



The Slow and Steady Progress Towards Gender-Balanced Boards

In conservative societies, awareness and discussion of gender diversity issues pave the way for progress.

When I spearheaded the adoption of Pakistan’s first code of corporate governance in 2002, the concept of independent board directors was difficult to stomach for many in the corporate world. Our task force was subjected to all sorts of abuse, stopping just short of rotten tomatoes thrown at us. But during a round of revisions ten years later, former objectors – who presumably had had time to consider and assimilate the arguments – championed the cause.

Last year, Pakistan added a provision to its code of corporate governance, requiring public interest companies (which includes listed firms) to have **at least one female director** within two years or at the time of the next election of board members. While quotas sometimes breed entitlement on the supply side and resentment on the demand side, I believe this new requirement will benefit Pakistan, if only because it will raise awareness of gender-balance issues and the arguments in favour of diversity. Perhaps, similarly to what happened with the concept of independent board directors, acceptance will follow in due time.

Diversity is not about numbers. It’s about being heard.

When it comes to women on boards, Pakistan is changing for the better, albeit slowly. Its strong patriarchal mindset firmly puts men in the decision-

maker seat, even for the most mundane decisions that affect women’s lives. This state of affairs fosters one of the biggest misperceptions about women in leadership roles, which is that women are unable to make decisions for themselves, let alone handle the pressures of a high-flying corporate life. Changing this mindset will probably take a generation.

As I wrote in my recently published book, ***The Corporate Governance Landscape of Pakistan***, 72 percent of women directors in Pakistan sit on the boards of family-owned businesses. This, however, doesn’t necessarily mean that family firms are more open-minded on the topic of diversity. The same survey revealed that the main reason for inducting a woman director was her filial affiliation (55 percent of respondents). Creating balance on boards came in a distant second, with 17 percent of respondents. Only 3 percent of firms stated that they appointed a woman director chiefly for her professional experience.

Nominating women directors strictly based on family relationships is a common problem in Pakistan and other Asian countries where family-owned companies represent a large portion of the corporate sector. Control is often a key issue in such companies and appointing a wife or daughter to the board is seen as a way to keep control within the family and even concentrate it in the hands of a few.

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A number of these female family relations, I learnt, are expected to obligingly sign corporate documents and to skip the part about discussing – or even reading – them.

So, beyond quotas, Pakistani corporate boards will need to develop an appreciation for diverse points of view to ensure quality of participation. Only then will they really reap the benefits of gender diversity on boards. Well documented, these benefits include innovative thinking, greater objectivity, improved governance and better financial performance.

Everyone has a role to play.

On the global stage, women must make reaching the highest rung of the corporate ladder a part of their career aspirations. This is not at all to say that women are less ambitious than men. It means that because of centuries of social conditioning, women must watch out for **limiting self-bias**. If I may share my own example, when I was recently approached by a head hunter about a very senior role, my first remark was that I wasn't the perfect fit. The head hunter pointed out that three less-qualified male candidates he had approached for the same role were quick to sell themselves as the "right person" for the job.

Women must also plan their careers judiciously. Early on, women need to envision reaching the top of their profession as a real possibility. Such a career aspiration will help them navigate the corporate pipeline and ready themselves for higher leadership. Quotas have increased the need for women to have the appropriate set of corporate skills and relevant experience to facilitate their recruitment on boards. No matter their profession, I advocate women seek directorship training and get involved in the professional body of their field.

As for men – the decision makers of today – they also have a role to play as diversity champions and mentors. Gender balance cannot be driven by only one gender. Men must assign authority and responsibility to promising women, and be ready to stand behind them and provide full support. Women should be given equal opportunity to prove themselves and rise up within the ranks, with equal pay.

Business schools should get involved, too. INSEAD, for instance, has a great **gender initiative**. It is vital for INSEAD to make a mark for itself as a place which attracts and promotes women, but also sets the right message in terms of female leadership in business. This messaging can positively influence both women and men and nurture the next generation of equal leaders. Having returned to INSEAD to study in 2016, I've seen how **helpful** it can be, for instance, to use case studies featuring

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successful female protagonists and to teach about conscious and unconscious biases.

There's hope yet. Even in a society as conservative as Pakistan, the Chief Justice recently **apologised** for his use of an old Winston Churchill quote comparing the appropriate length of a speech to that of a woman's skirt ("long enough to cover the subject and short enough to create interest"). When it comes to changing mentalities, slow and steady will win the race.

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