.2	Indonesia	9.3	1.4
Netherlands	23	1.6	Taiwan	9.3	1
UK	22.7	2.4	Brazil	8.6	0.9
Canada	21.4	3.7	Russia	8.5	2.7
Israel	21	0.2	Cayman Islands	8.4	NA
Malaysia	20.6	6.9	Chile	7.7	1.2
Nigeria	20	-1.2	Mexico	6.5	0.5
Ireland	19.9	3.4	Morocco	5.5	1.2
Austria	19.7	3.3	Japan	5.2	1.1
Spain	19.2	2.9	Argentina	4.7	NA
Switzerland	18.4	3.6	UAE	3.8	1.7
USA	17.6	3.4	South Korea	2.4	-0.1
Portugal	17	2.1	Saudi Arabia	0.7	NA
Bermuda	15.6	NA	Qatar	0.6	-0.9
Poland	15.6	-0.5			

*For reference, view 'Reference' section.

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- MSCI is an independent research firm that develops global equity indexes; the MSCI ACWI Index contains all sources of equity returns in 23 developed and 24 emerging markets. MSCI, "MSCI ACWI Index."
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Aparajita Prasad is an IIM Ahmedabad alumna. She is a renowned Corporate Leader and Subject Matter Expert with over 15 years of experience in Business Research and Strategic Consulting across Europe and India. She has worked across many companies including Accenture, TCS, Evalueserve, Heidrick and Struggles etc. She later joined few Start-ups and contributed to their success. She has led huge teams and headed business units. Her experience spans across Strategy, Business Research, Analytics & Consulting.

Currently, she is Founder and Director of MetaConnect Consulting and also Vice President at StartUp Buddy Services. She is an investor and mentor to start-ups and on advisory board of many incubators and accelerators. She also takes many leadership training sessions. She Heads the Women Entrepreneurs Network (WEN) in India and is on Board of Directors for IIMSociety.org. She is a well-known speaker and panellist at major events.

Aparajita holds a formidable reputation of adjusting in any environment and bringing out the best in the team. Her value addition has been recognized by her employers and teammates much sooner than most leaders. She aspires to help anyone and everyone who crosses her path.

Aparajita holds a Masters in Biotechnology and MBA from IIM, Ahmedabad. She is also a Certified NLP and Life Coach. Recently she was awarded as “Prima Donna Women of Substance 2020” for her contributions.

For more details, reach out to Aparajita Prasad.

