



# She Matters: Women in Kazakhstan Corporate Leadership

© International Finance Corporation 2021. All rights reserved.

2121 Pennsylvania Avenue, NW.

Washington, DC 20433

Internet: [www.ifc.org](http://www.ifc.org)

**International Finance Corporation (IFC)** is an international organization established by Articles of Agreement among its member countries and is a member **of the World Bank Group (WBG)**.

The material in this work is copyrighted. Copying and/or transmitting portions or all of this work without permission may be a violation of applicable law. IFC encourages dissemination of its work and will normally grant permission to reproduce portions of the work promptly, and when the reproduction is for educational and non-commercial purposes, without a fee, subject to such attributions and notices as we may reasonably require.

While reasonable efforts have been made to ensure that the information contained in this work is accurate, complete, and current, IFC does not warrant or guarantee the accuracy, efficacy, reliability, or completeness of the content included in this work. IFC does not accept any responsibility or liability for any discrepancies, omissions, or errors (including, without limitation, typographical errors and technical errors) in the content whatsoever and does not assume responsibility or liability with respect to the use of or failure to use or reliance on any information, methods, processes, recommendations, conclusions, or judgments contained herein. IFC expressly disclaims any responsibility or liability for damages of any kind, including special, indirect, incidental, consequential, or compensatory damages, arising from or relating to the use of or reliance upon this work.

The contents of this work are intended for general informational purposes only and are not intended to constitute legal, securities, or investment advice, an opinion regarding the appropriateness of any investment, or a solicitation of any type. IFC or its affiliates may have an investment in, provide other advice or services to, or otherwise have a financial interest in, certain of the companies and parties named herein.





## ABOUT IFC

IFC—a member of the World Bank Group—is the largest global development institution focused on the private sector in emerging markets. We work in more than 100 countries, using our capital, expertise, and influence to create markets and opportunities in developing countries. In fiscal year 2021, IFC committed a record \$31.5 billion to private companies and financial institutions in developing countries, leveraging the power of the private sector to end extreme poverty and boost shared prosperity as economies grapple with the impacts of the COVID-19 pandemic. For more information, visit [www.ifc.org](http://www.ifc.org).

	<b>Foreword</b>	<b>7</b>
	<b>Acknowledgements</b>	<b>8</b>
	<b>Executive Summary</b>	<b>11</b>
<b>1.</b>	<b>Introduction</b>	<b>17</b>
	1.1. The Status of Women in Kazakhstan	17
	1.2. Desk Research	20
	1.3. Expert Interviews	20
	1.4. Online Survey	20
<b>2.</b>	<b>Gender Diversity in Kazakhstan's Boardrooms</b>	<b>23</b>
	2.1. The Overall Landscape	23
	2.2. Perceptions and Perspectives on Board Gender Diversity	25
	2.3. Perceived Barriers on Women Advancement to Business Leadership	33
	2.4. Perceived Benefits of Gender-Diverse Boards	35
	2.5. Attitudes toward Gender Diversity Initiatives	38
<b>3.</b>	<b>Women on Boards and Financial Performance of Kazakhstan Companies</b>	<b>49</b>
	3.1. The Relationship between Board Gender Diversity and Financial Performance	49
	3.2. The Relationship between Board Gender Diversity and Financial Performance based on Industry	51
	3.3. Gender Diversity in Kazakhstan Financial Companies	54
	3.4. The Relationship between Board Gender Diversity and Financial Performance based on Company Size	56
<b>4.</b>	<b>Working Towards Greater Gender Diversity</b>	<b>61</b>
	4.1. What Boards Can Do	62
	4.2. What Companies Can Do	64
	4.3. What Policy Makers Can Do	66



# CONTENTS

<b>Key Facts &amp; Figures</b>	<b>68</b>
<b>Appendix A. Representation of joint-stock companies by type of industry in the sample</b>	<b>70</b>
<b>Appendix A2. Representativeness of joint-stock companies of the sample by size in terms of the number of employees</b>	<b>71</b>
<b>Appendix B. Statistical model results indicating effect on ROA (company size as a dummy variable)</b>	<b>72</b>
<b>Appendix C. Statistical model results indicating effect on ROE (company size as a dummy variable)</b>	<b>73</b>
<b>Appendix D. Statistical model results for medium sized companies indicating effect on ROA</b>	<b>74</b>
<b>Appendix E. Statistical model results for medium sized companies indicating effect on ROE</b>	<b>75</b>
<b>Appendix F. Statistical model results for large sized companies indicating effect on ROA</b>	<b>76</b>
<b>Appendix G. Statistical model results for large sized companies indicating effect on ROE</b>	<b>77</b>
<b>Appendix H. Linear regression model results (indicators that influence the share of women in BoD)</b>	<b>78</b>
<b>Appendix I. Database</b>	<b>79</b>
<b>References</b>	<b>81</b>

## LIST OF TABLES

<b>Table 1</b>	Board Gender Diversity and JSCs Financial Performance between 2017 and 2019	13
<b>Table 2</b>	Board Gender Diversity and JSCs Financial Performance by Company Size in 2019	14
<b>Table 3</b>	Financial Impact of Gender Diversity on Kazakhstan's Company Boards using Statistical Models	15
<b>Table 4</b>	Gender Diversity in Kazakhstan's JSCs between 2017 and 2019	24
<b>Table 5</b>	Board Size and the Presence of Women in Kazakhstan's JSCs in 2019	24
<b>Table 6</b>	Companies and Board Gender Diversity in 2019	25
<b>Table 7</b>	Characteristics of Survey Respondents	26
<b>Table 8</b>	Representation of Women on Management Boards of Surveyed Companies in 2019	28
<b>Table 9</b>	Representation of Women on Boards of Directors of Surveyed Companies in 2019	28
<b>Table 10</b>	Representation of Women on Management Boards of Surveyed Companies With and Without State Participation in 2019	29
<b>Table 11</b>	Representation of Women on Boards of Directors of Surveyed Companies With and Without State Participation in 2019	29
<b>Table 12</b>	Women as Independent Directors of Surveyed Companies With and Without State Participation in 2019	30
<b>Table 13</b>	Women Representation on Board of Directors Committees of Surveyed Companies (in %).	31
<b>Table 14</b>	Future Prospect for Women Representation in Business Leadership Positions in Kazakhstan Companies	32
<b>Table 15</b>	«How do you assess the prospects for the representation of women on the boards of directors of Kazakhstan companies for the next 5-10 years?»	33
<b>Table 16</b>	Average Score on the Influence of Female Board Members in Improving Company Performance	37
<b>Table 17</b>	"Are there any practices (formalized or non-formalized) to support gender diversity in your organization?"	41
<b>Table 18</b>	"What initiatives supporting gender diversity do you see as relevant for Kazakhstan?" (based on gender)	43
<b>Table 19</b>	Board Gender Diversity and JSCs Financial Performance between 2017 and 2019	50
<b>Table 20</b>	Diversity Indicators of JSCs by Industry (2019)	52

<b>Table 21</b>	Board Gender Diversity and JSCs Financial Performance by Industry (2019)	53
<b>Table 22</b>	Women on Board in Financial and Non-Financial Companies (2019)	54
<b>Table 23</b>	Diversity Indicators of Financial Companies between 2017 and 2019	55
<b>Table 24</b>	Women on Board in Financial Companies (2019)	55
<b>Table 25</b>	Board Gender Diversity and Financial Performance of Financial and Non-Financial JSCs (2019)	56
<b>Table 26</b>	Diversity Indicators of JSCs by Company Size (2019)	57
<b>Table 27</b>	Board Gender Diversity and JSCs Financial Performance by Company Size (2019)	57
<b>Table 28</b>	Financial Impact of Gender Diversity on Kazakhstan's Company Boards using Statistical Models	58

## LIST OF FIGURES

<b>Figure 1</b>	Surveyed Companies with Women on Board between 2017 and 2019 (%)*	27
<b>Figure 2</b>	Average Score on the Influence of Female Board Members in Improving Company Performance	36
<b>Figure 3</b>	"In your opinion, will an increase in the presence of women on boards of directors (over 30%) affect the above indicators?"	38
<b>Figure 4</b>	Organizational Support for Gender Diversity among Surveyed Companies	39
<b>Figure 5</b>	Organizational Support for Gender Diversity among Surveyed Companies (based on State Participation)	39
<b>Figure 6</b>	Personal Attitude towards Gender Diversity Initiatives (in %)	41
<b>Figure 7</b>	"What is your personal attitude in general to initiatives to support gender diversity in organizations?" (based on gender)	42
<b>Figure 8</b>	"What initiatives to support gender diversity do you see as relevant for Kazakhstan? (in %)	43
<b>Figure 9</b>	Average ROA by years	50
<b>Figure 10</b>	Average ROE by years	51







# FOREWORD

As part of its mission to create markets and opportunities, IFC is committed to closing gender gaps in emerging market companies, focusing on balancing the scales when it comes to women on boards and in business leadership. This report is a part of IFC's ongoing effort to demonstrate the value of increasing women's participation on company boards in the regions where we work.

*She Matters: Women in Kazakhstan Corporate Leadership* one of the few publications that uses data from Kazakhstan companies and provides empirical support on the value proposition of gender diversity for financial performance among a large sample of Kazakhstan companies, accounting for 77 percent of all operating joint-stock companies in the country. These findings build on various research conducted worldwide on the positive correlation between gender diversity and financial and non-financial performance.

At IFC, we take gender diversity seriously. As an international standard-setter, we work with regulators, market intermediaries, companies, and key stakeholders worldwide to promote the adoption of better environmental, social, and governance (ESG) standards.

Gender diversity is a critical indicator that contributes to better ESG performance and long-term sustainability.

What used to be a nice-to-have, gender diversity is now a must-have for any company, or it risks alienating potential investors and consumers.

The road ahead is full of opportunities to bring more women to the boardrooms and leadership positions. But it requires the collaboration of all stakeholders: regulators, stock exchanges, institutes of directors, investors, consumers, and the companies themselves to balance the scales. We hope this publication will inspire many of you to join us on this critical task of our time: to create fairer, more inclusive businesses that better reflect their varied stakeholders and promote the well-being of not only their shareholders but also workers, consumers, and their communities.



**Cassandra Colbert**  
Regional Manager  
Central Asia



# ACKNOWLEDGEMENTS

*She Matters: Women in Kazakhstan Corporate Leadership* was produced by IFC Integrated Environment, Social, and Governance Standards Program in Europe and Central Asia with effort led by Adalyat Abdumanapova, IFC ESG Advisory Program Team Lead, and Madina Zhanuzakova, IFC Women on Boards and Business Leadership Project Coordinator.

Special recognition goes to the Applied Economics Research Centre (Kazakhstan) for conducting the research study and making their invaluable technical and expert contribution: Zhanybek Aigazin, Dias Kumarbekov, Amina Bauyrzhan, Rustam Bekishev, Gulmira Issimbayeva, Botagoz Turekhanova, and Galiya Ismurzina.

The team would like to thank the Kazakhstan Stock Exchange (KASE) for facilitating access to data and information and continuous support in further promotion of the cause.

Additionally, we extend our appreciation to in-depth interview participants: Gradislava Akhmetova, Yelena Bakhmutova, Ekaterina Benjamin, Azamat Joldasbekov, Adil Nurgozhin, Timur Ospanov, Nailya Suzhenova, and all the companies and individuals that participated in the survey. Their insights were indispensable for the findings of the research.

This report also greatly benefitted from the expert guidance and review by Alexandre Di Miceli da Silveira, IFC Consultant, external review of Gradislava Akhmetova, CEO of Governance and Management Consulting, as well as IFC internal reviewers Caroline Bright, Regional ESG Advisory Lead, Leyal Savas, ESG Senior Operations Officer, Loty Salazar, Corporate Governance Officer and Lead of IFC's Women on Boards and in Business Leadership Programs, and Yerzhan Ilyassov, Consultant. Liana Lim Hinch provided editorial support, and the Eurasian Digital Foundation designed this publication.







# EXECUTIVE SUMMARY

This report makes a case for greater gender diversity on Kazakhstan corporate boards (including the board of directors and management board<sup>1</sup>). Empirical evidence from around the world shows the importance and value of gender diversity in improving firms' overall performance, including but not limited to financial performance. Gender diversity among business leaders typically leads to balanced decision-making processes, better monitoring and strategy involvement, and greater attention to environmental, social, and governance (ESG)<sup>2</sup> issues to foster sustainability.

This report analyzes the relationship between board gender diversity (defined as having at least 30 percent women on the board of directors<sup>3</sup>) and the financial performance of Kazakhstan joint-stock companies (JSCs). For this purpose, a series of financial and gender indicators were collected from the data of the Bureau of National Statistics of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan, the Depository of Financial Statements and the Register of State Enterprises and Institutions, Legal Entities with the State Participation in the Authorized Capital of the Ministry of Finance of the Republic of Kazakhstan, Central Securities Depository, etc. In total, the study includes financial and non-financial information from 788 JSCs between 2017-2019. Altogether, these companies account for 77 percent of all operating JSCs in the Republic of Kazakhstan.<sup>4</sup>

Between 2017 and 2019, 54 percent of Kazakhstan JSCs (for which information on board membership is available) had at least one woman on their boards, indicating that 46 percent had all-male boards. On average, women occupied approximately 17 percent of all board seats. The majority of companies had between one and two women on their boards.

---

<sup>1</sup> According to Kazakhstan legislation, management board is an executive governance body of joint stock companies that carries out operational management of companies and is authorized to decide on all business issues outside of board of directors' functions and competencies.

<sup>2</sup> IFC defines ESG as a set of environmental, social, and governance factors considered by companies when managing their operations, and investors when making investments, in respect of the risks, impacts, and opportunities relating to but not limited to:

Environmental issues: potential or actual changes to the physical or natural environment (e.g. pollution, biodiversity impacts, carbon emissions, climate change, natural resource use);

Social issues: potential or actual changes on surrounding community and workers (e.g. health and safety, supply chain, diversity and inclusion); and Governance: corporate governance structures and processes by which companies are directed and controlled (e.g. board structure and diversity, ethical conduct, risk management, disclosure and transparency), including the governance of key environmental and social policies and procedures.

<sup>3</sup> Research finds that having more women in business leadership positions leads to higher environmental, social, and governance standards, with a particularly clear connection when women comprise a critical mass of about 30 percent on company boards. See: Alexandre Di Miceli and Angela Donaggio, "Women in Business Leadership Boost ESG Performance: Existing Body of Evidence Makes Compelling Case," Private Sector Opinion: IFC Corporate Governance Knowledge Publication 42 (2018): 4, [https://www.ifc.org/wps/wcm/connect/topics\\_ext\\_content/ifc\\_external\\_corporate\\_site/ifc+cg/resources/private+sector+opinion/women+in+business+leadership+boost+esg+performance](https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/ifc+cg/resources/private+sector+opinion/women+in+business+leadership+boost+esg+performance).

<sup>4</sup> According to the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan, as of January 1, 2021, the number of registered JSCs is 1,791, of which 1,025 are active entities (Table 1). However, the depository did not provide complete information on all JSCs. This report excluded companies for which the information was incomplete/unavailable.







# MAIN FINDINGS

## OVERALL, BOARD GENDER DIVERSITY IS MOSTLY ASSOCIATED WITH BETTER FINANCIAL PERFORMANCE

The analysis of financial data showed that in most cases there were strong positive correlations between board gender diversity and financial performance (measured in terms of return on assets (ROA) and return on equity (ROE)). As shown in Table 1, the average ROA and ROE of companies with more than 30 percent women on their boards significantly outperformed the other two sub-groups (companies with all-male boards and companies with at least one woman on board), with statistically significant results on most indicators. Companies with at least one woman on their boards also had higher average ROA and ROE than those with all-male boards.

**Table 1. Board Gender Diversity and JSCs Financial Performance between 2017 and 2019**

Period	Indicator	All-Male Board		With At Least One Woman on Board		More Than 30% of Women on Board	
		ROA	ROE	ROA	ROE	ROA	ROE
2019	Mean	84%	-7%	228%**	91%***	337%*	78%***
	Median	4%	4%	3%	6%	4%	5%
2018	Mean	149%	45%	163%	28%	272%*	34%
	Median	5%	6%	3%	6%	4%	6%
2017	Mean	174%	-7%	8%***	26%*	14%***	41%*
	Median	4%	8%	3%	6%	4%	7%
2017-2019	Mean	136%	10%	132%	48%*	206%	51%*
	Median	0%	0%	3%	6%	4%	6%

**Note:** The table shows the means and medians of each listed variable. Statistical significance is the likelihood that a relationship between two or more variables is caused by something other than chance. Significance levels show how likely it is that a pattern in the data is due to chance. For example, statistically significant at a 10 percent level means that the finding has a 90 percent chance of being true; statistically significant at a 5 percent level means that the finding has a 95 percent chance of being true; statistically significant at a 1 percent level means the finding has a 99 percent of being true.

- \*\*\* Significant at the 1 percent level.
- \*\* Significant at the 5 percent level.
- \* Significant at the 10 percent level.

## THE POSITIVE RELATIONSHIPS HOLD WHEN COMPANIES WERE ANALYZED BY SIZE

As shown in Table 2, the average ROA and ROE of small and medium companies were higher for companies with at least one woman on the board and were even higher for those with more than 30 percent women on their boards. The average ROE for large companies was higher for companies with gender-diverse boards than companies with all-male boards.

**Table 2. Board Gender Diversity and JSCs Financial Performance by Company Size in 2019**

Size	Indicator	All-Male Board		With At Least One Woman on Board		More Than 30% of Women on Board	
		ROA	ROE	ROA	ROE	ROA	ROE
Large	Mean	8%	11%	6%	26%*	10%	32%*
	Median	6%	12%	3%*	9%	4%	9%
Medium	Mean	21%	-34%	427%***	24%*	707%***	38%*
	Median	4%	4%	3%	1%	5%	1%
Small	Mean	204%	-8%	364%*	185%**	444%**	128%*
	Median	3%	2%	4%	5%	3%	4%

**Note:** The table shows the means and medians of each listed variable. Statistical significance is the likelihood that a relationship between two or more variables is caused by something other than chance. Significance levels show how likely it is that a pattern in the data is due to chance. For example, statistically significant at a 10 percent level means that the finding has a 90 percent chance of being true; statistically significant at a 5 percent level means that the finding has a 95 percent chance of being true; statistically significant at a 1 percent level means the finding has a 99 percent of being true.

- \*\*\* Significant at the 1 percent level.
- \*\* Significant at the 5 percent level.
- \* Significant at the 10 percent level.

## INCREASING THE PROPORTION OF WOMEN ON THE BOARD IS ASSOCIATED WITH A RISE IN ROA AND ROE FOR MEDIUM AND LARGE COMPANIES

The relationship between having more women on the board and financial performance was further confirmed by the results of a regression analysis among different-sized companies. For medium companies, the model indicates that a one percent increase in the proportion of women on the board would be associated with a 14 percent increase in ROA and a 25 percent increase in ROE, all other things held constant. This statistically significant relationship also holds for large companies. These results provide further evidence to promote greater gender diversity.

**Table 3. Financial Impact of Gender Diversity on Kazakhstan's Company Boards using Statistical Models, all other things being equal**

Increase in the share of women in different sized companies	Change in financial variable
1% increase in the proportion of women on board in small companies*	5% increase in ROA
	8% increase in ROE
1% increase in the proportion of women on board in medium companies	14% increase in ROA
	25% increase in ROE
1% increase in the proportion of women on board in large companies	7% increase in ROA
	6% increase in ROE

\* For small companies, the analysis shows no statistically significant relationship between financial indicators and an increase in the proportion of women on board.

In addition, the online survey analysis of respondents' perception of the relationship between having gender-diverse boards and companies' performance in non-financial aspects indicate that the majority of respondents believed that having women on corporate boards had a number of positive impacts. These positive impacts included development of companies' human capital, improvement of organization's reputation, occupational health and safety conditions, risk management processes, corporate governance practices, among others.





# 1. INTRODUCTION

## 1.1. THE STATUS OF WOMEN IN KAZAKHSTAN

Kazakhstan has made significant progress in promoting gender equality and protecting the rights of women. In 2009, the government issued the Law of the Republic of Kazakhstan “On State Guarantees of Equal Rights and Equal Opportunities for Men and Women,” which secures equal rights and equal opportunities for men and women in all spheres of state services, labor, family, and social issues. In 2016, the country approved the Concept of Family and Gender Policy in the Republic of Kazakhstan until 2030<sup>5</sup> (the Concept of Gender Policy of Kazakhstan), which specified the goal of the state gender policy: achievement of equal rights and opportunities for men and women in all spheres of society and overcoming all forms and manifestations of gender discrimination. In terms of improving women representation at decision making levels, including in the corporate sector, the Concept targeted achieving 25% women representation by 2023 and 30% by 2030 at decision making levels.<sup>6</sup> The Concept has been followed up by two biannual action plans on implementation of the Concept for 2017-2019 and 2020-2022 respectively<sup>7</sup>, containing specific activities of the state, including measures on increasing the representation of women at leadership positions.

Nevertheless, gender inequalities persist, including higher poverty among women, higher female unemployment rate, workplace gender discrimination/bias, and the wage gap. In 2020, Kazakhstan’s female labor force participation rate was 60.3 percent compared to the male labor participation rate of 72.1 percent. Though to put it into context, the female labor force participation rate for Europe and Central Asia was 45.3 percent in 2019.<sup>8</sup> In 2019, the female unemployment rate in Kazakhstan was 5.4 percent compared with 4.4 percent for men. Women performing comparable work with their male counterparts received merely 67.8 percent of men’s wages, indicating a more than 30 percent gap consistent with the global trend. Globally, women make 77 cents for every dollar earned by men.<sup>9</sup> In 2019, the average monthly salary of women was approximately \$394, while the figure for men was \$608.<sup>10</sup> Typically, women also perform most of the unpaid domestic work, further limiting their professional development.

---

<sup>5</sup> The Concept of Family and Gender Policy in the Republic of Kazakhstan until 2030 adopted by Decree of the President of the Republic of Kazakhstan dated December 6, 2016, No. 384 <https://adilet.zan.kz/rus/docs/U1600000384>

<sup>6</sup> Ibid. Target 8.

<sup>7</sup> Action Plan on Implementation of the Concept of Family and Gender Policy in the Republic of Kazakhstan until 2030 (phase one – 2017-2019) can be found at <https://adilet.zan.kz/rus/docs/P1700000106> and Action Plan on Implementation of the Concept of Family and Gender Policy in the Republic of Kazakhstan until 2030 (phase two – 2020-2022) can be found at <https://adilet.zan.kz/rus/docs/P2000000315>

<sup>8</sup> World Bank Open Data, accessed in 2021, <https://data.worldbank.org/indicator/SL.TLF.TOTL.FE.ZS?locations=Z7>.

<sup>9</sup> UN Women, <https://www.unwomen.org/en/news/in-focus/csw61/equal-pay>.

<sup>10</sup> Agency for Strategic Planning and Reforms of the Republic of Kazakhstan Bureau of National statistics, accessed in 2021, <https://stat.gov.kz/>.



The representation of women in the public sphere (as political leaders, civil servants, and judges) remains significantly lower than men. In the Strategy for Gender Equality of the Republic of Kazakhstan for 2006-2016, the government aimed to achieve a 30 percent representation of women among the leading government positions and legislative bodies, a threshold in which women can begin to influence the decision-making process. In 2019, the proportion of women in leadership positions was 43 percent. Meanwhile, women make up 23.4 percent of the Parliament of the Republic of Kazakhstan. The share of women in the elected bodies of local government (maslikhats) is lower at 22.2 percent.<sup>11</sup> In 2020, two out of 17 ministers in Kazakhstan is a woman, and there is only one woman among 17 regional heads of local administrations (akims).<sup>12</sup> The share of women among political civil servants is 9 percent in 2020.<sup>13</sup>

The topic of representation of women in Kazakhstan companies' boards as such has been sporadically researched over the years. The fragmented data was collected focusing on specific sectors such as banks, energy, oil and gas and so forth.<sup>14</sup> In February of 2021, IFC commissioned the Applied Economics Research Centre to conduct the country-wide study covering as much active joint-stock companies in the country to examine the representation of women on boards of directors depending on available information in the open sources. In-depth data on women representation among senior management of the sampled companies was left out of the research as such uniform data was not easily available due to lack of disclosure practices and clear requirements on that front.

Globally, women are still underrepresented in business leadership positions. On average, 41 percent of senior roles are held by women, while the median is 33 percent.<sup>15</sup>

---

<sup>11</sup> Ibid.

<sup>12</sup> Ibid.

<sup>13</sup> Ibid.

<sup>14</sup> Gradiislava Akhmetova, Corporate Governance Expert and CEO of Governance & Management Consulting, LLC, conducted research on representation of women on boards of Kazakhstan banks in 2010 and then renewed the research in 2017. The results showed that over the seven-year period significant gender disbalance on the banks' boards with the negative dynamics in 2017 when the number of women on boards decreased twice. [https://forbes.kz/process/ischite\\_jenschin/](https://forbes.kz/process/ischite_jenschin/). In 2020, KPMG in Kazakhstan and Central Asia published a review, "Gender Diversity in Top Management of Kazakhstani Companies," which sampled 66 companies from oil and gas, mining, financial services, infrastructure and various manufacturing sectors and found that only 10% of directors were women, whereas 60% of the sampled companies' had all-male boards. The management boards were not much different having only 15% of women members, and 59% of the sampled companies had all-male management boards.

<https://assets.kpmg/content/dam/kpmg/kz/pdf/2020/11/gender-diversity-final.pdf>.

Baseline assessment conducted in 2020 by the European Bank for Reconstruction and Development's program on Supporting Renewable Energy and Promoting Gender Equality in Kazakhstan covering 36 energy companies operating in Kazakhstan found that women occupied only 17% board seats therein. <https://eenergy.media/2020/05/14/issledovanie-rol-i-zhenshin-v-energeticheskoy-sektore-kazahstana/>

<sup>15</sup> Alexandre Di Miceli and Angela Donaggio, "Women in Business Leadership Boost ESG Performance: Existing Body of Evidence Makes Compelling Case," Private Sector Opinion: IFC Corporate Governance Knowledge Publication 42 (2018): 4, [https://www.ifc.org/wps/wcm/connect/topics\\_ext\\_content/ifc\\_external\\_corporate\\_site/ifc+cg/resources/private+sector+opinion/women+in+business+leadership+boost+esg+performance](https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/ifc+cg/resources/private+sector+opinion/women+in+business+leadership+boost+esg+performance).



Worldwide, women hold only 17 percent of board seats, 5 percent of board chair positions, 4 percent of CEO roles, and 12.7 percent of CFO positions.<sup>16</sup> Evidence shows that women representation on the board of directors leads to better financial and non-financial performance:

- Firms with women on the board of directors have better performance results (positive return on equity) than all-male boards.<sup>17</sup> Other studies also support this research.<sup>18</sup>
- Firms with women on the board have higher accounting returns, especially in countries with better shareholder protection. Women on boards are positively associated with more substantial board involvement in monitoring and strategy.<sup>19</sup>
- Women on boards also positively impact firms' risk management and performance.<sup>20</sup>
- Having more women in business leadership positions is positively correlated with better environmental, social, and governance (ESG) standards and performance, such as better sustainability practices, improved E&S performance, more robust disclosures, gender-equitable hiring and promotion practices, and family-friendly policies, among others.

Women in managerial roles also positively affect firm performance. For example:

- Women in management are positively associated with return on sales, return on assets, return on investment, and return on equity, according to the study of the 200 major firms from Wall Street Journal.<sup>21</sup>
- Firms that favor innovation benefit from having female managers. Women in management are associated with better management behavior, provide informational and social benefits to firms, and motivate women in middle-level positions.<sup>22</sup>

<sup>16</sup> Deloitte, "Women in the Boardroom: A Global Perspective (6th Edition)," (2019): 9, <https://www2.deloitte.com/global/en/pages/risk/articles/women-in-the-boardroom-global-perspective.html>.

<sup>17</sup> Mijntje Lückers-Rovers, "Women on Boards and Firm Performance," *Journal of Management & Governance* 17, no. 2 (2011): 491–509.

<sup>18</sup> McKinsey & Company, "Gender Diversity, a Corporate Performance Driver," (2007).

<sup>19</sup> Corinne Post and Kris Byron, "Women on Boards and Firm Financial Performance: A Meta-Analysis," *Academy of Management Journal* 58, no. 5 (2015): 1546–1571.

<sup>20</sup> Mahmoud Araissi, Mustafa A Dah, and Mohammad Jizi, "Women on Boards, Sustainability Reporting and Firm Performance," *SSRN Electronic Journal* (2016).

<sup>21</sup> Charles B. Shrader, Virginia B. Blackburn, and Paul Iles, "Women in Management and Firm Financial Performance: An Exploratory Study," *Journal of Managerial Issues* 9, no. 3 (Fall 1997): 355–372.

<sup>22</sup> Cristian L. Dezsö and David Gaddis Ross, "Does Female Representation in Top Management Improve Firm Performance? A Panel Data Investigation," *Strategic Management Journal* 33, no. 9 (2012): 1072–89.

- A 10 percent increase of women in top management is associated with a 3 percent growth in return on equity among Luxembourg's banks.<sup>23</sup>

This report studies the current state of board gender diversity (defined as having at least 30 percent women on the board of directors) among Kazakhstan companies, including the relationship between gender diversity and company performance. In addition, this report also identifies challenges and opportunities accompanied by practical recommendations to advance gender diversity in Kazakhstan.

The following were used for data collection:

### 1.2. Desk Research

To test the hypothesis that there is a positive relationship between gender diversity in the boardroom and financial and non-financial performance, a series of financial and gender indicators were collected from the data of the Bureau of National Statistics of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan, the Depository of Financial Statements and the Register of State Enterprises and Institutions, Legal Entities with the State Participation in the Authorized Capital of the Ministry of Finance of the Republic of Kazakhstan, Central Securities Depository, etc.. In total, the study includes financial and non-financial information from 788 JSCs between 2017-2019. Altogether, these companies account for 77 percent of all operating JSCs in the Republic of Kazakhstan.<sup>24</sup> For more detailed information about the database, please see Appendix H.

### 1.3. Expert Interviews

In-depth interviews were conducted with six people representing senior management from various sectors and experts with experience and knowledge of boards practices. The discussions were focused on identifying barriers and opportunities to promote gender diversity.

### 1.4. Online Survey

An online survey was conducted using SurveyMonkey to collect additional information about perceived opportunities and obstacles facing women from reaching the top, while assessing the respondents' perspectives on the importance of board gender diversity in improving company performance. The survey was sent to all 1,025 joint-stock companies that are currently operating. Several respondents from each company were allowed to respond. At least one man and one woman were invited to take part in the survey.

---

<sup>23</sup> Regina M. Reinert, Florian Weigert, and Christoph H. Winnefeld, "Does Female Management Influence Firm Performance? Evidence from Luxembourg Banks," *Financial Markets and Portfolio Management* 30 (2016): 113-136.

<sup>24</sup> According to the Bureau of National Statistics of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan, as of January 1, 2021, the number of registered JSCs is 1,791, of which 1,025 are active entities (Table 1). However, the depository did not provide complete information on all JSCs. This report excluded companies for which the information was incomplete/unavailable.







## 2. GENDER DIVERSITY IN KAZAKHSTAN'S BOARDROOMS

### 2.1. THE OVERALL LANDSCAPE

Between 2017 and 2019, 54 percent of Kazakhstan JSCs (for which information on board membership was available<sup>25</sup>) had at least one woman on their boards, indicating that 46 percent had all-male boards. On average, women occupied approximately 19 percent of all board seats. The majority of companies had between one and two women on their boards.

---

<sup>25</sup> There was a total of 788 companies included in this report (the full sample between 2017 and 2019). However, the number of companies with information on board membership varied from year to year.

**Table 4. Gender Diversity in Kazakhstan's JSCs between 2017 and 2019**

Indicator	2019	2018	2017
Number of companies with a board of directors	585	576	579
Number of companies with women on board	317	309	313
Average board size	4.6	4.6	4.5
Average number of women on board	0.8	0.8	0.8
Percentage of companies with at least one woman on board	54.2%	53.6%	54.1%
Total board seats	2696	2638	2613
Number of female board members	469	451	458
Average proportion of women on boards	19.2%	18.8%	19.1%

As shown in Table 4, in 2019, the board size among 585 JSCs varied from 1 to 17, with a median of 4. The typical board had one woman among its members. Fifty-four percent had at least one woman on board, and merely 6 percent had three or more women on their boards (please see Table 6 for more details).

**Table 5. Board Size and the Presence of Women in Kazakhstan's JSCs in 2019**

	Number of board members	Number of women
Average	4,6	0,8
Median	4	1
Min	1	0
Max	17	6
Total seats	2,696	469

**Table 6. Companies and Board Gender Diversity in 2019**

Indicator	Number	Percentage
Companies with information on board membership	585	100%
Companies with at least one woman on board	317	54%
Companies with only one woman on board	216	37%
Companies three or more women on board	34	6%
Companies with more than 30 percent women on board	193	33%
Companies with all-female boards	12	2%
Companies with all-male boards	268	46%

To identify factors affecting board gender diversity, the authors performed an econometric analysis using panel data between 2017 and 2019. The data set included only those companies with at least one woman on board to determine factors that increase or decrease the diversity level. The result shows that both state shareholding and large firm size are negatively associated with the presence of women on board, in other words, companies with state shareholdings and larger companies have less diverse boards of directors. Please see Appendix I for more details.

## 2.2. PERCEPTIONS AND PERSPECTIVES ON BOARD GENDER DIVERSITY

An online survey was sent to representatives of the active JSCs. The purpose of the survey was to grasp the prevailing attitudes and identify the challenges and opportunities to push for greater gender diversity. The survey results are not a comprehensive representation of Kazakhstan's business community, and the responses merely reflect the opinions and attitudes of the survey respondents.

A total of 111 responses were collected from the representatives of 104 companies. 73.9 percent of the respondents were women. The majority of the respondents (50.5 percent) were representatives of the financial and insurance sector, most likely because this sector was distinguished by a high representation of women. The response rate of companies from other industries was significantly lower (see Table 7). Seventy-one percent of the respondents came from private companies.

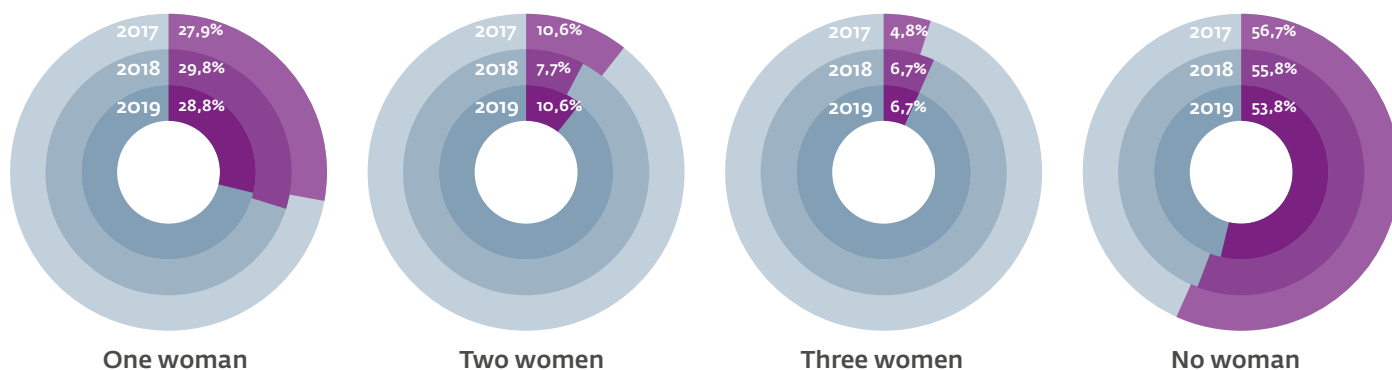


**Table 7. Characteristics of Survey Respondents**

	Number of Respondents	Percentage
<b>GENDER</b>		
Men	29	26.1
Women	82	73.9
<b>INDUSTRY</b>		
Financial and insurance activities	56	50.5
Professional, scientific, and technical activities	9	8.1
Mining and quarrying	8	7.2
Manufacturing	6	5.4
Transportation and storage	6	5.4
Education	5	4.5
Administrative and support service activities	4	3.6
Information and communication	3	2.7
Wholesale and retail trade	3	2.7
Electricity	2	1.8
Arts, entertainment, and recreation	1	0.9
Real estate activities	1	0.9
Others	7	6.3
Total	101	100
No information was available	10	
<b>COMPANIES WITH STATE PARTICIPATION</b>		
There is no state participation	72	71.3
State participation is less than 25%	1	1.0
State participation is less than 50%	1	1.0
State participation is 100%	27	26.7
Total	101	100
No information was available	10	

Based on data collected from public sources, between 2017 and 2019, the proportion of surveyed companies with women on their boards slightly increased from 43.3 percent to 46.2 percent, as shown in Figure 1. The percentage of companies with at least three female directors increased from 4.8 percent in 2017 to 6.7 percent in 2018 and 2019.

**Figure 1. Surveyed Companies with Women on Board between 2017 and 2019 (%)\***



\* Data collected from publicly available sources for the 104 companies that participated in the online survey.

Survey results revealed that women were heavily represented on the management boards of the following:

- 93 percent of companies in the financial and insurance sector
- 60 percent of companies in the education sector
- 67 percent of companies in the information and communication sector
- 56 percent of companies operating in professional, scientific, and technical activities

Sectors with the least representation of women on their management boards included:

- Manufacturing (33 percent of companies in this sector had women on their management boards)
- Transport and warehousing (33 percent of companies in this sector had women on their management boards)
- Mining (13 percent of companies in this sector had women on their management boards)

According to the survey results, women were better represented on management boards than on boards of directors. For example, around two-thirds (68%) of surveyed companies indicated at least one woman on their management boards. The management board typically consisted of one to two women. Only 46 percent of the surveyed companies had women on their boards of directors.

**Table 8. Representation of Women on Management Boards of Surveyed Companies in 2019**

Women on Management Boards	Percentage
No women	30
One woman	32
Two women	23
Three women	12
Four women	1
No answer	4
Total	100

**Table 9. Representation of Women on Boards of Directors of Surveyed Companies in 2019**

Women on Boards of Directors	Percentage
At least one woman	46
No women	54
Total	100

The proportion of women on the management board did not differ much in companies with and without state participation based on the online survey. Women were represented in 75 percent of surveyed companies without state participation and 70 percent of surveyed companies owned by the state (Table 10).



**Table 10. Representation of Women on Management Boards of Surveyed Companies With and Without State Participation in 2019**

Women on Management Boards	Companies without State Participation	Companies with 100% State Participation
No women	22%	30%
One woman	32%	41%
Two women	32%	7%
Three women	10%	22%
Four women	1%	
No answer	3%	
Total	100%	100%

However, the proportion of women on the board of directors of surveyed companies with state participation was higher than in companies without state participation. Only 42 percent of private companies had at least one woman on their boards, while 60 percent of state-owned companies had at least one woman on their boards (Table 11).

**Table 11. Representation of Women on Boards of Directors of Surveyed Companies With and Without State Participation in 2019**

Women on Boards of Directors	Companies without State participation	Companies with 100% State participation
At least one woman	41.7%	59.3%
No women	58.3%	40.7%
Total	100%	100%

## 2. Gender Diversity in Kazakhstan's Boardrooms

At the same time, however, there were far fewer women serving as independent directors. According to the online survey, most companies (68 percent) did not have female independent directors. Only 29 percent of companies had female independent directors serving on their boards, while the remaining did not provide this information. In most of these companies, there was only one female independent director.

The proportion of women as independent directors was higher among companies with 100% state participation. Fifty-two percent of surveyed companies with state participation had at least one woman serving as an independent director, whereas the figure was a mere 21 percent among private companies.

**Table 12. Women as Independent Directors of Surveyed Companies With and Without State Participation in 2019**

Women as Independent Directors	Companies without State Participation	Companies with 100% State Participation	All Companies
No women	75%	48%	68%
One woman	17%	33%	22%
Two women	4%	15%	6%
Three women	-	4%	1%
No answer	4%	-	4%
Total	100%	100%	100%

The online survey also showed that women were quite evenly distributed in audit committees, human resources and remuneration committees, and strategy committees (Table 13). However, women were less represented in risk management committees; 60 percent of which did not have a single woman.<sup>26</sup>

<sup>26</sup> A 2010 IFC study summarized the potential benefits of having more women on boards, including increased focus on risk management. For example, companies with women board members may focus more on risk management by better addressing the issues and concerns of their customers, employees, shareholders, and local community. Boards with women may also focus more on the direction and long-term priorities of a company; hence, mitigating and controlling risk. financial performance, a focus on risk management and a better understanding of consumer markets.

Dr. Yılmaz Argüden, "Diversity At The Head Table: Bringing Complementary Skills and Experiences to the Board," Private Sector Opinion: IFC Corporate Governance Knowledge Publication 19 (2010): 11, <https://openknowledge.worldbank.org/bitstream/handle/10986/11100/579770NEWS0Pri1c1IFC1PSO1191WEB1RES.pdf?sequence=1&isAllowed=y>.

**Table 13. Women Representation on Board of Directors Committees of Surveyed Companies (in %).**

	Strategic Planning Committee	Audit Committee	Human Resource and Remuneration Committee	Risk Management Committee
No women	45	51	43	60
One woman	37	33	29	20
Two women	9	11	16	18
Three women	8	4	5	3
Four women		1	4	
Five women	1		3	
Total	100	100	100	100
Presence of committees in surveyed companies (% of all companies)	71	78	70	27

Based on in-depth interviews, experts noted that most board members are former managers who relinquish their day-to-day responsibility upon reaching career maturity. Many of them prefer to grow the next generation of managers from within the company. Thus, hiring professionals from outside is not applied en masse unless for rare areas of specialization/qualification that cannot be found inside the company. Consequently, this factor might limit the inflow of female independent directors. On the other hand, the increased representation of women at the middle and senior management level in many companies allows women to apply for board membership in the future.

Some experts stated there is an intergenerational difference in the representation of women in top positions and, accordingly, different models for joining the board of directors. The first category of women are older women (age

55 and above) with extensive work experience and who have earned the company shareholders' trust due to their loyalty and professionalism. When shareholders decide to scale up their business, they tend to appoint these women to the board. Other experts noted that the gradual dropout of men from managerial ranks is particularly true for the older generation (age 50-60 or the so-called "lost generation" in the Commonwealth of Independent States) who have difficulty going through the post-Soviet transformations. Consequently, there is an increase in the



**The practice of attracting independent professional directors to boards of directors is not sufficiently developed in Kazakhstan. Most often boards are filled with men who are former, whereas there are few women of the same background. I hope that this situation will change over time.**

**Female expert with work experience in the board of directors of large companies**



representation of women from this particular age cohort in the management bodies. The second type of female managers and board members are usually women between 35 and 40 years old who have foreign education, speak multiple languages, and have work experience in the “Big Four” companies in Kazakhstan and abroad.

Overall, these experts agreed that the corporate culture in Kazakhstan is still at a nascent stage. Initially, the establishment of the boards of directors in Kazakhstan was mainly due to external pressures, including listing requirements and adherence to international corporate governance standards. Thus, many boards existed in form but not in substance, and the majority was dominated by older men from similar backgrounds.

However, in recent years, the proportion of women in business leadership among large companies (including the board of directors and management board) has increased. The interviewees argued that the upward trend was not due to specific policies targeting gender diversity. Instead, there were more women among public and influential figures overall, which served as examples that inspired women to break the glass ceiling in the corporate world. Another factor might be the presence of women as chairwomen and executive directors, which paved the way for more women serving on the board.

“

**There is an improving dynamic over the past few years. It is not related to policies on attracting more women to boards, but rather with the fact that women have become more publicly visible.**

**Female expert with work experience in the board of directors of large companies**

Consistent with expert opinions, the majority of survey respondents (more than 60 percent), regardless of gender, predicted an increase in the representation of women in business leadership in the next five to ten years. About a third of the respondents believed that the level of gender diversity would remain unchanged.

**Table 14. Future Prospect for Women Representation in Business Leadership Positions in Kazakhstan Companies**

	Men	Women	Total
Will increase	66,7%	68,4%	67,9%
Will remain the same	29,6%	30,4%	30,2%
Other answer	3,7%	1,3%	1,9%

**Table 15. “How do you assess the prospects for the representation of women on the boards of directors of Kazakhstan companies for the next 5-10 years?”**

	Men	Women	Total
Will increase	57,1%	64,6%	62,6%
Will remain the same	35,7%	34,2%	34,6%
Special answer	7,1%	1,3%	2,8%

### 2.3. PERCEIVED BARRIERS ON WOMEN ADVANCEMENT TO BUSINESS LEADERSHIP

When asked about the difficulties in promoting women to management, the opinions gathered from a subset of survey respondents (women with extensive work experience and who have served as board members) were divided. Forty percent of respondents believed it is more difficult for women than men to reach senior management positions. Forty-four percent did not think that women face more obstacles than men. Some argued that “the question is not about difficulties, most likely women do not set such goals for themselves” or “everything depends to a large extent on competencies and knowledge.” Regarding the inclusion of women on boards, 60 percent of respondents believed that women do not face additional obstacles compared to their male counterparts. Some also opined that:

“To a greater extent, it depends on the level of competence and preparedness. But, of course, it would be great if the choice of the board of directors was carried out on a transparent basis, taking into account the knowledge and competencies of a candidate.”

Experts concurred that women on boards and in leadership positions are the result of the dedication and career aspirations of women themselves.

“

**I think that to be appointed to the board of directors, first of all, there must be an ambition on the part of the woman herself. She must really want to take part in strategic decision making processes (company strategic goals and objectives, functions of committees on compensations, audit, strategic planning, HR policies etc.) which take place at the level of board of directors.**

**Female expert with experience as an independent director in the board of directors**

Survey respondents believed that societal attitudes are the most significant barrier to promoting gender-diverse boards. Other reasons included lack of adequate company policies supporting gender diversity and the prevailing societal model women's family responsibilities. It is not uncommon for an employer or shareholder to clarify a woman's plans for childbearing before promoting her to a managerial position. According to most experts who participated in the in-depth interviews, women's main barrier is achieving a work-life balance. The historically established system of family values in Kazakhstan society, in which women are assigned significant family responsibility, considerably limits women's choices and career aspirations. McKinsey's research finds that women's share of unpaid care work<sup>27</sup> negatively correlates with women's participation in paid employment and women's opportunity to participate in professional/technical jobs or assume leadership positions at work. Globally, women typically do an average of 75 percent of the world's total unpaid-care work, including childcare, caring for the elderly, cooking, and cleaning.<sup>28</sup>

Furthermore, when facing a choice between career and family, women are more likely to choose the latter, including sacrificing their ambition in favor of their husbands' careers. Not surprisingly, there are fewer female candidates for board positions. The issue of work-life balance is less acute among older women with adult children or those coming from more egalitarian families. Due to entrenched societal barriers, some experts believed that a new generation of female managers often prefers pursuing their career aspirations at the expense of starting a family.

<sup>27</sup> Unpaid care work refers to all unpaid services provided within a household for its members, including care of persons, housework, and voluntary community work.

<sup>28</sup> McKinsey Global Institute, "COVID-19 and Gender Equality: Countering the Regressive Effects," (2020).



According to the studies carried out by the World Values Survey (WVS) project<sup>29</sup>, discriminatory stereotypes regarding the role of women are fairly strong in Kazakhstan society. Forty-four percent of Kazakhstan citizens participating in the WVS survey believed that men are better at running a business than women (“Men make better business executives than women do”).<sup>30</sup> Such opinion was prevalent among the majority of men and 40% of surveyed women. This view was consistent regardless of education level. Respondents who classified themselves as belonging to the society’s elite, older generations, and those residing in regions outside of major cities were also more likely to hold such opinions.

Although the WVS data shows that there had been a positive change in public opinion, the change is insignificant. In 2011, 52 percent of the Kazakhstan citizens surveyed adhered to limiting beliefs regarding the role of women as business leaders; in 2018, this figure decreased to 44 percent. An expert in the interview believed that the situation would improve once there is a generational change among management since the younger generation is more likely to subscribe to gender equality.

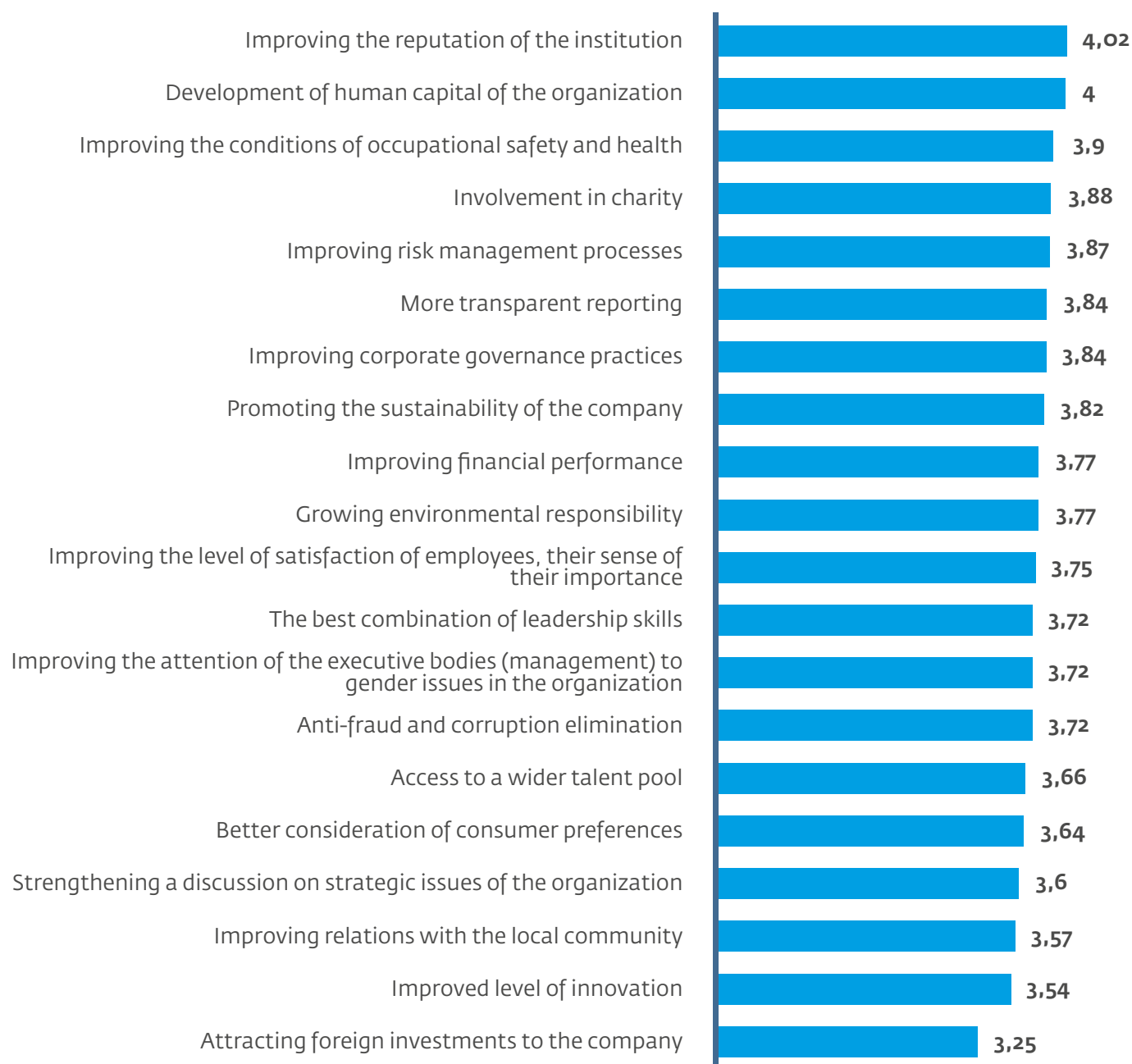
## 2.4. PERCEIVED BENEFITS OF GENDER-DIVERSE BOARDS

The online survey also delved into the respondents’ perception of the relationship between having gender-diverse boards and company performance. The majority of respondents believed that having women on corporate boards positively impacts company performance and sustainability. These positive impacts included improving the organization’s reputation, developing the company’s human capital, improving occupational health and safety conditions, involvement in charity, improving risk management processes, encouraging more transparent reporting, improving corporate governance practices, promoting the company’s sustainability, and improving financial performance (see Figure 2).

<sup>29</sup> “World Values Survey Association”, WVS Database (1981), <https://www.worldvaluessurvey.org/wvs.jsp>.

<sup>30</sup> Ibid

**Figure 2. Average Score on the Influence of Female Board Members in Improving Company Performance (on a scale from 1 to 5 points, where 1 is “does not matter at all” and 5 is “very significant”).**



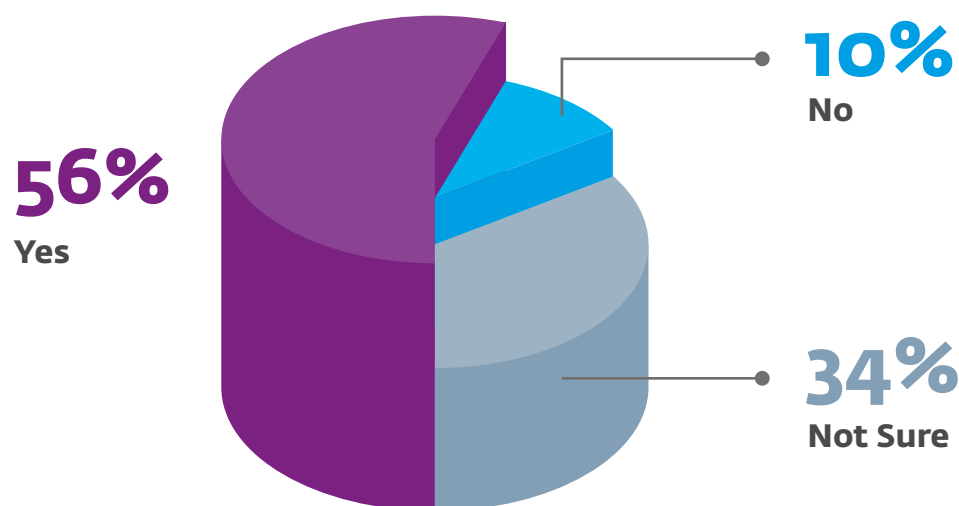
The gender snapshot shows that men and women had slightly different views on the contribution of female board members in improving company performance. Overall, men assigned lower scores to perceived benefits of having gender-diverse boards across all indicators of company performance (Table 16).

**Table 16. Average Score on the Influence of Female Board Members in Improving Company Performance (on a scale from 1 to 5 points, where 1 is “does not matter at all” and 5 is “very significant”).**

Men	Average score (5-point scale)	Women	Average score (5-point scale)
Involvement in charity	3,75	Improving the reputation of the institution	4,12
Development of human capital of the organization	3,75	Development of human capital of the organization	4,08
Improving risk management processes	3,74	Improving the conditions of occupational safety and health	3,98
More transparent reporting	3,74	Involvement in charity	3,92
Anti-fraud and corruption elimination	3,72	Improving risk management processes	3,91
Improving the level of satisfaction of employees, their sense of their importance	3,70	Improving corporate governance practices	3,90
Improving the reputation of the institution	3,70	Promoting the sustainability of the company	3,88
Improving the conditions of occupational safety and health	3,63	More transparent reporting	3,87
Promoting the sustainability of the company	3,61	Improving financial performance	3,84
Improving corporate governance practices	3,61	Growing environmental responsibility	3,84
Improving the attention of the executive bodies (management) to gender issues in the organization	3,59	The best combination of leadership skills	3,80
Better consideration of consumer preferences	3,59	Improving the level of satisfaction of employees, their sense of their importance	3,77
Improving financial performance	3,53	Improving the attention of the executive bodies (management) to gender issues in the organization	3,76
Growing environmental responsibility	3,50	Access to a wider talent pool	3,75
The best combination of leadership skills	3,47	Anti-fraud and corruption elimination	3,71
Improved level of innovation	3,45	Strengthening a discussion on strategic issues of the organization	3,70
Improving relations with the local community	3,35	Better consideration of consumer preferences	3,66
Access to a wider talent pool	3,33	Improving relations with the local community	3,64
Strengthening a discussion on strategic issues of the organization	3,19	Improved level of innovation	3,57
Attracting foreign investments to the company	3,00	Attracting foreign investments to the company	3,31

As shown in Figure 3, most respondents (56 percent), regardless of gender, believed that increasing board gender diversity (particularly when women make up 30 percent of board members) could positively affect company performance across all indicators.

**Figure 3. “In your opinion, will an increase in the presence of women on boards of directors (over 30%) affect the above indicators?”**

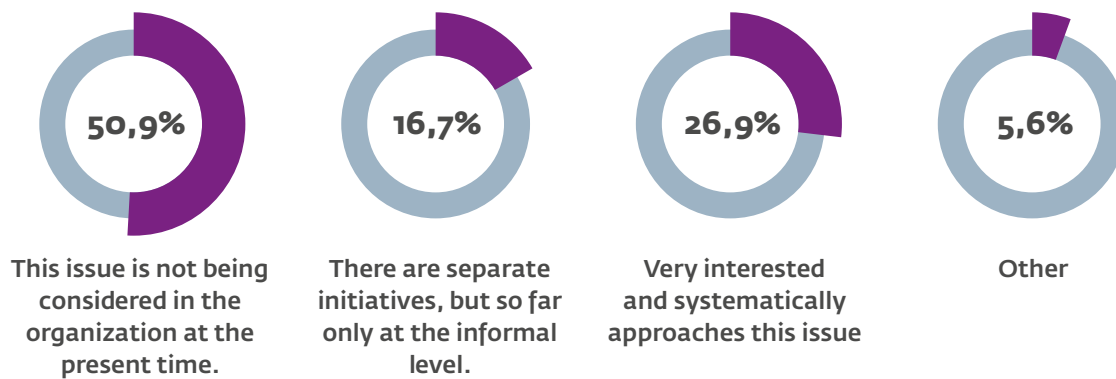


### 2.5. ATTITUDES TOWARD GENDER DIVERSITY INITIATIVES

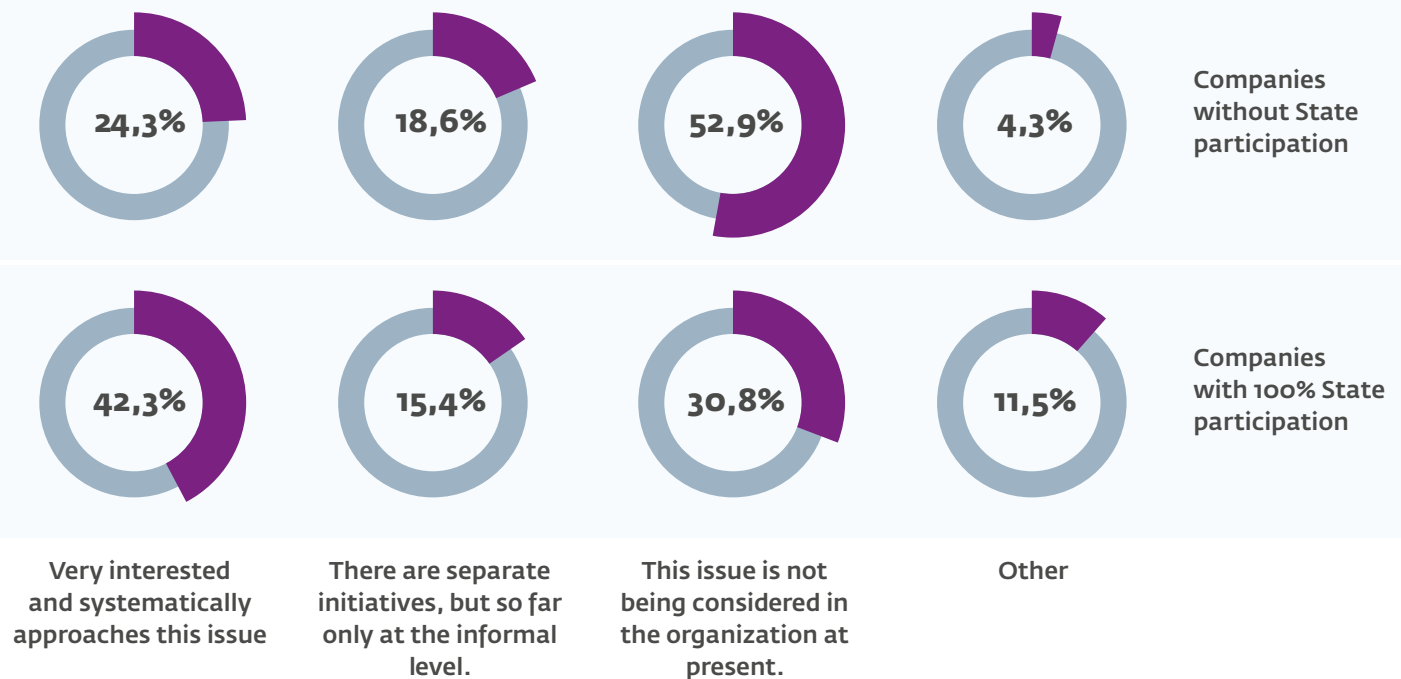
The online survey showed a low level of support for gender diversity among Kazakhstan companies. As shown in Figure 4, more than half of the respondents (50.9 percent) believed their companies were not interested in advancing gender diversity. Only 26.9 percent of respondents thought that their companies were very interested and approached this issue systematically, 16.7 percent stated that their companies had separate gender initiatives but only at an informal level.

A respondent from financial sector noted that gender diversity initiatives issue was not so relevant for the organization since 77% of employees, including the chairman of the board and four out of five board members were women. At the same time a bank, in which women also made up 74% of the entire staff, indicated the institution being “very interested in supporting gender diversity; in hiring, career advancement, professional development and education of employees exclusively guided by their professional qualities and competencies, labor results”.



**Figure 4. Organizational Support for Gender Diversity among Surveyed Companies**

Surveyed companies with state participation showed a much higher interest and consistency in supporting gender diversity than private companies (Figure 5).

**Figure 5. Organizational Support for Gender Diversity among Surveyed Companies (based on State Participation)**

Consistent with minimal organizational support for gender diversity, most respondents (70.4 percent) noted the absence of any practices (both formal and informal) to promote gender diversity in their companies. 21.3 percent of respondents noted the presence of non-formalized practices to support gender diversity. Merely 3.7 percent said that their companies had formalized gender initiatives, and they typically operated in sectors where women made up more than 50 percent of their staff. Only one company had a gender quota for management. Among companies in the quasi-public sector, there were precedents for introducing formalized practices (12 percent).

A respondent from a financial sector indicated that in addition to the rights of employees guaranteed by the legislation, the institution compensated for the loss of income of employees who went on vacation, who adopted newborns during pregnancy and childbirth; provided additional leave for personal matters of the employee; provides leave upon marriage, etc.”

Only one company had a gender quota for management. There are few precedents (12%) of introducing formalized practices among the state-owned companies.

One such company from the energy sector, Samruk-Energy JSC, signed a Statement of Support for the Seven Principles of Women’s Empowerment, developed through a partnership between UN Women and the UN Global Compact. As a result, “in 2019, the company has improved its approach to addressing gender issues and implementing equal opportunity in its annual corporate reports, which includes greater use of sex-disaggregated data and more specific statements of commitment to advancing equal opportunity. The company has also updated and improved its human resources policies and data collection system and has introduced the practice of including at least one woman on final lists of candidates for executive positions.”<sup>31</sup>

---

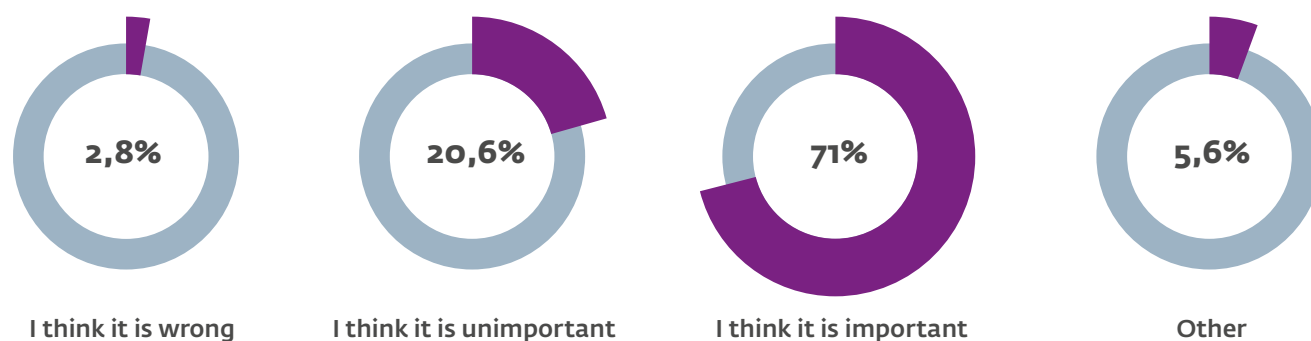
<sup>31</sup> EBRD Baseline Assessment Report on “The Role of Women In Kazakhstan Energy Sector”. <https://www.kazenergy.com/en/press-center/news/1994/>

**Table 17. "Are there any practices (formalized or non-formalized) to support gender diversity in your organization?"**

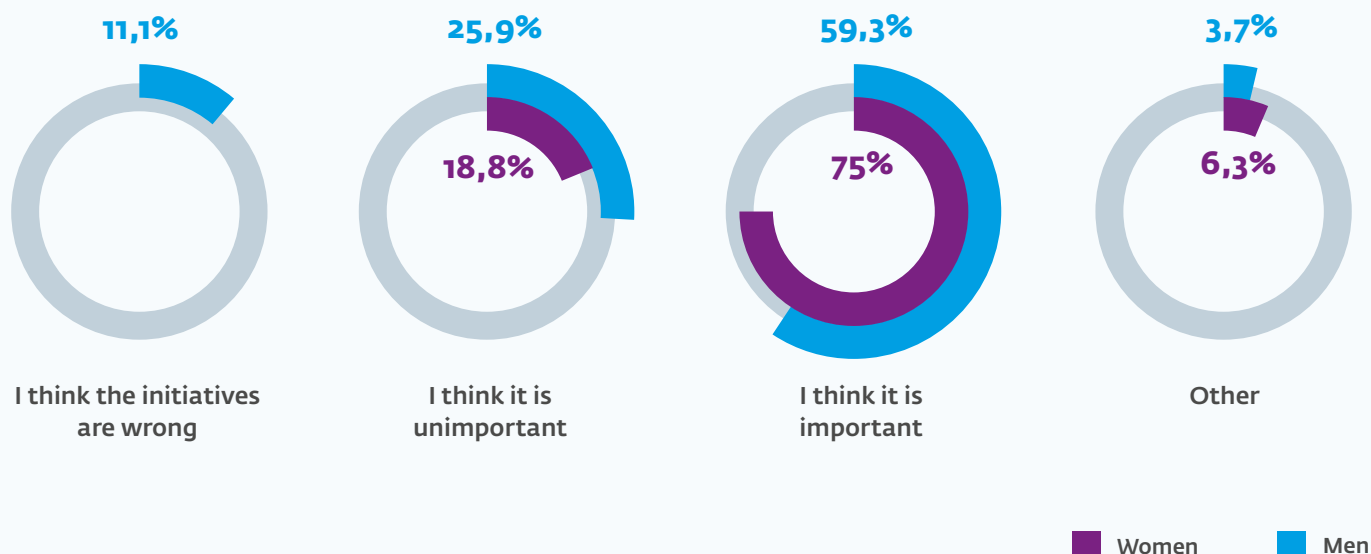
Availability of practices	Total	Companies without State participation	Companies with 100% State participation
There are informal practices	21,3%	24,3%	19,2%
Formalized practices on gender diversity are developed	3,7%	0	11,5%
There are quotas for the participation of women in the management of the organization	0,9%	1,4%	0
None of the above	70,4%	71,4%	61,5%
Other	3,7%	2,9%	7,7%

However, the majority of respondents (71 percent) personally believed that gender diversity initiatives are important. 20.6 percent considered these initiatives unimportant (Figure 6). Women showed greater support for such initiatives compared to men (Figure 7).

**Figure 6. Personal Attitude towards Gender Diversity Initiatives (in %)**



**Figure 7. “What is your personal attitude in general to initiatives to support gender diversity in organizations?” (based on gender)**

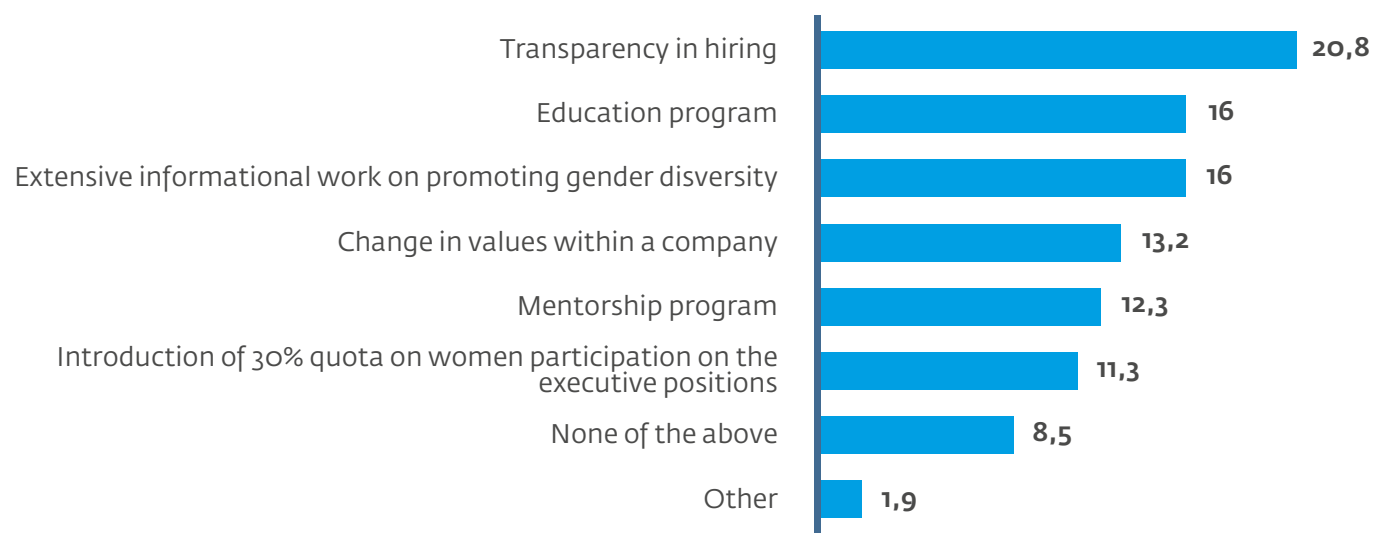


Among practical measures that could contribute to gender diversity, 20.8 percent of respondents believed in the importance of transparency in hiring personnel. 16 percent considered it necessary to promote gender diversity initiatives through educational and awareness-raising programs. Introducing a 30 percent gender quota in corporate governance bodies was the least supported initiative by the respondents.

At the same time, it should be noted that the discussions around introduction of quota are on the rise. The Action Plan on Implementation of the Concept of Gender Policy of Kazakhstan for 2020-2022 contains development of recommendations on the issues of introduction of gender quota for decision making positions in various sectors, including state, quasi-state, and corporate sectors.<sup>32</sup>

<sup>32</sup> Action Plan on Implementation of the Concept of Family and Gender Policy in the Republic of Kazakhstan until 2030 (phase two – 2020-2022) can be found at <https://adilet.zan.kz/rus/docs/P2000000315>



**Figure 8. "What initiatives to support gender diversity do you see as relevant for Kazakhstan? (in %)"**

Men were much more likely than women to choose measures such as transparency in hiring (29.6 percent) and mentorship programs (18.5 percent). None of the male respondents supported a gender quota. On the other hand, women tended to support a greater variety of gender diversity initiatives (such as education program, gender quotas, informal diversity initiatives), with the least preference for mentorship programs.

**Table 18. "What initiatives supporting gender diversity do you see as relevant for Kazakhstan?" (based on gender)**

	Men	Women
Transparency in hiring	29,6%	17,7%
Mentorship program	18,5%	10,1%
Extensive informational work on promoting gender diversity	14,8%	16,5%
Education program	11,1%	17,7%
Change in values within a company	11,1%	13,9%
Introduction of 30 percent quota on women participation on the executive positions	0	15,2%
None of the above	14,8%	6,3%
Other		2,5%

As part of the open-ended question on supporting gender diversity, opinions were split into two groups. The first group of respondents considered it fair to select board candidates based solely on their qualifications and experience without taking gender into account. This group of respondents believed that gender diversity is not relevant in recruitment.

- “It is not gender differences that are important, but qualifications are.”
- “The choice should be based on the competence of the person, and not based on gender.”
- “While respecting gender equality and equal treatment, separate initiatives are not required.”
- “Gender should not lead to either privilege or infringement of rights.”
- “I consider the experience and professionalism of the members of the board of directors and the management board as most important, whereas gender diversity is secondary.”
- “The principles of meritocracy and gender equality must be respected.”

This approach was reflected in the hiring policies of several Kazakhstan companies:

- “During the election of the management board or the board of directors of the company, we rely on the employee’s qualifications and professionalism.”
- “The company evaluates employees according to their competencies and contribution to the achievement of the company’s goals, regardless of gender.”

The second group of respondents noted the importance of supporting gender diversity, considering its benefits in improving the companies' performance.

- “Involving women in society ensures productivity and economic growth.”
- “Women should participate in the management of the company on an equal basis with men.”
- “I believe that every woman should have the opportunity to express herself and have equal rights for self-realization.”
- “We believe that gender diversity is important in the development of society.”

The respondents noted that the companies they represent were already taking concrete steps to support gender diversity.

- “Gender diversity has advantages of both economic and social nature which is why this issue is now of particular importance in the corporate world. Taking this into account, the company adheres to an objective personnel policy and an open corporate culture.”
- “Legally and in practice, professional approaches to personnel are formed in the organization with respect for gender equality and equal treatment of employees.”
- “The company is fully committed to maintaining gender diversity and is guided by the principles of objectivity and non-discrimination in recruiting.”
- “Attracting more women to work contributes to the growth of the economy. There should be an equal attitude towards women and men. ”

According to the experts who participated in the in-depth interviews, currently, there is no priority to support diversity measures (including gender diversity) even among Kazakhstan companies with good corporate governance practices.

The expert opinions were consistent with the survey results, which highlighted the absence of any gender initiatives in most companies. A mere 4 percent of the surveyed companies had formal practices to advance gender diversity. Many companies were not taking any concrete steps on this issue despite professing the benefits of gender diversity. However, there is a push for change though not in the corporate sector as much. Advancing gender diversity is gradually becoming part of general state policy. For example, in 2020, quotas for women and young people were introduced for political party electoral lists.

Some experts argued that ‘soft’ measures to promote gender diversity at the state and corporate levels are needed, particularly given the conservative view of society on the role of women. Understanding of the importance of gender diversity should begin with the younger generation through educational programs, information on various opportunities for women, and female role models. It is also important not to overlook the regional aspect. Given that many people live in rural areas, there is an inequality of opportunities for rural girls and women, including access to high-quality education, which paves the way for realizing career aspirations. Measures to equalize access to high-quality education and ensure a better education system and youth policy are needed.

All the experts interviewed for this report did not support gender quotas for corporate leadership in Kazakhstan companies. There were concerns that the introduction of quotas for women would bring untrained women to leadership positions. Therefore, before introducing gender quotas, gap analysis and rigorous training programs should be carried out to ensure a sufficient number of qualified women candidates for leadership positions. Experts also proposed paying particular attention to measures that contribute to the development of the talent pipeline of female independent directors.

Experts note that a combination of external and internal factors will positively influence gender diversity. Kazakhstan will not remain aloof from global trends. Many stock exchanges require companies to have women on boards. More companies are starting to pay attention to ESG issues, which promote gender diversity, among other issues. Kazakhstan companies, especially those listed on the Kazakhstan Stock Exchange and abroad are getting exposed to disclosure requirements. This practice may potentially serve as a demonstration effect to advance gender diversity in Kazakhstan companies further.



“

In my opinion, quotas cannot be swept aside altogether. Quotas are reasonable to promote women and encourage them to higher positions. In no case should quotas be introduced prematurely. However, we need to ensure there are enough qualified women to perform such important duties. A reasonable balance must be found.

Female expert with work experience in the board of directors of large companies



# 3. WOMEN ON BOARDS AND FINANCIAL PERFORMANCE OF KAZAKHSTAN COMPANIES

This chapter examines the relationship between board gender diversity and company financial performance. The companies were segregated into three groups based on their share of gender diversity on the board (companies with all-male boards, companies with at least one woman on the board, and companies with more than 30 percent women on their boards). The quantitative analysis of the JSCs in Kazakhstan shows a positive correlation between women on boards and financial performance in terms of return on assets (ROA) and return on equity (ROE). Both are profitability measures of the companies.

## 3.1. THE RELATIONSHIP BETWEEN BOARD GENDER DIVERSITY AND FINANCIAL PERFORMANCE

Table 19 shows positive correlations between board gender diversity and firms' financial performance in most cases. In 2019, for example, the average ROA of companies without any woman on their boards was 84 percent, compared with the average ROA of companies with at least one female board member (228 percent). The average ROA of companies with more than 30 percent women on their boards outperformed other sub-groups at 337 percent. Similar results were found on the relationship between ROE and the proportion of women on the board. For each period, the average ROE of companies with more than 30 percent women on their boards was higher than companies with all-male boards.

**Table 19. Board Gender Diversity and JSCs Financial Performance between 2017 and 2019**

Period	Indicator	All-Male Board		With At Least One Woman on Board		More Than 30% of Women on Board	
		ROA	ROE	ROA	ROE	ROA	ROE
2019	Mean	84%	-7%	<b>228%**</b>	<b>91%***</b>	337%*	<b>78%***</b>
	Median	4%	4%	3%	6%	4%	5%
2018	Mean	149%	45%	163%	28%	<b>272%*</b>	34%
	Median	5%	6%	3%	6%	4%	6%
2017	Mean	174%	-7%	<b>8%***</b>	<b>26%*</b>	<b>14%***</b>	<b>41%*</b>
	Median	4%	8%	3%	6%	4%	7%
2017-2019	Mean	136%	10%	132%	<b>48%*</b>	206%	<b>51%*</b>
	Median	0%	0%	3%	6%	4%	6%

**Note:** The table shows the means and medians of each listed variable. Statistical significance is the likelihood that a relationship between two or more variables is caused by something other than chance. Significance levels show how likely it is that a pattern in the data is due to chance. For example, statistically significant at a 10 percent level means that the finding has a 90 percent chance of being true; statistically significant at a 5 percent level means that the finding has a 95 percent chance of being true; statistically significant at a 1 percent level means the finding has a 99 percent of being true.

- \*\*\* Significant at the 1 percent level.
- \*\* Significant at the 5 percent level.
- \* Significant at the 10 percent level.

**Figure 9. Average ROA by years**

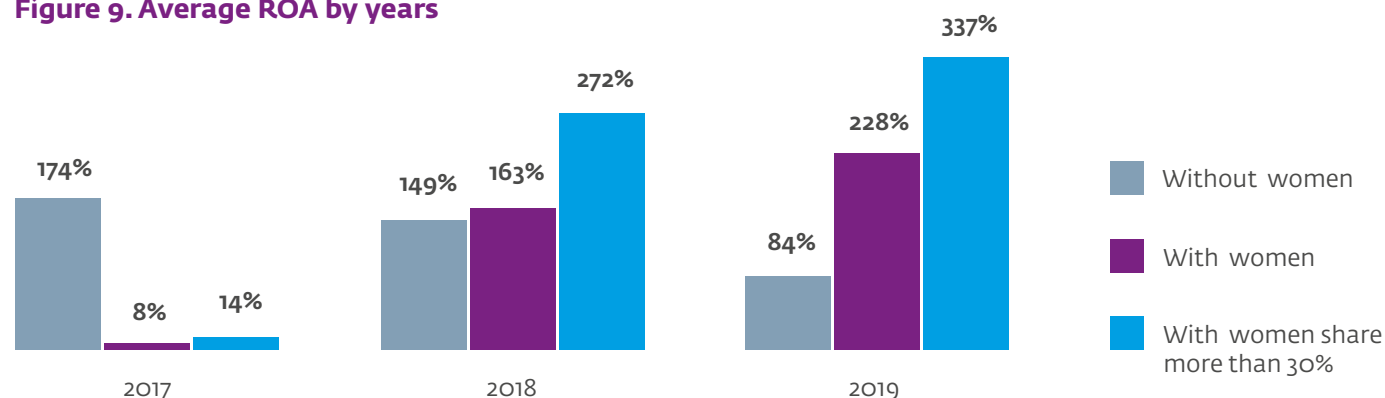
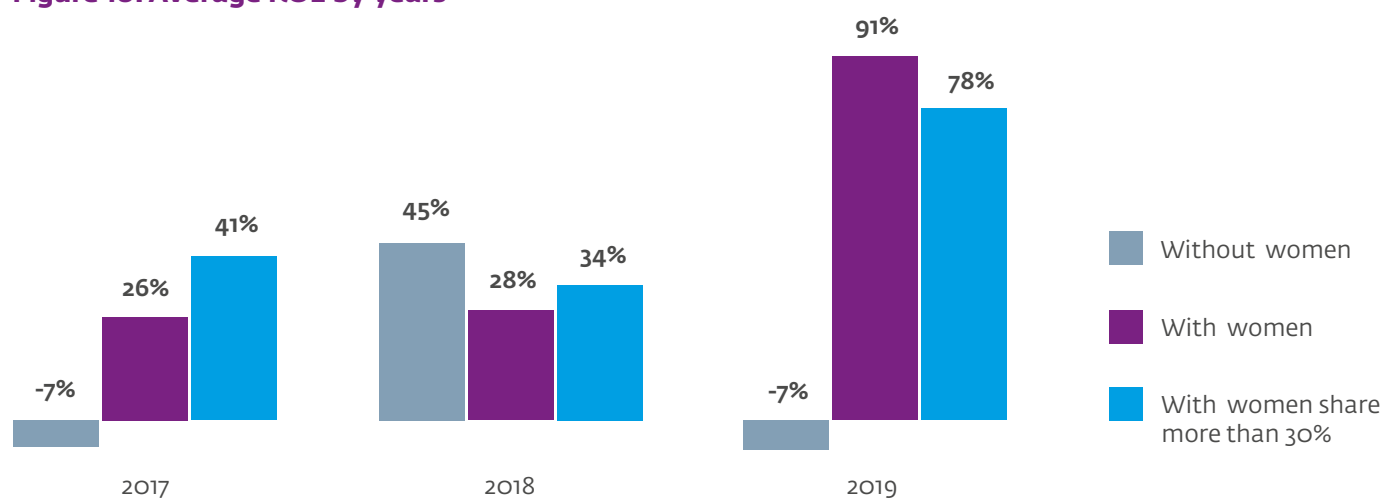




Figure 10. Average ROE by years



### 3.2. THE RELATIONSHIP BETWEEN BOARD GENDER DIVERSITY AND FINANCIAL PERFORMANCE BASED ON INDUSTRY

Companies with the most gender-diverse boards operated in the following industries, which typically employed more women:

- Arts, entertainment, and recreation (36 percent of total board seats)
- Healthcare and social work activities (35 percent of total board seats)
- Education (29 percent of total board seats)

Financial and insurance activities had the highest total number of female board members (116), consistent with the fact that these companies typically had larger board sizes.

Women were least represented in the following industries:

- Agriculture, forestry, and fishing (12 percent of total board seats)
- Mining and quarrying (11 percent of total board seats)
- Electricity, gas, steam, and air conditioning supply (10 percent of total board seats)

**Table 20. Diversity Indicators of JSCs by Industry (2019)**

	Number of Companies	Number of Companies with Boards	Number of Companies with Women on Board	Percentage of Women on Board	Total Board Seats	Total Number of Women on Board
Agriculture, forestry, and fishing	19	11	4	12%	43	6
Mining and quarrying	46	30	10	11%	141	13
Manufacturing	123	87	42	18%	342	60
Electricity, gas, steam, and air conditioning supply	39	31	12	10%	150	15
Water supply; sewerage, waste management and remediation activities	6	6	4	19%	21	4
Construction	36	22	12	16%	98	15
Wholesale and retail trade; repair of motor vehicles and motorcycles	24	17	10	28%	58	16
Transportation and storage	67	49	28	17%	242	32
Accommodation and food service activities	4	3	1	33%	14	3
Information and communication	32	28	17	21%	135	24
Financial and insurance activities	165	143	82	20%	648	116
Real estate activities	47	30	21	25%	122	27
Professional, scientific, and technical activities	90	66	34	16%	347	48
Administrative and support service activities	14	12	6	16%	61	7
Public administration and defence; compulsory social security	5	5	4	23%	29	7
Education	37	24	18	29%	150	46
Healthcare and social work activities	19	10	6	35%	47	18
Arts, entertainment and recreation	9	6	4	36%	29	10
Other service activities	6	5	2	13%	19	2
<b>Total</b>	<b>788</b>	<b>585</b>	<b>317</b>	<b>19%</b>	<b>2696</b>	<b>469</b>

**Table 21. Board Gender Diversity and JSCs Financial Performance by Industry (2019)**

Industry	All-Male Board		With At Least One Woman on Board		More Than 30% of Women on Board	
	ROA	ROE	ROA	ROE	ROA	ROE
Agriculture, forestry and fishing	15%	24%	13%	14%	10%	13%
Mining and quarrying	22%	13%	34%	84%*	36%	88%*
Manufacturing	34%	-4%	4%*	-9%	9%**	-2%
Electricity, gas, steam and air conditioning supply	1%	4%	2%	3%	3%	3%
Water supply; sewerage, waste management and remediation activities	-1%	-1%	42%	66%	16%	25%
Construction	0%	9%	5%	12%	-4%	-12%
Wholesale and retail trade; repair of motor vehicles and motorcycles	6%	18%	0%	-6%	-1%	8%
Transportation and storage	18%	-16%	7%	125%*	8%	223%**
Accommodation and food service activities	-11%	12%	-4%	-4%	-4%	-4%
Information and communication	14%	15%	7%	10%	6%	7%
Financial and insurance activities	-106%	-1%	484%*	16%	812%***	10%
Real estate activities	3%	-9%	9%	51%	9%	71%
Professional, scientific, and technical activities	3%	43%	6%	9%	8%	13%
Administrative and support service activities	-4%	-8%	41%	66%	19%*	27%
Public administration and defence; compulsory social security	0%	0%	7%	7%	-1%	-19%
Education	21%	35%	397%**	621%**	6%	8%
Human health and social work activities	19%	21%	3%	5%	3%	5%
Arts, entertainment, and recreation	342%	-673%	9%**	2320%**	13%**	3090%**
Other service activities	5722%	-330%	16%***	36%*	16%***	36%*

**Note:** Statistical significance is the likelihood that a relationship between two or more variables is caused by something other than chance. Significance levels show how likely it is that a pattern in the data is due to chance. For example, statistically significant at a 10 percent level means that the finding has a 90 percent chance of being true; statistically significant at a 5 percent level means that the finding has a 95 percent chance of being true; statistically significant at a 1 percent level means the finding has a 99 percent of being true.

\*\*\*

Significant at the 1 percent level.

\*\*

Significant at the 5 percent level.

\*

Significant at the 10 percent level.

When analysing companies based on industry type, the correlations between board gender diversity and financial performance were not always positive. One possible explanation is that women were insufficiently represented in many industries, thus having no discernible effect on financial performance. For those industries with more women on the board, the positive correlation held. For instance, in financial and insurance activities, companies with gender-diverse boards had higher ROE (-10 percent) and ROA (812 percent) compared to companies with all-male boards, where the average ROA (-106 percent) and ROE (-1 percent) were noticeably lower. The following section will provide a more detailed analysis of financial companies as they were most represented among JSCs in the sample and required special attention. All companies operating in other industries will be grouped as non-financial companies.

### 3.3. GENDER DIVERSITY IN KAZAKHSTAN FINANCIAL COMPANIES

Kazakhstan's financial sector, predominantly made up of banks, contributed 3.4 percent of the country's GDP (2020, preliminary data)<sup>33</sup>. Financial companies had a higher percentage of women on their boards (21 percent) than non-financial companies (18 percent). This sector employed a comparatively large number of women in Kazakhstan (58 percent of hired workers were women), indicating a greater diversity among the workforce, leading to an increased opportunity for women to advance into the boardroom.

**Table 22. Women on Board in Financial and Non-Financial Companies (2019)**

Company	Number of companies	Percentage of Women on Board
Financial	212	21%
Non-financial	576	18%

Table 22 demonstrates the general characteristics of financial companies. The proportion of women on the boards of financial companies had been unchanged since 2017. The average board size consisted of four to five members, and usually, only one of them was a woman.

<sup>33</sup> Agency for Strategic Planning and Reforms of the Republic of Kazakhstan Bureau of National Statistics, accessed in 2021. <https://stat.gov.kz/>.

**Table 23. Diversity Indicators of Financial Companies between 2017 and 2019**

Financial Companies	2019	2018	2017
Total number of companies	212	212	212
Number of companies with information on board of directors	173	169	170
Number of companies with women on board	103	99	99
Board size	4.5	4.4	4.3
Average number of women on board	0.8	0.8	0.8
Total board seats	770	743	730
Number of female board members	143	136	136
Percentage of women on board	21.3%	21.1%	21.0%

Of 173 financial companies with information on board of directors in the 2019 sample, 59.5 percent (103 companies) had women on their boards. Forty percent (70 companies) did not have any women on their boards. Seventy-two companies had only one woman on board, and merely eight companies had at least three women on board.

Financial companies with more women on the board performed better in terms of ROA and ROE. The average ROA of financial companies with at least one female board member was 387 percent, significantly higher than companies without any woman on board (-92 percent). Companies with more than 30 percent women on their boards had an even better ROA at 625 percent. The ROE of financial companies without any woman on board (-2 percent) was also lower than companies in the other sub-groups. Among non-financial companies, those with women on the board outperformed companies with all-male boards in terms of ROA and ROE.

**Table 24. Women on Board in Financial Companies (2019)**

Number of Women	Number of Companies
0	70
1	72
2	23
3	7
4 and more	1



**Table 25. Board Gender Diversity and Financial Performance of Financial and Non-Financial JSCs (2019)**

Companies	Indicator	All-Male Board		With At Least One Woman on Board		More Than 30% of Women on Board	
		ROA	ROE	ROA	ROE	ROA	ROE
Financial	Mean	-92%	-2%	387%**	23%*	625%***	24%*
	Median	3%	5%	3%	6%	3%	5%
Non-financial	Mean	149%	-9%	152%	124%*	194%	105%*
	Median	4%	4%	152%**	6%	4%	5%

**Note:** The table shows the means and medians of each listed variable. Statistical significance is the likelihood that a relationship between two or more variables is caused by something other than chance. Significance levels show how likely it is that a pattern in the data is due to chance. For example, statistically significant at a 10 percent level means that the finding has a 90 percent chance of being true; statistically significant at a 5 percent level means that the finding has a 95 percent chance of being true; statistically significant at a 1 percent level means the finding has a 99 percent of being true.

- \*\*\* Significant at the 1 percent level.
- \*\* Significant at the 5 percent level.
- \* Significant at the 10 percent level.

### 3.4. THE RELATIONSHIP BETWEEN BOARD GENDER DIVERSITY AND FINANCIAL PERFORMANCE BASED ON COMPANY SIZE

More than half of all operating JSCs were small businesses with up to 100 employees. Small companies (which were heavily represented in the sample) typically submit financial statements in a simplified form. Therefore, it is often impossible to find complete information on relevant financial indicators for most of these companies. The average percentage of women on board was slightly higher in small companies (22 percent) than medium and large companies. Out of 240 small-sized companies, 135 companies had at least one woman on their boards.

**Table 26. Diversity Indicators of JSCs by Company Size (2019)**

Size	Number of Companies	Number of Companies with Boards	Number of Companies with Women on Board	Average Percentage of Women on Board	Total Board Seats	Total Number of Female Board Members
Large	290	228	128	18%	1157	196
Medium	156	117	54	17%	533	83
Small	342	240	135	22%	1006	190

For small and medium companies, the average ROA and ROE were higher for companies with at least one woman on the board and were even higher for those with more than 30 percent women on their boards. The average ROE for large companies was higher for companies with gender-diverse boards than companies with all-male boards.

**Table 27. Board Gender Diversity and JSCs Financial Performance by Company Size (2019)**

Size	Indicator	All-Male Board		With At Least One Woman on Board		More Than 30% of Women on Board	
		ROA	ROE	ROA	ROE	ROA	ROE
Large	Mean	8%	11%	6%	26%*	10%	32%*
	Median	6%	12%	3%*	9%	4%	9%
Medium	Mean	21%	-34%	427%***	24%*	707%***	38%*
	Median	4%	4%	3%	1%	5%	1%
Small	Mean	204%	-8%	364%*	185%**	444%**	128%*
	Median	3%	2%	4%	5%	3%	4%

**Note:** The table shows the means and medians of each listed variable. Statistical significance is the likelihood that a relationship between two or more variables is caused by something other than chance. Significance levels show how likely it is that a pattern in the data is due to chance. For example, statistically significant at a 10 percent level means that the finding has a 90 percent chance of being true; statistically significant at a 5 percent level means that the finding has a 95 percent chance of being true; statistically significant at a 1 percent level means the finding has a 99 percent of being true.

- \*\*\* Significant at the 1 percent level.
- \*\* Significant at the 5 percent level.
- \* Significant at the 10 percent level.

A regression analysis was conducted to measure the change in financial variables in different-sized companies when the proportion of women on board is increased by one percent, keeping other variables constant. For small companies, the analysis shows no statistically significant relationship between financial indicators and an increase in the proportion of women on board. For medium companies, the model indicates that a one percent increase in the proportion of women on the board would be associated with a 14 percent increase in ROA and a 25 percent increase in ROE, all other things held constant. This statistically significant relationship also holds for large companies. These results provide solid evidence to promote greater gender diversity on company boards. The full results are available in Appendix B, C, D, E, F, and G.

**Table 28. Financial Impact of Gender Diversity on Kazakhstan's Company Boards using Statistical Models, all other things being equal**

Increase in the share of women in different sized companies	Change in financial variable
1% increase in the proportion of women on board in small companies*	5% increase in ROA
	8% increase in ROE
1% increase in the proportion of women on board in medium companies	14% increase in ROA
	25% increase in ROE
1% increase in the proportion of women on board in large companies	7% increase in ROA
	6% increase in ROE

\*The results for small companies were not statistically significant.







## 4. WORKING TOWARDS GREATER GENDER DIVERSITY

The way forward requires multiple stakeholders to undertake key initiatives. In addition to the requirements from the regulators, companies need policies that can “pull” and recruit, retain, and promote talented women, particularly when they face competing responsibilities outside of work. In addition, institutes of directors, professional and industry bodies, and stock exchanges are well-positioned to connect qualified women with companies. Global and local networks of women directors play a critical role in providing coaching, mentoring, and sponsorships for aspiring women corporate directors. The women themselves need to build their network and branding to make the most use of these opportunities.

Multiple studies of approaches to promoting greater gender diversity on boards and in business leadership among countries around the world provide for various practices that lay foundation for sustainable change. Below are general recommendations relevant to boards, companies, and policy makers in Kazakhstan.

### 4.1. WHAT BOARDS CAN DO

A commitment to diversity should start at the top. The board sets a tone that reverberates throughout the company, and diversity among the board and senior management tend to beget further diversity. A 2017 study by Deloitte finds that companies led by a female chairperson have almost double the number of women serving on their boards compared to companies with a male chairperson (29 percent versus 16 percent). The same relationship holds for companies headed by female CEOs, with twice the number of women serving on their boards than companies with male CEOs (29 percent versus 15 percent).<sup>34</sup> A gender-diverse board and senior management signals a real commitment to gender equality and therefore are well-positioned to champion further diversity across the company.

Diversity, therefore, should begin in the boardroom. If the board is serious about gender diversity, it should be reflected in its structure and composition, recruitment and nomination procedures, evaluation processes, succession planning, and board dynamics. It is important to remember that “board diversity is as much about the culture within the boardroom and acceptance of a diversity of views as it is about having diversity (of gender or otherwise) around the boardroom table.”<sup>35</sup>

To promote gender diversity on corporate boards, studies recommend that boards consider the following measures:

1. Developing and disclosing policies and procedures for board renewal which would include a phased increase in the proportion of women on boards of directors and executive bodies for joint-stock companies with specific and measurable targets to achieve balance and diversity (in experience, functional, industrial and global expertise, knowledge, and skills by disclosing them in the public space.<sup>36</sup>
2. Making sure that the criteria for selecting new director’s competencies are broad enough to attract more potential candidates, including women, whose competencies match the competency map of the company’s board of directors.<sup>37</sup>

<sup>34</sup> Deloitte, “Women in the Boardroom: A Global Perspective (5th Edition),” (2017): 3.

<sup>35</sup> International Corporate Governance Network, “ICGN Guidance on Diversity on Boards” (2016): 11.

<sup>36</sup> It should be noted that such requirements were already presented to quasi-state sector companies. The Letter of the Deputy Prime Minister of the Republic of Kazakhstan No. 21-14/04-448//20-01-38.33(1) dated 27 October 2021. instructs state bodies to ensure incorporating reporting on three following indicators in development plans of quasi-state companies by 2030 1) phased increase in the share of women on the board of directors, 2) phased increase in the share of women in executive bodies, 3) phased increase in the share of female managers in companies’ structural subdivisions.

<sup>37</sup> IoD Competency Framework, 2016. Institute of Directors - <https://www.iod.com/training/iod-approach/iod-competency-framework>.

3. Based on results of board evaluations (self-assessments)<sup>38</sup>, identifying sufficiency of diversity in board's composition (in terms of age, profession, gender).
4. Providing a formal and thorough onboarding program for new directors, mainly when recruiting new, first-term directors (both female and male), to ensure that they fully understand their duties and responsibilities and contribute effectively to boardroom discussions. A continuous training program should be provided to existing women directors to ensure that they can advance to leadership positions, such as committee chair and board chair.
5. Establishing a board recruitment pipeline through collaboration with professional/industry bodies and institutes of directors. This practice can help the board develop relationships with a broader pool and more diverse candidates who might not be part of the current directors' existing networks.
6. Developing and disclosing policies to monitor, review, and report on board diversity objectives. Ideally, the board should review the progress and report the results to shareholders and stakeholders annually.
7. Having a chairperson that encourages and nurtures diversity, including diversity of thought, opinions, and information in the boardroom by facilitating constructive debate and ensuring that new, independent, and minority directors can contribute effectively to the dialogue.
8. Providing oversight to senior management as they develop and implement diversity policies and initiatives and ensure ongoing discussion, training, and reporting across the organization on diversity issues.
9. Improving the quality and accessibility of ESG information in companies' public reporting with respect to component "S" (social policy: human rights, benefits, corporate social responsibility, diversity and inclusion, talent attraction and retention, fair compensation with details on specific social groups, including gender) and component "G" (corporate governance policies, board effectiveness and transparency).

<sup>38</sup> For example, the Model Code of Corporate Governance for state-owned joint stock companies approved by Order of the Minister of National Economy of the Republic of Kazakhstan dated 5 October 5, 2018 provides for an annual self-assessment by the Board of Directors and an external board evaluation once every three years.

### 4.2. WHAT COMPANIES CAN DO

Companies that fail to utilize an increasingly larger talent pool of qualified women risk falling behind in an increasingly competitive and diverse world. The challenges and opportunities presented by gender diversity extend to all levels of the corporation. Consequently, diversity objectives and strategies should be embedded across all levels of organizational structures. Thus, companies may consider:

1. Conducting an internal gender audit to assess current hiring and promotion practices and procedures to be used to develop corporate policies on diversity and inclusion.<sup>39</sup> Such policies should include at least the following:
  - Commitment to diversity and equality in hiring, training, promotion, and pay
  - Protection from discrimination/harassment because of age, gender, race, religion, disability, marriage status, pregnancy, and maternity
  - Anti-discriminatory and anti-harassment measures, including reporting and third-party grievance mechanisms
  - Guidelines to encourage female inclusion in hiring and promotion, including flexible talent management and family-friendly policies.
2. Creating internal pool of mid-level women managers with strong professional skills and who are ready to pursue careers at a higher level. It is necessary to use their human resource potential to a greater extent, identify talents and create conditions to support them professionally.
3. Developing and disclosing specific and measurable targets to increase female representation, including senior management and board members. These targets can then be incorporated into performance evaluations conducted by senior management and supervisors. Ideally, diversity targets should be incorporated as a part of key performance indicators (KPI) and cascaded down to ensure accountability.

---

<sup>39</sup> Existing company hiring and promotion systems are the result of traditional, outdated systems and are updated on an ad hoc or as needed basis and therefore do not regularly take diversity into account. For example, as a response to the impact of the COVID-19 pandemic, internal human resources policies and flexible work schedule systems were introduced, but along with this, the impact of the pandemic on working mothers and caregivers was sometimes not adequately addressed or considered.

4. Initiating mentoring and sponsorship programs directly linked to performance metrics to provide transparent and clear criteria for development opportunities for women and men.
5. Providing training on diversity management, unconscious bias and stereotyping, and the importance of emotional intelligence to supervisors/top managers who manage a growing female workforce. Better skills and understanding among workplace supervisors/managers, who are predominantly male, can lead to better retention of female workers.
6. Ensuring public visibility of high-performing women and successful initiatives developed by women to foster a culture of diversity and inclusion that emphasizes competent and capable female role models.
7. Identifying leading, influential male managers/leaders and support them to become champions who catalyze changes and drive actions for gender diversity across the company. Men who intentionally invite women to key strategic meetings, invite and include them in their professional groups and business circles to broaden the community and recognize their importance should be encouraged.<sup>40</sup>
8. Collaborating with universities, vocational schools, and professional/industry bodies to recruit and train female talent.
9. Integrating gender-related and other diversity indicators into the company's annual reporting cycle.
10. Developing and integrating a conducive work environment for women and men to work successfully by providing employer-supported childcare and other family-friendly programs for parents, a system of flexible work arrangements without physical or geographic ties to the workplace (which is recorded in electronic or paper format) with clearly defined work criteria so that employees can manage their time, work and personal commitments to a greater extent.

---

<sup>40</sup> For more information on this strategy, visit <https://malechampionsofchange.com/about-us/>.



### 4.3. WHAT POLICY MAKERS CAN DO

At the state level, there is a need to focus the attention of policymakers, regulators, and professional communities on discussing and taking concrete steps to increase the representation of women on boards and in leadership positions.

The government has various tools at its disposal, including ‘hard’ and ‘soft’ regulations, fiscal policies, enforcement, and partnership with the private sector, to influence gender outcomes. Regulators should consider the interactions, coherence, and complementarity between different policy options and their overall ability to supervise and enforce such regulations. At the same time, the government should also avoid over-regulation, balance trade-offs among different policies, and limit unintended consequences. Ideally, the government should collaborate and consult with other key stakeholders, including the private sector, whenever possible to ensure buy-in and encourage greater compliance.

Below are some policy options that policymakers have utilized across the world to promote gender diversity:

1. Establish targets to increase female representation for listed companies in the workplace, especially on boards and executive boards.
2. Encourage or require disclosure<sup>41</sup> of diversity-related metrics, including the percentage of women across all levels of the organization, pay gap and turnover rates by gender, expenditure on training by gender, and actions taken to enforce gender requirements across the supply chain.<sup>42</sup>
3. Encourage or require companies to develop and disclose a diversity policy (including diversity targets for the board, senior management, and across the company’s operations) and relevant strategies, initiatives, and guidelines to achieve these targets.
4. Develop or amend anti-discrimination and anti-harassment regulations in the workplace to create a more secure working environment for all, including women.

---

<sup>41</sup> In 2018, the Kazakhstan Stock Exchange (KASE), in collaboration with IFC, developed and introduced Methodology for Preparing an Environmental, Social and Governance Report to improve information disclosure practices of listed companies. The Methodology includes reporting indicators such as information about the diversity and equal opportunities, employee training and performance evaluation by gender, the remuneration base rate for women and men for the same work, percentage of women on boards of directors, etc. The Methodology can be found at the official website of KASE, [https://kase.kz/files/normative\\_base/met\\_ekolog\\_soc\\_eng.pdf](https://kase.kz/files/normative_base/met_ekolog_soc_eng.pdf)

<sup>42</sup> Sustainable Stock Exchanges Initiative, How Stock Exchanges can Advance Gender Equality, March 2017, 8.

5. Develop or amend regulations to ensure equal pay for men and women who perform work of equal value. Establish an independent body to promote fair labor market practices and rules, and to resolve disputes over gender and diversity among employees and organizations.
6. Develop or amend regulations to improve and protect parental rights to encourage women to return to work after maternity leave and men to take paternity leave.
7. Consider providing tax exemptions, tax rebates, or subsidies for companies or individuals to promote family-friendly policies.
8. Issue diversity guidelines to raise awareness and build the business case for diversity among companies.
9. Initiate creation of professional community to support women to increase their level of expertise, help them mentor and train them, create a network of useful business contacts, and promote sustainable

# KEY FACTS & FIGURES

54%

of sampled companies have female board members



They represent

17%

of all board members

Companies with female board members exhibited

5%

higher growth in return on assets

8%

higher growth in return on equities

48%

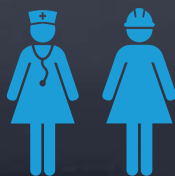
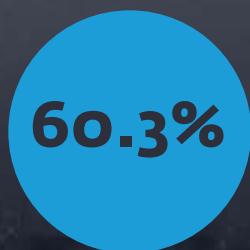


have one or two female board members

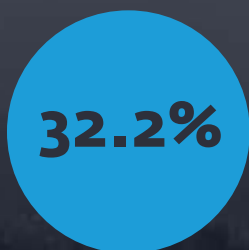
5.8%



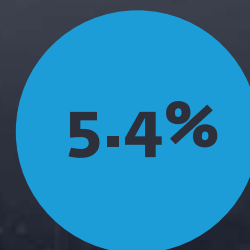
of companies have three or more women on the board



of women participate  
in Kazakhstan's  
labour force



wage gap between  
women's and men's  
wage



unemployment  
for female  
labour market

---

43%

the proportion of women in  
**governmental leadership positions**



---

56%

of respondents  
believe that an  
increase in the  
presence of  
women on boards of directors  
(over 30%) can have a positive  
effect on the listed performance  
indicators of companies.

50,9%

of companies  
are not  
interested in  
supporting  
gender diversity

70.4%

of respondents noted  
the absence of any  
practices to support  
gender diversity in their  
company.

---

## APPENDIX A. REPRESENTATION OF JOINT-STOCK COMPANIES BY TYPE OF INDUSTRY IN THE SAMPLE

Type of economic industry	Registered JSC	Active JSC	JSC in the sample	Share of JSC in the sample to the active JSC (%)
Total	1 791	1 025	788	77%
Agriculture, forestry and fishing	57	24	19	79%
Mining and quarrying	61	53	46	87%
Manufacturing	245	141	123	87%
Electricity, gas, steam and air conditioning supply	55	44	39	89%
Water supply; sewerage, waste management and remediation activities	11	5	5	100%
Construction	141	51	36	71%
Wholesale and retail trade; repair of motor vehicles and motorcycles	247	44	24	55%
Transportation and storage	126	77	67	87%
Accommodation and food service activities	14	6	4	67%
Information and communication	62	39	32	82%
Financial and insurance activities	316	211	165	78%
Real estate activities	94	75	47	63%
Professional, scientific and technical activities	187	110	90	82%
Administrative and support service activities	27	17	14	82%
Public administration and defence; compulsory social security	6	6	5	83%
Education	78	73	37	51%
Human health and social work activities	29	26	19	73%
Arts, entertainment and recreation	14	9	9	100%
Other service activities	21	14	7	50%



## APPENDIX A2. REPRESENTATIVENESS OF JOINT-STOCK COMPANIES OF THE SAMPLE BY SIZE IN TERMS OF THE NUMBER OF EMPLOYEES

Size of JSC	Registered JSC	Active JSC	JSC in the sample	Share of JSC in the sample to the active JSC (%)
Overall	1 791	1 025	788	77%
Small	1 299	551	342	62%
Medium	175	164	156	95%
Large	317	310	290	94%

## APPENDIX B. STATISTICAL MODEL RESULTS INDICATING EFFECT ON ROA (COMPANY SIZE AS A DUMMY VARIABLE)

Hypothesis II – ALL SIZES ROA			
Unbalanced Panel: n =331, T = 1-3, N = 821			
Coefficients:	Estimate	Pr(> t )	
(Intercept)	0.08	0.09	.
women share	0.05	0.04	*
government share	0.00006	0.59	
sizeLarge	0.03	0.02	
sizeSmall	0.03	0.08	.
group_okedAgriculture, forestry and fisheries	0.09	0.11	
group_okedArts, entertainment and recreation	0.05	0.39	
group_okedBuilding	0.02	0.60	
group_okedEducation	-0.0009	0.98	
group_okedFinancial and insurance activities	0.01	0.70	
group_okedHealth care	-0.03	0.58	
group_okedInformation and communication	0.03	0.46	
group_okedManufacturing industry	0.02	0.70	
group_okedMining and quarrying	0.08	0.15	
group_okedOthers	0.07	0.36	
group_okedPower supply	-0.02	0.66	
group_okedProfessional, scientific and technical activities	-0.009	0.80	
group_okedProviding accommodation and catering services	-0.06	0.50	
group_okedPublic administration and defense; compulsory social security	0.02	0.68	
group_okedReal estate operations	0.01	0.78	
group_okedTransport and storage	-0.03	0.43	
group_okedWater supply	-0.01	0.83	
group_okedWholesale and retail trade	-0.05	0.27	
regionAktobe	-0.01	0.003	**
regionAlmaty	-0.12	0.007	**
regionAlmaty city	-0.08	0.01	*
regionAtyrau	-0.06	0.19	
regionEast Kazakhstan	-0.05	0.21	
regionKaraganda	-0.01	0.02	*
regionKostanay	-0.07	0.17	
regionKyzylordinskaya	-0.06	0.43	
regionMangystau	-0.11	0.005	**
regionNorth Kazakhstan	-0.13	0.007	**
regionNur-Sultan city	-0.09	0.005	**
regionPavlodar	-0.09	0.02	*
regionShymkent	-0.01	0.003	**
regionTurkestan	-0.06	0.22	.
regionWest Kazakhstan	-0.02	0.68	
regionZhambyl	-0.10	0.04	*
R-Squared: 0.17130			
Adj. R-Squared: 0.12617			
F-statistic: 4.25386 on 38 and 782 DF, p-value: < 0.00001			

## APPENDIX C. STATISTICAL MODEL RESULTS INDICATING EFFECT ON ROE (COMPANY SIZE AS A DUMMY VARIABLE)

Hypothesis II – ALL SIZES ROE		
Unbalanced Panel: n =331, T = 1-3, N = 821		
Coefficients:	Estimate	Pr(> t )
(Intercept)	0.02	0.85
women share	0.08	0.06 .
government share	0.00013	0.51
sizeLarge	0.11	0.000024 ***
sizeSmall	0.06	0.02 *
group_okedAgriculture, forestry and fisheries	0.07	0.49
group_okedArts, entertainment and recreation	0.14	0.15
group_okedBuilding	0.07	0.36
group_okedEducation	-0.03	0.72
group_okedFinancial and insurance activities	0.05	0.46
group_okedHealth care	-0.05	0.51
group_okedInformation and communication	0.04	0.62
group_okedManufacturing industry	0.03	0.69
group_okedMining and quarrying	0.12	0.19
group_okedOthers	0.18	0.14
group_okedPower supply	-0.04	0.55
group_okedProfessional, scientific and technical activities	-0.01	0.87
group_okedProviding accommodation and catering services	-0.06	0.71
group_okedPublic administration and defense; compulsory social security	0.02	0.88
group_okedReal estate operations	0.02	0.85
group_okedTransport and storage	0.00086	0.99
group_okedWater supply	-0.03	0.77
group_okedWholesale and retail trade	-0.032	0.57
regionAktobe	-0.15	0.05 .
regionAlmaty	-0.02	0.81
regionAlmaty city	-0.02	0.65
regionAtyrau	0.0032	0.97
regionEast Kazakhstan	-0.04	0.52
regionKaraganda	-0.06	0.49
regionKostanay	-0.13	0.15
regionKyzylordinskaya	0.03	0.86
regionMangystau	-0.12	0.09 .
regionNorth Kazakhstan	-0.02	0.81
regionNur-Sultan city	-0.06	0.28
regionPavlodar	-0.09	0.20
regionShymkent	-0.11	0.09 .
regionTurkestan	-0.02	0.82
regionWest Kazakhstan	-0.07	0.36
regionZhambyl	-0.05	0.55
R-Squared: 0.17572		
Adj. R-Squared: 0.13080		
F-statistic: 4.38702 on 38 and 782 DF, p-value: < 0.00001		

## APPENDIX D. STATISTICAL MODEL RESULTS FOR MEDIUM SIZED COMPANIES INDICATING EFFECT ON ROA

Hypothesis II – Medium – ROA			
Unbalanced Panel: n = 157, T = 1-3, N = 363			
Coefficients:	Estimate	Pr(> t )	
(Intercept)	-0,14	0,00	**
women share	0,14	0,01	*
government share	0,0005	0,12	
group_okedEducation	0.08	0.28	
group_okedFinancial and insurance activities	0.11	0.02	*
group_okedHealth care	0.11	0.15	
group_okedInformation and communication	0.08	0.17	
group_okedManufacturing industry	0.12	0.00	**
group_okedMining and quarrying	0.12	0.30	
group_okedPower supply	0.13	0.01	**
group_okedProfessional, scientific and technical activities	0.04	0.50	
group_okedPublic administration and defense; compulsory social security	0.16	0.03	*
group_okedReal estate operations	0.16	0.00	***
group_okedTransport and storage	0.09	0.06	.
group_okedWholesale and retail trade	0.08	0.15	
regionAktobe	-0.10	0.08	
regionAlmaty	-0.13	0.01	**
regionAlmaty city	0.02	0.60	
regionEast Kazakhstan	-0.08	0.25	
regionKaraganda	-0.05	0.49	
regionKostanay	0.08	0.29	
regionMangystau	-0.17	0.02	*
regionNorth Kazakhstan	0.01	0.84	
regionNur-Sultan city	-0.03	0.37	
regionPavlodar	0.00	0.94	
regionShymkent	-0.04	0.43	
regionTurkestan	-0.10	0.06	.
regionWest Kazakhstan	0.01	0.82	
regionZhambyl	0.04	0.53	
R-Squared: 0.40818			
Adj. R-Squared: 0.25753			
F-statistic: 8.22717 on 28 and 334 DF, p-value: < 0.00001			

## APPENDIX E. STATISTICAL MODEL RESULTS FOR MEDIUM SIZED COMPANIES INDICATING EFFECT ON ROE

Hypothesis II – Medium – ROE		
Unbalanced Panel: n = 157, T = 1-3, N = 363		
Coefficients:	Estimate	Pr(> t )
(Intercept)	-0,17	0,16
women share	0,25	0,06 .
government share	0,0002	0,80
group_okedEducation	0.33	0.06 .
group_okedFinancial and insurance activities	0.29	0.01 *
group_okedHealth care	0.30	0.09 .
group_okedInformation and communication	0.17	0.23
group_okedManufacturing industry	0.18	0.07 .
group_okedMining and quarrying	0.55	0.06
group_okedPower supply	0.26	0.03 *
group_okedProfessional, scientific and technical activities	0.04	0.72
group_okedPublic administration and defense; compulsory social security	0.28	0.10
group_okedReal estate operations	0.19	0.07
group_okedTransport and storage	0.41	0.00 ***
group_okedWholesale and retail trade	0.12	0.39
regionAktobe	-0.20	0.12
regionAlmaty	-0.18	0.13
regionAlmaty city	-0.03	0.67
regionEast Kazakhstan	-0.05	0.79
regionKaraganda	-0.54	0.00 **
regionKostanay	-0.60	0.00 ***
regionMangystau	-0.37	0.03 *
regionNorth Kazakhstan	0.02	0.92
regionNur-Sultan city	-0.11	0.24
regionPavlodar	-0.13	0.23
regionShymkent	-0.06	0.62
regionTurkestan	-0.32	0.01 *
regionWest Kazakhstan	-0.03	0.82
regionZhambyl	-0.20	0.15
R-Squared: 0.40829		
Adj. R-Squared: 0.25768		
F-statistic: 8.23092 on 28 and 334 DF, p-value: < 0.00001		



## APPENDIX F. STATISTICAL MODEL RESULTS FOR LARGE SIZED COMPANIES INDICATING EFFECT ON ROA

### Hypothesis II – Large – ROA

Unbalanced Panel: n = 205, T = 1-3, N = 462

Coefficients:	Estimate	Pr(> t )	
(Intercept)	0,02	0,43	
women share	0,07	0,00	**
government share	-0,00004	0,66	
group_okedAgriculture, forestry and fisheries	0.076	0.06	.
group_okedArts, entertainment and recreation	-0.05	0.28	
group_okedBuilding	-0.02	0.49	
group_okedEducation	-0.05	0.07	.
group_okedFinancial and insurance activities	-0.02	0.50	
group_okedHealth care	-0.04	0.26	
group_okedInformation and communication	-0.013	0.65	
group_okedManufacturing industry	-0.03	0.38	
group_okedMining and quarrying	0.02	0.62	
group_okedPower supply	-0.01	0.68	
group_okedProfessional, scientific and technical activities	0.01	0.87	
group_okedPublic administration and defense; compulsory social security	0.01	0.92	
group_okedTransport and storage	-0.03	0.34	
group_okedWater supply	-0.01	0.89	
regionAktobe	-0.08	0.05	
regionAlmaty	0.0005	0.97	
regionAlmaty city	0.0008	0.95	
regionAtyrau	-0.08	0.47	
regionEast Kazakhstan	0.03	0.46	
regionKaraganda	0.05	0.36	
regionKostanay	0.009	0.93	
regionMangystau	-0.08	0.15	
regionNorth Kazakhstan	-0.03	0.88	
regionNur-Sultan city	0.004	0.93	
regionPavlodar	-0.04	0.69	
regionShymkent	0.05	0.34	
regionTurkestan	0.04	0.78	
regionWest Kazakhstan	-0.02	0.81	
regionZhambyl	-0.049	0.77	

R-Squared: 0.27326

Adj. R-Squared: 0.14372

F-statistic: 5.21559 on 31 and 430 DF, p-value: < 0.00001

## APPENDIX G. STATISTICAL MODEL RESULTS FOR LARGE SIZED COMPANIES INDICATING EFFECT ON ROE

### Hypothesis II – Large – ROE

Unbalanced Panel: n = 205, T = 1-3, N = 462

Coefficients:	Estimate	Pr(> t )	
(Intercept)	0,02	0,43	
women share	0,07	0,00	**
government share	-0,00004	0,66	
group_okedAgriculture, forestry and fisheries	0.076	0.06	.
group_okedArts, entertainment and recreation	-0.05	0.28	
group_okedBuilding	-0.02	0.49	
group_okedEducation	-0.05	0.07	.
group_okedFinancial and insurance activities	-0.02	0.50	
group_okedHealth care	-0.04	0.26	
group_okedInformation and communication	-0.013	0.65	
group_okedManufacturing industry	-0.03	0.38	
group_okedMining and quarrying	0.02	0.62	
group_okedPower supply	-0.01	0.68	
group_okedProfessional, scientific and technical activities	0.01	0.87	
group_okedPublic administration and defense; compulsory social security	0.01	0.92	
group_okedTransport and storage	-0.03	0.34	
group_okedWater supply	-0.01	0.89	
regionAktobe	-0.09	0.04	
regionAlmaty	0.00007	0.99	
regionAlmaty city	0.0007	0.98	
regionAtyrau	-0.06	0.44	
regionEast Kazakhstan	0.02	0.53	
regionKaraganda	0.04	0.33	
regionKostanay	0.007	0.90	
regionMangystau	-0.07	0.12	
regionNorth Kazakhstan	-0.01	0.86	
regionNur-Sultan city	0.003	0.94	
regionPavlodar	-0.02	0.68	
regionShymkent	0.04	0.32	
regionTurkestan	0.03	0.77	
regionWest Kazakhstan	-0.01	0.85	
regionZhambyl	-0.039	0.71	

R-Squared: 0.24447

Adj. R-Squared: 0.13294

F-statistic: 4.48829 on 31 and 430 DF, p-value: < 0.00001

## APPENDIX H. LINEAR REGRESSION MODEL RESULTS (INDICATORS THAT INFLUENCE THE SHARE OF WOMEN IN BOD)

women_share ~ group_fin + size + gov_share			
Coefficients:	Estimate	Pr(> t )	
Non-financial	0.019	0.205	
Large companies	-0.061	0.001	**
Small companies	0.005	0.783	
Gov_share	-0.001	2.59e-13	***
(Intercept)	0.393	2e-16	***
R-Squared: 0.08009			
Adj. R-Squared: 0.07606			
F-statistic: 19.89 on 4 and 914 DF, p-value: 1.017e-15			

## APPENDIX I. DATABASE

The list of operating joint-stock companies as of January 1, 2021, published by the Bureau of National Statistics of the Agency of Strategic Planning and Reforms of the Republic of Kazakhstan, was used as the primary database. This list includes the following indicators:

- Company name
- Business identification number (BIN)
- Date of legal entity registration
- Main kind of industry code (General Classification of Types of Economic Activities)
- Name of the main kind of industry (General Classification of Types of Economic Activities)
- Secondary kind of industry code (General Classification of Types of Economic Activities)
- Code of enterprise size by number of employees (Classification of enterprises size by number of employees)
- Name of enterprise size by number of employees (Classification of enterprises size by number of employees)
- Code of Classification of administrative and territorial entities
- Date of settlement (Date of registration of a company as a JSC)
- Legal address
- Full name of CEO

The database was supplemented with additional information, including annual audit reports and tax information for 2017-2019, from the financial reporting depository website under the Ministry of Finance of the Republic of Kazakhstan. Information on the share of the state (221 of the companies have a state share, which ranges from 0.01 to 100%) and the value of issued shares were also collected from the Central Securities Depository. The following information was obtained:

- Contact information
- Website
- E-mail addresses
- Total number of members on the board of directors for each period
- The number of women on the board of directors for each period
- Total comprehensive income for each period (after taxes)
- Profit for each period (before tax)
- Total assets for each period
- Total equities for each period

The proportion of women representation on the board of directors was calculated by following formula:

$$\text{Proportion of Women} = \frac{\text{The number of women on the board of directors}}{\text{Total number of members on the board of directors}} \times 100\%$$

Return on Assets (ROA) and Return on Equity (ROE) were calculated using the following formulas:

$$\text{ROA} = \frac{\text{Net Income}}{\text{Total Assets}} \times 100\%$$

$$\text{ROE} = \frac{\text{Net Income}}{\text{Total Equities}} \times 100\%$$

# REFERENCES

- Action Plan on Implementation of the Concept of Family and Gender Policy in the Republic of Kazakhstan until 2030 (phase two – 2020-2022) <https://adilet.zan.kz/rus/docs/P2000000315>.
- Agency for Strategic Planning and Reforms of the Republic of Kazakhstan Bureau of National Statistics, <https://stat.gov.kz/>.
- Akhmetova Gradihlava, Corporate Governance Expert and CEO of Governance & Management Consulting, LLC, [https://forbes.kz/process/ischite\\_jenschin/](https://forbes.kz/process/ischite_jenschin/).
- Araissi, Mahmoud, Mustafa A Dah, and Mohammad Jizi. “Women on Boards, Sustainability Reporting and Firm Performance.” SSRN Electronic Journal, 2016. <https://doi.org/10.2139/ssrn.2990370>.
- Dr. Argüden Yılmaz, “Diversity At The Head Table: Bringing Complementary Skills and Experiences to the Board,” Private Sector Opinion: IFC Corporate Governance Knowledge Publication 19 (2010): 11, <https://openknowledge.worldbank.org/bitstream/handle/10986/11100/579770NEWS0Pri1c1IFC1PSO1191WEB1RES.pdf?sequence=1&isAllowed=y>.
- Bureau of National Statistics of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan. Accessed September 14, 2021. <https://stat.gov.kz/>.
- Central Securities Depository. Central Securities Depository JSC. Accessed in 2021. <http://www.kacd.kz/ru/news/>.
- The Concept of Family and Gender Policy in the Republic of Kazakhstan until 2030 adopted by Decree of the President of the Republic of Kazakhstan dated December 6, 2016, No. 384 <https://adilet.zan.kz/rus/docs/U1600000384>.
- Dezsö, Cristian L., and David Gaddis Ross. “Does Female Representation in Top Management Improve Firm Performance? A Panel Data Investigation.” Strategic Management Journal 33, no. 9 (2012): 1072–89. <https://doi.org/10.1002/smj.1955>.
- Deloitte, “Women in the Boardroom: A Global Perspective (6th Edition),” (2019): 9, <https://www2.deloitte.com/global/en/pages/risk/articles/women-in-the-boardroom-global-perspective.html>.
- Di Miceli, Alexandre, and Angela Donaggio. “Women in Business Leadership Boost ESG Performance: Existing Body of Evidence Makes Compelling Case,” IFC, 2018. Best to use this URL to increase downloads and page views: [https://www.ifc.org/wps/wcm/connect/topics\\_ext\\_content/ifc\\_external\\_corporate\\_site/ifc+cg/resources/private+sector+opinion/women+in+business+leadership+boost+esg+performance](https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/ifc+cg/resources/private+sector+opinion/women+in+business+leadership+boost+esg+performance).
- EBRD Baseline Assessment Report on “The Role of Women In Kazakhstan Energy Sector”. <https://www.kazenergy.com/en/press-center/news/1994/>.
- “Financial Statements.” Depository of Financial Statements of the Ministry of Finance of the Republic of Kazakhstan. Accessed 2021. <https://opi.dfo.kz/p/ru/archive-publication/fin-reports>.
- “ICGN Guidance on Diversity on Boards” (2016): 11, International Corporate Governance Network.
- IoD Competency Framework, 2016. Institute of Directors - <https://www.iod.com/training/iod-approach/iod-competency-framework>.
- The Kazakhstan Stock Exchange (KASE) in collaboration with IFC, Methodology for Preparing an Environmental, Social and Governance Report to improve information disclosure practices of listed companies, [https://kase.kz/files/normative\\_base/met\\_ekolog\\_soc\\_eng.pdf](https://kase.kz/files/normative_base/met_ekolog_soc_eng.pdf).



KPMG in Kazakhstan and Central Asia, “Gender Diversity in Top Management of Kazakhstani Companies,” <https://assets.kpmg/content/dam/kpmg/kz/pdf/2020/11/gender-diversity-final.pdf> .

Lückerath-Rovers, Mijntje. “Women on Boards and Firm Performance.” *Journal of Management & Governance* 17, no. 2 (2011): 491–509. <https://doi.org/10.1007/s10997-011-9186-1>.

McKinsey Global Institute, “COVID-19 and Gender Equality: Countering the Regressive Effects,” (2020).

Post, Corinne, and Kris Byron. “Women on Boards and Firm Financial Performance: A Meta-Analysis.” *Academy of Management Journal* 58, no. 5 (2015): 1546–71. <https://doi.org/10.5465/amj.2013.0319>.

Register of State Enterprises and Institutions, Legal Entities with the State Participation in the Authorized Capital of the Ministry of Finance of the Republic of Kazakhstan. Accessed in 2021. <https://www.gosreestr.kz/ru/>.

Reinert, Regina M., Florian Weigert, and Christoph H. Winnefeld. “Does Female Management Influence Firm Performance? Evidence from Luxembourg Banks.” *Financial Markets and Portfolio Management* 30 (2016): 113-136. <https://doi.org/10.2139/ssrn.2548978>.

Shrader, Charles B., Virginia B. Blackburn, and Paul Iles. “Women In Management And Firm Financial Performance: An Exploratory Study.” *Journal of Managerial Issues*, 3, 9 (1997): 355–72. <https://doi.org/https://www.jstor.org/stable/40604152>.

Sustainable Stock Exchanges Initiative, *How Stock Exchanges can Advance Gender Equality*, March 2017, 8.

The World Bank Data, “Labor Force, Female (% of Total Labor Force) - Europe & Central Asia.” <https://data.worldbank.org/indicator/SL.TLF.TOTL.FE.ZS?locations=Z7>.

“World Values Survey Association”, WVS Database (1981), <https://www.worldvaluessurvey.org/wvs.jsp>.



# CREDITS

## PHOTOGRAPHY:

Cover

Shutterstock

Page 1

Adobe Stock

Page 10

Shutterstock

Page 16

Adobe Stock

## CONTACTS IN KAZAKHSTAN



**Ekaterina Benjamin**

IFC Country Officer in Kazakhstan

[EBenjamin@ifc.org](mailto:EBenjamin@ifc.org)



**Adalyat Abdumanapova**

IFC ESG Advisory Team Lead

[AAbdumanapova@ifc.org](mailto:AAbdumanapova@ifc.org)



**Madina Zhanuzakova**

IFC ESG Advisory Consultant

[MZhanuzakova@ifc.org](mailto:MZhanuzakova@ifc.org)

[www.ifc.org/cggender](http://www.ifc.org/cggender)  
[www.ifc.org/sustainability](http://www.ifc.org/sustainability)