Gender diversity within boards – a global view
Gender diversity within boards

How gender diverse are corporate boards on a global level? What are the effects of gender diversity within boardrooms? Why do regulators intervene in order to create gender diverse boards? And what is the effect of the gender diversity growth after such interventions? These are all important and interesting questions for which still no clear answer has been found in the academic literature. Also, independent organizations such as Catalyst are monitoring the process of achieving gender balanced boards closely. Given this, the topic of gender diversity gains a lot of attention by academics, practitioners and regulators. However, before jumping in to the discussion whether or not gender diverse boards are a good thing, it is important to see in which countries gender diversity within corporate boards touches the magic threshold of 30% or contains sufficient levels to have a meaningful implication within academic research.

When plotting global gender diversity within boards we see some interesting things popping up in figure 1. Norway, Sweden, Finland and South-Africa are the leading countries with average levels between 20% - 35%. On the other hand, generally, boards in Asia and South show low gender diversity levels. For example, Japan and Chile show average levels of just 1% and 2%, respectively. The European countries (except for Portugal), The United States and Canada show medium gender diversity averages varying from 10%-15%. When comparing these figures, we note that Norway has introduced mandatory gender diversity levels within boards in 2006 (Ahern & Dittmar, 2012). Also, Denmark has introduced a target that forces companies to disclose the progress of balanced gender diversity within boards in their annual reports (Catalyst, 2017).
Figure 1: Global gender diversity within boards of publicly listed companies

Note: This graph contains the average gender diversity levels within corporate boards. Data is from Thomson Reuter’s ASSET4 and the study by Chizema, Kamuriwo and Shinozawa (2016). Data for the following countries: Chile, Colombia, Czech Republic, Egypt, Hungary, Indonesia, Korea South, Morocco, Peru, Philippines, Russia, Taiwan and Thailand is extracted from Chizema et al. (2016) and represent the average levels over the period 2007-2011. Other data is from Thomson Reuter’s ASSET4 database and contain the average levels of gender diversity over the period 2003-2014. For grey shaded countries we have no data.
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Given that the levels of gender diversity are really low on a global level it will be likely that also regulators in other countries will intervene in board configuration choices which will possibly result in the introduction of gender targets or quotas. This process already has been started in for example Germany, Italy and France where publicly listed companies have to comply with mandated gender diversity levels (Catalyst, 2017). These processes have been reflected in the growth rates of gender diversity in these countries. For example, the average gender diversity level within corporate boards in Germany was just 2% in 2003. Nowadays, women occupy around 20% of the corporate board seats in Germany in 2014. Also, in Italy the average gender diversity levels faced an enormous growth over a 12 year period. The average level of gender diversity was almost 0% in 2003 and reached a 25% in 2014 in Italy. These growth rates will have (un)intended effects on board monitoring and advising duties.

References:
Thank you

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