

## **Women on Corporate Boards: The Way Forward For Zimbabwe: Drawing Lessons from Other Jurisdictions**

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### **Abstract**

*Despite tremendous interest in gender diversity in the boardroom in academic research, government policy, and corporate strategy, the number of women on Zimbabwean boards both in the private and public sector remains low. According to a 2015 study, 58.3% of the companies listed on the ZSE did not have a female board member and the few women who were appointed to company boards sat on more than one company board. Fairness, affirmative action, justice and democracy demand that women should have the opportunity to participate in business at the same level as men. The benefits arising from the appointment of women on boards in large numbers include improved financial performance and shareholder value, reduced risk of fraud and corruption, increased customer and employee satisfaction, greater investor confidence, sustainable approach to the environment and enhanced market knowledge and reputation. Socio-cultural barriers, family responsibilities, gender stereotypes and masculine corporate culture constrain women from taking up board appointments. Issues of disrespect and sexual harassment are common. Mandatory quotas, political will and support, commitments by companies, codes of corporate governance, government incentives such as tax breaks and recognition of those companies promoting gender diversity can help improve the number of women on boards. Women need to unite and support each other. The study may help other countries in Africa and the world over as the number of women on boards remains low across the globe, apart from helping in the formulation of government policy.*

**Keywords:** *Board gender diversity; challenges; Mandatory quota, Political support, mentorship and training*

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### **I. Introduction**

Despite tremendous interest in gender diversity in the boardroom in academic research, government policy, and corporate strategy, the number of women on Zimbabwean boards both in the private and public sector remains low. This has prompted the need for a study to establish the factors affecting the number of women on boards and the methods that can be employed to increase the number of women on boards. A discussion of the approaches adopted by other countries to increase the number of women on boards was made to draw lessons for adoption in Zimbabwe to increase the number of women on Zimbabwean boards. The study may help other countries in Africa and the world over as the number of women on boards remains low across the globe, apart from helping in the formulation of government policy.

#### **Background Context**

Notwithstanding the importance of gender equality and board diversity, women remain underrepresented on corporate boards in Zimbabwe, in Africa and the world (Chidziva, 2019; Kakabadse et al, 2015, Njaya & Chimbadzwa 2015). The African Development Bank (AfDB) in its 2015 report, titled *Where Are the Women? Inclusive Boardrooms in Africa's Top-Listed Companies* stated that in the 307 top African companies, women accounted for only 14% of total board membership, translating to one woman out of every seven board members. Kenya was reported as having the highest percentage of women board members at 19.8%, while Côte d'Ivoire had the lowest at 5.1%. A 2019 report by The Boardroom Africa reported that in Africa, Rwanda has the highest female board representation at 27% followed by Kenya at 24% and South Africa at 22%. Egypt was found to have the least number of women on boards at 7%. Even at 2019, the statistics remain low.

Njaya and Chimbadzwa (2015) established that 27 (or 45 %) of the companies listed on the Zimbabwe Stock Exchange had one or more women on their boards, three companies had three female board members while a majority had two or less. It was further established that more than half (58.3 %) of the companies listed on the Zimbabwe Stock Exchange (ZSE) did not have a female board member and that of the small group of women directors on listed company boards, a majority of them sat on more than one company board. Out of the companies, listed on the ZSE, twenty are made up of males only, sixteen (16) have only one (1) woman on their boards, six (6) have two (2), eleven (11) have three (3)(Chidziva, 2019). Out of the sixty (60) listed companies only five (5) are chaired by women (Chidziva, 2019).

According to a Deloitte Report entitled, *Women in the Boardroom: A Global Perspective of 2016*, women held 15% of board directorships globally up from 12% two years prior. The 2019 Women on Boards Gender Diversity Index, an annual review of gender diversity in boards of directors on the Russell 3000 Index, reported that the percentage of women on boards increased to 20.4% from 17.7% in 2018. While there is an increase in the number of women on boards, the increase and by extension the number of women on boards, is woefully low. Most company boards still have only one woman or a small minority of women directors, who can still be considered tokens (Torchia, Calabro, & Huse 2011).

#### Rationale/Justification for Including Women on Boards

The issue of board composition has gained tremendous interest due to the perceived benefits derived from diversity in boardrooms (Dang, Nguyen, & Vo, 2013). Board composition consists of board demographics and board leadership (Fauzi & Locke, 2012). Corporate governance theories support board diversity on the basis that a diverse board reduces agency costs, facilitates access to untapped resources and networks, and improves performance (Kakabadse et al, 2015). Resource dependence theorists argue that the board is an essential link between the firm and the essential resources that it needs to maximize performance (Fauzi & Locke, 2012; Yussuf & Alhaji, 2012). Women's talents are currently being underutilized at decision-making levels (Terjesen, Aguilera, & Lorenz, 2015).

The presence of more women on boards leads to more focused and strategic decision-making, increased communication, and decreased conflict (Nielson, & Huse, 2010). Women on boards can increase the effectiveness of board control as they are more strict and trustworthy than their male counterparts (Dang, Nguyen, & Vo, 2013). Women bring to the board resources such as prestige, skills, knowledge, and connection to external resources (Dang, Nguyen, & Vo, 2013; Fauzi, & Locke, 2012; Perrault, 2015). Women representation on boards provides some additional skills and perspectives that may not be possible with all-male boards (Fauzi, & Locke, 2012). A more gender-diverse board composition enhances performance if diversity is sufficiently large (Joecks, Pull, & Vetter, 2013; Konrad, Kramer, & Erkut, 2008; Oba, & Fodio, 2013; Oladi, Gerivani, & Nasibeh, 2013; Shafique, Idress, & Yousaf, 2014).

Tu, Loi, and Yen (2015) investigated the impact of gender diversity on the board of directors on bank's performance and concluded that the proportion of women on boards had a significant positive impact on the firm's performance in three countries including Vietnam, Indonesia, and Thailand. Oladi, Gerivani, and Nasibeh, (2013), found that in the desired statistical population, gender diversity had a positive relationship with stock returns. Oba and Fodio (2013) investigated the effect of a board's gender mix on financial performance and concluded that both female director presence and proportion had a positive impact on financial performance. Shafique, Idress, and Yousaf (2014) concluded that the number of women on boards had a significant impact on a firm's performance. However, Al-Mamun et al., (2013) investigated the link between firm gender diversity and economic performance based on Pakistani listed firms and found that there was no significant influence of female board members on the economic performance of Pakistani listed firms.

Women are risk-averse, prepare for meetings diligently, are objective, have integrity and are protective of the organization (Smith, 2018). When corporate giants like Enron, WorldCom, Tyco, Parmalat and Global Crossing collapsed, they were male-dominated and corporate scandals in Zimbabwe did not involve women (Sifile, et al 2015). Female board members are more independent, and they have a better understanding of consumer behaviour when compared to their male counterparts (Fauzi, & Locke, 2012). Women are believed to be more intuitive in decision making and can multitask, whereas men tend to be more task-focused (Jhunjhunwala, & Mishra, 2012). Firms having a higher proportion of women serving on their boards do engage in charitable giving to a greater extent than firms having a lower proportion of women serving on their boards (Williams, 2003).

Fairness, affirmative action, justice and democracy demand that women should have the opportunity to participate in business at the same level as men (Huse, 2014; Smith, 2018). The Convention on the Elimination of all Forms of Discrimination Against Women and the United Nations Sustainable Development Goals (SDGs) proposed in 2015 advocate for gender equality in leadership roles at all levels of decision-making, whether in political, economic or public life. The AfDB Special Envoy on Gender summed up the justification for having women on boards in the following words

Equality for women is progress for all. We need to think differently and invest in women leadership as the way to change Africa's political and economic landscape to deliver on Africa's Inclusive Growth Agenda.

Geraldine J. Fraser-Moleketi

Special Envoy on Gender

African Development Bank, 2015

It is important to note that the mere inclusion of women on boards is not a panacea to a firm's challenges neither does it result in the financial success of the firm if the other fundamentals are wrong. The number of women on boards has to be significant and meaningful and the women should have meaningful positions on the board such as chair of the board or key committees. More importantly, women on boards should

be heard and respected. The real impact of gender diversity will be felt when there are at least there or more females on the board (Hansen, et al, 2016; Konrad et al. 2008).

Gender-balanced boardrooms are better governed and economically more successful (Terjesen, & Sealy, 2016). Despite the benefits of having women on boards, women remain underrepresented on corporate boards (Brieger et al, 2017; Terjesen et al, 2015).

Reasons for the low numbers of women on corporate boards

Socio-cultural barriers faced by women explain their low representation on boards (Carrasco, et al, 2014). In Africa, the under-representation of women is explained by physiological, psychological, historical, socio-cultural and economic factors (Letza, 2017). It is generally believed that women must be docile, timid and subject to male authority (Rose, 2007). Religions contain certain precepts that tend to encourage the submission of women to men (Chizema et al, 2015). Some religions consider that the role of the woman is to take care of the house and the education of the children (Ouedraogo, 2016). The approach to gender diversity and the inclusion of women on boards varies across the world due to differences in cultural values, religious beliefs, social and historical circumstances (Fauzi & Locke, 2012). Family responsibilities, gender stereotypes and masculine corporate culture constrain women from taking up board appointments.

In some instances, women who have made it to the top are failing to promote fellow women (Dobson, & Iredale, 2006). The Norwegian gender quota legislation has resulted in the replacement of the traditional old boys' network by "Golden Skirts"- women making a living off being independent board members (Huse, 2014). The challenge is for women who have made it to the top is to help other women to get to the top. The challenge is captured in the quote below from Gloria Zvaravanhu when she said

I think as individuals we have a role to play in raising the next woman. When you get to the top are you sending the elevators down to bring up other women? I am grateful to the women who helped me get where I am right now, and I challenge other women to do the same.

Gloria Zvaravanhu,

CEO Institute of Chartered Accountants of Zimbabwe (ICAZ)

Similar sentiments were echoed by Michelle Obama, in her book, *Becoming* when she said

There had been so many times in my life when I'd found myself the only woman of colour—or even the only woman, period—sitting at a conference table or attending a board meeting or mingling at one VIP gathering or another. If I was the first at some of these things, I wanted to make sure that in the end, I wasn't the only—that others were coming up behind me.

It has been argued that there is a shortage of skilled and available ladies for appointment to boards leading to the 'golden skirt phenomenon', where a few women accumulate board positions (Huse, 2014). This claim has no basis. Local universities are churning out more female graduates each year. In 2015 close to 60% of all graduates of OECD universities were women (Smith, 2018). There is a large talent pool of women who can greatly add to the workforce, not just in terms of their gender, but in the range of experiences and competencies that they can bring to the organization. There is no shortage of qualified women for board positions (Huse, 2014). Great emphasis is placed on educational qualifications and competence when it comes to the selection of women on boards. A look at the profiles of board members makes it very clear that companies emphasize educational qualifications. In the selection of women for board appointments emphasis has been placed on education and in some instances more is expected from women compared to their male counterparts (Brieger et al, 2017). It does appear that women have to prove themselves first before they can be appointed to boards (Kakabadse et al, 2015). Women who have been appointed to boards in Zimbabwe have acquitted themselves well. Also, they are highly qualified with the majority of them holding a minimum of a first degree. Male-dominated networks often lead to the appointment of male directors. The majority of board appointments continue to be made in a largely informal process, based in the proverbial "old-boy" networks, fed by family, clan, school and business relations (Frankforter, 1996). Breaking into that circle of influence is a nightmare. Nominations for board appointments normally come from within the firm management board or shareholders (Abdullah et al, 2016). Sifile et al. (2014) argued that directors are usually selected through the influence of the Chief Executive Officer. For the Chief Executive Officer to recommend someone for an appointment, the person has to be known to the CEO. This largely explains the appointment of women to multiple boards. Diversity does not matter as much on boards where members' perspectives are not regularly elicited or valued. Lack of visibility of women in senior executive posts has been identified as another reason for the failure by women to make it into boardrooms. Visibility is a challenge for most women as most of the networking events are considered not suitable for married women due to cultural and societal beliefs.

Lack of government support in the form of the legal regulatory framework and enforcement has also been identified as some of the reasons for the low numbers of women in board positions. As argued below there is a need for a legal framework which supports board diversity. Voluntary compliance does not work. It is

important to have the supporting legal framework but it is even more important to have the will to implement such laws. Zimbabwe has subscribed to international conventions which seek to promote gender equality. It has even set up a government ministry for women's affairs. It, however, appears that the thrust of the government is political involvement and empowerment of women to promote subsistence and there is no deliberate attempt to promote business leadership. In the public sector boards to parastatals were appointed recently with indications that a female board member will be appointed in due course.

#### Challenges Women on the Boards Face

The challenges faced by women who are appointed to the board make it difficult for them to accept any other board appointments and dissuade other would-be appointees from accepting board appointments. Issues of disrespect and sexual harassment are common. Some of the crude jokes shared by men in the boardroom. Some of the challenges women on boards face are captured as follows

The stage with one woman is the invisibility phase. The stage with two women is the conspiracy phase: if the women sit next to each other if they go to the ladies room together, the guys wonder what the women are up to. Three women are the mainstream – it is normal to have women in the room and those questions go away. We agree that numbers make a difference, based on the experiences the women directors described, and we argue that there are at three reasons why. First, multiple women help to break the stereotypes that solo women are subjected to. Second, a critical mass of women helps to change an all-male communication dynamic. Third and finally, research on influence and conformity in groups indicates that three may be somewhat of a "magic number" in group dynamics, which suggests that having three women may be particularly beneficial for creating change.

The authors go on to say,

I was the only woman in a room of guys. I'm not shy, but trying to get your voice heard around the table is not easy. You can make a point that is valid. Two minutes later "Joe" says exactly the same thing, and all the guys congratulate him. It is hard, even at our level, to get your voice heard. You have to find a way to wedge in, and they realize you are not going away (Woman director). Initially it felt like I was playing catch-up. Other directors seemed to understand, and I didn't. A lot of what happened seemed to have been worked out in committees I didn't sit on or on golf courses. It was an old boy network until I asked, "How did that get decided?" Then they began to ask what I thought (Women director). They look at you sceptically as to how you got there. First you'd better show men why you're there – women don't get the benefit of the doubt. Board meetings are pretty brutal (Woman director) (Konrad, Kramer, & Erkut, 2008).

#### Lessons from Other Jurisdictions and Recommendations For Reform in Zimbabwe The imposition of Mandatory Quotas

There is debate on the appropriateness of a quota system as a way of enabling women to get corporate board appointments. Quotas are a form of affirmative action designed to help previously disadvantaged persons who may never attain their full potential without such interventions. This is the story of Zimbabwean women. Women have been previously disadvantaged and some still suffer the same challenges in terms of access to education and other opportunities in life. There is a strong case for a quota system. The quota system does not mean that women will be appointed to the board just because of their being women. The argument is that whenever there is an opening on a company board priority should be given to a qualified woman.

The quota system should be used to correct the historical shortfall of women on boards (Konrad, Kramer, & Erkut, 2008). Mandatory quotas resulted in a substantial increase in female board membership in several European countries, such as Norway where the government introduced quota legislation that required both public and state-owned companies to have 40% female board representation by 2008. Failure to comply resulted in fines or company closures. Full compliance was achieved by 2009. Spain and France implemented the same affirmative actions in 2015 and 2017 respectively. The French quota required 40% female supervisory board membership by 2017 and it applied to all firms with more than 500 employees or with a yearly turnover of €50 million or more (Blau, 2011; Sweigart, 2012). California passed a quota law in October 2018, called SB 826, for women on boards of companies headquartered in California, with deadlines in 2019 (for two women on five-person boards) and 2021 (for three women on seven-person boards). Default attracts a fine of \$100,000. The law was challenged as unconstitutional, it was argued that the law violates the 14<sup>th</sup> Amendment's promise of equal treatment before the law, and it forces people to make decisions based on sex. It was further argued that mandating gender diversity ultimately hurts women "by relegating them to quota hires and making them seem like space fillers.

Gender quotas in several countries has increased female representation on boards. The European Commission has considered a binding minimum quota of 40% by 2020 (Smith, 2018). Italy introduced a gender quota of 20% in 2011. The majority of the women appointed to boards as a result of the quota system have been found to be independent.

Politicians have created a quota for those who seek election to parliament in Zimbabwe. Section 124 of the Constitution of Zimbabwe provides that for the first ten years from 2013, an additional sixty women legislators, six from each of the ten provinces into which Zimbabwe is divided, elected under a party-list system of proportional representation based on the votes cast for candidates representing political parties in a general election for constituency members in the provinces. The Constitution further provides that the Gender Commission, a constitutional commission should be made up of a board comprising of an equal number of men and women. It is argued that such a quota system with appropriate variations can be extended to the corporate world. Chizema et al, 2015 found that there is a strong positive relationship between women in parliament and women on boards suggesting that when more women go into politics the number of women on boards is likely to increase.

A potentially negative effect of the quota law is that it could prompt listed companies to delist from the stock exchange to avoid the quota obligation. Smith (2018) argues that if a company already has an optimal board composition, imposing a binding quota for a larger share of women will alter the board composition to one that is no longer optimal. Companies, when compelled to add women to their boards, tend to increase the number of seats, and not replace incumbent men — which dilutes the female directors' power (Knippen, Shen, & Zhu, 2019).

It has been argued that the gender quota system results in the Golden Skirt phenomenon because there is a shortage of qualified women for appointment. In 2011, the Lord Davies Report in the United Kingdom recommended against mandatory quotas arguing that voluntary targets should be set and board appointments should be based on business needs, skills and ability. The quota system is often criticized on the misconception that it will result in the appointment of women to boards to ensure compliance just because they are women. The Norwegian example illustrates that educated and skilled women were appointed to corporate boards. One's gender should not be the sole criteria. The women have to be qualified and competent. Such women are available in large numbers. When female board members add value they earn the respect of their male counterparts.

Quota opponents have argued that mandatory quotas will lead to qualified men being passed over for less qualified women in board appointments and that the process will not be meritocratic, as if board appointments were based on merit. Board appointments are seldom purely meritocratic as they are often based on informal networks with a lack of transparency around the selection processes (Davies, 2011). A review of the profiles of women appointed to boards of Zimbabwean companies listed on the stock exchange will show beyond doubt that the women who are appointed to boards, are qualified and in some instances more qualified than their male counterparts. While some may lack experience, they certainly have strong academic credentials and in most cases, they have a minimum of a first degree.

It has been argued that instituting a quota produces a less-qualified board and this consequently scares away investors resulting in some companies delisting from the stock exchange. This argument is devoid of merit. Companies can institute programmes to ensure that female employees possess comparable skills to male directors, before their appointment. Those who are appointed to the board can attain skills whilst serving. Courses in company direction are relatively short and such courses can be tailor-made for the new board members. In any event, there is no shortage of qualified women to take up board seats.

#### Lessons from the Norwegian Experience

Engagement and reaching consensus before implementing the quota system- Norway witnessed an intense political and public debate leading up to the enactment of the quota law. Supporters and opponents of the quota law put forward arguments relating to equality/discrimination, diversity and the independence of companies. Ultimately the law received support from across the political divide. The Companies and Other Business Entities was recently enacted replacing the Companies Act in Zimbabwe. This was a lost opportunity to thoroughly engage and incorporate affirmative positions on gender diversity. This is not to say that the law cannot be amended.

With political will and support, a quota system can be implemented and the number of women on boards increased significantly. There was broad political support for the quota legislation in Norway. It took Norway ten years of engagement and lobbying before the enactment of the quota law. While the initial proposal of quotas caused an uproar, female board membership reached the required 40% threshold by 2009 (Storvik, & Teigen, 2010). The quotas were initially voluntary, but compliance was minimal (Dowling, 2010). In 2006, the targets became mandatory so that publicly listed companies had to implement 40% female board membership by 2008. A violation of Norway's Companies Act, including the gender quotas, became punishable by the

dissolution of the corporation. Politicians are key in enacting the necessary laws and ensuring that violations are punished. The Norwegian government created a database of available female candidates and corporations could evaluate such candidates and select from those on the database making the selection process relatively easier (Ahern, & Dittmar, 2011). There has to be the political will to enact the law and to ensure the enforcement of the law.

Enforcement- No sanctions, no success: The successful implementation of the quota law was due mainly to sanctions, including dissolution of non-compliant companies. When there were no sanctions in the initial phase, companies did not widely implement the policy voluntarily (Dowling, 2010). Most listed companies in Zimbabwe claim to abide by the King IV report on Corporate Governance. This is open to doubt. Companies pay lip service to compliance. Further, the code is a voluntary code and compliance is not mandatory. There are no sanctions for non-compliance. King IV, in principle 7 requires that the governing body be diverse in terms of academic qualifications, experience, skills, nationality, race, age and gender. Most listed companies in their annual reports indicate that they follow King IV. Interestingly very few companies report on the diversity of their boards. Some claim to respect diversity but their boards lack diversity.

It is refreshing to note that some companies report on the gender composition of their workforce. In its 2019 annual report, First Mutual Holdings reported that out of its workforce of 714 employees, 46 % are female while 54% are male. The company also reported on its board gender composition as 30% female and 70% male. One Company listed on the ZSE, whose board is made up of 14 directors of whom only one is female, wrote in its 2019 annual report

The Board, concerning gender and race, represents as far as possible the demographics of the markets that the company operates in. Every board member contributes the appropriate Knowledge, skill, resource, objectivity and experience as required by the company.

Development of a pool of talent, training and mentorship-A number of databases were established for women to register and for companies to search for talents in Norway. The Norwegian employers' association created a Female Future« training programme that companies could join and send their employees to. Some of the arguments advanced for the low numbers of women on boards are that the women are not visible-companies do not know where to find qualified women to appoint to their boards and there is a shortage of qualified women. These challenges can be easily addressed by creating a pool of qualified, competent and available women for selection. The Institute of Directors of Zimbabwe, professional bodies such as the Chartered Accountants of Zimbabwe or The Law Society of Zimbabwe, as well as women's groups can create a database of qualified women ready and available for selection. Such bodies can also provide training and mentorship, preparing women in company direction. In the public sector, the corporate governance unit housed in the office of the president keeps a database of potential appointees. It is however argued that it is important that the database is utilized and people in the database who are competent be appointed. Unfortunately in the public sector in Zimbabwe, we have witnessed the appointment of similar faces to two or more boards putting into question the usefulness of the database. The selection of board appointees should be transparent. The time has come for companies to move from the selection process shrouded in mystery which tends to favour those who are in the networks of those in positions of authority.

Women in board positions can act as role models and mentors to women in senior leadership positions and the girl child. There must be an interaction between women in positions and the girl child at an early stage so that those women in leadership can inspire the girl child. Mentorship programmes are key to preparing board-ready pools of female candidates. Women need to support and encourage each other. The mentees need to avail themselves for mentorship. Women need to improve their visibility. This they can do by serving on non-profit boards and private companies and this way they will gain the necessary board experience. Ensuring that there are good female candidates for board positions requires widening the pipeline of women progressing to senior management and top executive positions (Smith, 2018).

Women taking up independent directorships- Women filled up most of the seats for independent directors and took up seats on most of the important committees such as auditing, nomination and compensation (Huse, 2011). Independent directors in the strict sense should be appointed for their independence and expertise not because they are known to someone on the board or in management. The challenge is for women to distinguish themselves and make themselves visible as experts. They need a platform to display their skills and competencies. One platform which women can exploit is non-profit making and community-based organisations.

#### Gender Diversity Commitments by Companies

Some companies have gender diversity policies professing their commitment to women's inclusion. Such policies should provide for a transparent and inclusive recruitment policy which extends beyond the usual social network. Companies should commit and participate in the pipeline of eligible women by training promising candidates from mid-level to senior management. It is important that companies which commit to

gender diversity report periodically on the implementation of their policies and the steps that they will be taking to promote compliance such as training and mentorship.

Reporting on diversity, recruitment, retention, and the promotion of women is a critical step in assessing the availability of a pool of skilled women board members and informs policy on measures to increase the number of women who are qualified and available for board appointments. The disclosure can be voluntary or mandatory. As shown above, First Mutual Holdings reported on the gender composition of its workforce and board in 2019. Attaining equality is always preferred but taking the initial step to report on diversity is commendable. The reports should encourage other companies to follow suit. Further such steps should be acknowledged and praised. JSE listing requirement item 3.84i states; the board of directors or the nomination committee, as the case may be, must have a policy on the promotion of gender diversity at board level. The issuer must confirm this by reporting to shareholders in its annual report on how the board of directors or the nomination committee, as the case may be, have considered and applied the policy of gender diversity in the nomination and appointment of directors. If applicable, the board of directors or the nomination committee must further report progress in respect thereof on agreed voluntary targets.

In its 2019 annual report, First Mutual Holdings reported that out of its workforce of 714 employees, 46 % are female while 54% are male. The company also reported on its board gender composition as 30% female and 70% male. In its Abridged annual report for 2018, at page 3, First Capital Bank, a bank listed on the Zimbabwe Stock Exchange said

The First Capital Bank Board recognises the importance of diversity and inclusion in its decision-making processes. The board is made up of six independent non-executive directors, three non-executive directors and two executive directors. Three members of the board (27%) are female. The Board members have an array of experience in commercial and retail banking, accounting, legal, corporate finance, marketing, business administration, economics, human resources management and executive management.

#### **Incentives for Promoting Women and Developing a Pipeline of Talent**

A system of rewards or recognition from the government for contributing to the board-ready pool of women candidates could influence organisational behaviour towards more concrete action. Recondition of companies which promote gender diversity by the regulator or independent bodies or business membership associations would contribute further towards propelling company transformation. The Institute of Directors of Zimbabwe recognizes the best director each year. It must consider adding awards such as the most or best-diversified board, recognize and award companies which will be taking steps to promote gender diversity through training for instance. It may be appropriate that the Stock Exchange requires its members to report on the number of women on their boards and the positions those women hold. This will bring the issue of gender balance to the fore.

Companies can help address the issue of the alleged capacity and shortage of skilled women by funding the training of women in company direction and recruiting women so trained (Chidziva, 2019). The government on its part instead of forcing companies to appoint women on their boards may grant incentives or tax breaks to companies which fund the training of women in company direction and further incentives to companies which appoint to their boards women so trained. The Spanish Law gives preferential treatment in awarding government contracts to companies which surpass the quota.

Building a strong pipeline of female talent is key in promoting more women on boards. This requires the commitment of the firm and its leadership. Companies must take into account women's peculiar needs and promote flexible working conditions. Companies need to take into account maternity, paternity and child care needs of their workforce. Increasing the number of women in senior management positions creates a pipeline of women for board appointments.

#### **Male Advocacy- involve men and the male child in the campaign for board diversity**

The support of men is critical to change the gender imbalance evident on corporate boards. Men have considerable power to influence a change in policy and attitude 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. The boy child must be incorporated in activities which promote gender equality when still young. If male children are taught the importance of equality growing up they are more likely to embrace and implement equality when they assume positions of authority.

In Zimbabwe, there are several women empowerment organisations. Women's organizations can make an impact if they unite. They seek to pursue the same aims but are divided by nothing other than power. The challenge is for women to unite.

There is a great framework for women empowerment but it is being underutilized. There is a whole ministry of government responsible for women affairs, a gender commission established in terms of the supreme law, a whole bank for women empowerment, a women's university, women's organisations – all this

infrastructure if put to good use, will propel women to greater heights. Local organisations can partner with international organisations. The Boardroom Africa, established in 2016 seeks to advance women's representation on boards in business in Africa by linking potential candidates for board appointments with boards of directors, as well as advising female candidates on career opportunities. It maintains a data base of women candidates and maintains a pipeline of female candidates for board appointments. Women on Boards in the UK (WOB UK), is an open network, including men, which provides information, encouragement and connections to its members to help them realise their ambitions.

### **Corporate Governance Codes**

Codes of Corporate governance can require companies to address the issue of board diversity in their annual reports, with a duty to explain the steps being taken to address board diversity, challenges faced and steps being taken to overcome such challenges. In Kenya, The Code of Corporate Governance Practices for listed Companies of 2015, requires each listed firm to have the policy to achieve diversity in board composition and measures to implement the diversity policy. Through the Nairobi Stock Exchange Leadership and Diversity Dialogue, leaders of listed companies engage in discussing challenges in implementing diversity, sharing experiences and making recommendations for reform to the stock exchange. It may well be argued that such initiatives have contributed to the success enjoyed in Kenya. According to the AfDB report of 2015, Kenya had the highest percentage of women on boards in Africa at 19.8%. In Sweden for example, the Swedish Annual Accounts Act requires companies to disclose information on the gender proportionality their managers in the companies' annual reports. King IV, in principle 7 requires that the governing body be diverse in terms of academic qualifications, experience, skills, nationality, race, age and gender. Most listed companies in their annual reports indicate that they follow King IV.

## **II. Conclusion**

The number of women on Zimbabwean boards both in the private and public sector remains low. Fairness, affirmative action, justice and democracy demand that women should have the opportunity to participate in business at the same level as men. Diversity in skills, experiences, qualifications, race, gender, and views is critical to the success of businesses. The benefits arising from the appointment of women on boards in sufficient numbers include improved financial performance and shareholder value, reduced risk of fraud and corruption, increased customer and employee satisfaction, greater investor confidence, sustainable approach to the environment and enhanced market knowledge and reputation. Mandatory quotas, government support, commitments by companies, codes corporate governance, incentives by the central government and recognition of those companies promoting gender diversity can help improve the number of women on boards. With political support and supporting the legislation as well as training and mentorship, the ideal of board equality can be achieved. It took Norway three years to achieve 40 % female board membership. It can be done. Board recruitment practices need to change to embed diversity and transparency. Recruitment should go beyond personal or headhunters existing networks to open, skills-based recruitment and recognise having a range of perspectives on the board. Some companies are now inviting applications for board appointments and appointments are based on merit. A well-balanced board should have diversity in gender, but also in board members' ethnicity, career path and background (Creary, et al, 2019).

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