

Corporate Governance

Women on Boards and in Business Leadership

Good corporate governance helps firms improve performance, drive growth, manage risks, attract and retain investors, and weather financial crises. To be truly effective, a board requires a diversity of skills, cultures, and views to make smart decisions with lasting impact.

THE BUSINESS CASE

A growing body of research shows a range of business benefits associated with gender diversity on corporate boards and in senior leadership—and with a robust pipeline of female management talent. Among these benefits: improved financial performance and shareholder value, increased customer and employee satisfaction, rising investor confidence, and greater market knowledge and reputation. Studies also point to the positive influence of gender-diverse management and boards on a company's sustainability profile

IFC'S RESPONSE

IFC is building capacity, raising awareness, and expanding the discussion about gender diversity on boards and in business leadership in emerging markets and developing countries—all part of our overall environmental, social, and corporate governance standards.

SELECTED REGIONAL EXAMPLES

In **East Asia and the Pacific**, as the importance of board diversity gains traction, IFC is helping to promote the business case. The IFC team has undertaken a regional study on the value of more gender-diverse boards, which also will identify the region's board diversity challenges and opportunities and guide future, country-specific IFC programs.

In **Europe and Central Asia**, IFC has teamed up with local organizations—including women-owned consultancies—to offer board diversity workshops in Bosnia and Herzegovina, Kosovo, Macedonia, Serbia and Ukraine. In Turkey, a partnership with Independent Women Directors is helping to identify qualified female candidates for IFC nominee directorships, with one placement to date.

In **Latin America and the Caribbean**, IFC offered its Women on Boards and in Business Leadership workshops to participants in Colombia, Panama and Peru, and participated once again in the Ring the Bell for Gender Equality events with the stock



BACKGROUND

Corporate governance is defined as the structures and processes by which companies are directed and controlled. Good corporate governance helps companies operate more efficiently, improve access to capital, mitigate risk and safeguard against mismanagement. It makes companies more accountable and transparent to investors and gives them the tools to respond to stakeholder concerns. Corporate governance also contributes to development. Increased access to capital encourages new investments, boosts economic growth, provides employment opportunities, and contributes to long-term sustainability.

IFC CORPORATE GOVERNANCE GROUP

The IFC Corporate Governance Group brings together staff from investment support and advisory operations into a single, global team. This integrated team advises on all aspects of corporate governance and offers targeted client services in areas such as increasing board effectiveness, improving the control environment, and family businesses governance. The Group also helps support corporate governance improvements and reform efforts in emerging markets and developing countries, while leveraging and integrating knowledge tools, expertise, and networks at the global and regional levels.

exchanges of Argentina, Chile, Colombia, Panama and Peru. Additional regional efforts include raising the profile of the women-on-boards imperative by contributing opinion pieces to leading business media outlets and participating in conferences and other events such as the Fourth Latin American Congress on the Integration of Latin American Women Entrepreneurs.

In the **Middle East and North Africa**, a first-ever study of female board directors in Jordan and the impact on the financial performance of their companies, undertaken by IFC, is now being replicated in other MENA countries, including Lebanon and Egypt. Also being readied for region-wide roll-out is IFC's Women on Boards and in Business Leadership training program, following a successful pilot in Lebanon. Among the countries where the program will run: Pakistan. This country's recently updated regulations, including its company law and corporate governance code, now require all publicly listed companies to have female representation on their boards.

In **South Asia**, IFC has trained more than 300 women for future positions as board directors, working with several local institutions. In Sri Lanka, IFC's Corporate Governance for Women project promotes good corporate governance practices through activities such as training for women directors, programs for women-led smaller businesses, and research on the obstacles to increased gender parity in the boardroom. India's corporate governance scorecard, developed by IFC, the Bombay Stock Exchange and Institutional Investor Advisory Services, includes gender diversity as a key indicator. The results of the 2017 scorecard, which measured the corporate governance performance of 100 listed companies, revealed a trend toward gender diversity improvements compared to 2016.

In **Sub-Saharan Africa**, IFC partners with institutes of directors, securities exchanges, regulators, and academia on events aimed at building a pool of board-ready female candidates. The IFC team also conducts research, such as the recently completed "Gender Diversity in Ghanaian Boardrooms," which revealed governance and operational performance gains for companies with more diverse boards. Research on board diversity in Nigeria and Ethiopia is also planned.

Globally, IFC continues to support board diversity and women in the senior executive ranks. In our own investee companies, we have reached a target of 30 percent female representation for IFC-nominated director positions, with a future goal of 50 percent. Our transformational training, focused on emotional intelligence and behavior change, is currently in scale-up mode, as we continue to deliver it around the world and prepare training-of-trainers workshops. Other works in progress include a white paper detailing strategies to mainstream gender diversity in the boardroom and senior management that will inform future work and provide guidance for clients and partners. In addition, IFC is conducting research to demonstrate evidence of the link between more women in senior executive positions and stronger environment, social and governance standards. A publication profiling female business leaders in emerging markets around the world is also under production.

IFC ENCOURAGES BOARD DIVERSITY BY:

- Building capacity
- Raising awareness
- Reporting on the benefits of women in senior executive ranks in emerging markets and developing countries
- Training corporate governance trainers
- Preparing women for board and senior management positions

In FY 2018

- Delivered women-on-boards and in business leadership workshops in Colombia, Kazakhstan, Kenya, Lebanon, Liberia, Myanmar, Nigeria, Peru, Uganda
- IFC led or co-led 18 Ring the Bell for Gender Equality events around the world

SELECTED RESOURCES

[Gender Diversity in Jordan](#)

[Myths and Facts about Female Directors](#)

[Optimizing Board Effectiveness with Gender Diversity: Are Quotas the Answer?](#)

[Diversity at the Head Table: Bringing Complementary Skills and Experiences to the Board](#)

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Canada



Creating Markets, Creating Opportunities