

End of all-male boardrooms for Top 100 companies by 2023

By INTAN FARHANA ZAINUL



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Ami Moris



PETALING JAYA: Malaysia could achieve the target of women directors in a third of the top 100 listed companies boardrooms over the next two years, driven by the government and its regulators.

Presently, women representation on the boards of the top 100 Malaysian public listed companies (PLCs) stood at 26.5%, according to data by the 30% Club Malaysia.

The 30% Club chairman, who is also CEO of Maybank Investment Banking Group, Ami Moris, estimated at least another 30 boardroom seats need to be secured by women for Malaysia to achieve the landmark 30% target of women representing the large capital companies by the end of 2023.

“The 30% club is a business campaign run by volunteers who believe the pivotal 30% point would help companies to deliver better performance and elevate the competitiveness of the Malaysian economy as a whole.

“We are already in the year of 2022 and women make up half of the population. So asking for 30% is not a big ask,” she told StarBiz in an interview.

Ami pointed out that several research reports had confirmed that companies with at least 30% women in their board of directors deliver better returns.

According to The Malaysia Board Diversity Study and Index 2021, companies with at least one-third women representation in their boardrooms generate an average of 38% higher return on equity than boards with no women representation.

Ami stressed that gender diversity is not just about having the “token” women representatives for companies to tick a box but to understand the importance of a diversified boardroom for business strategy.

“We are done with just filling in the quota and moving the boardroom beyond tokenism.

“A diversified board is more effective especially to ‘avoid group-think’. But to harness diverse views, lone voices are likely to be less effective.

“As such, we believe that the 30% pivot is designed to challenge the bias of group-think,” Ami said.

The 30% Club Malaysia was set up in 2015 as an extension of The 30% Club, one of the largest and most influential organisations advocating for more women to join the boards of listed companies in the world.

Ami said that while progress has slowed down over the past few years, she admitted that women representation on the top 100 PLCs have doubled in just six years to 26.5% from 15% in 2015.

“Malaysia has done very well, we are one of the top in the region. But the progress has slowed down to 1% of annual growth, which is also in line with the global trend.

“I believe that the Covid-19 pandemic has slowed down the progress,” she added.

She said the 30% Club Malaysia is also working to create awareness for companies listed on the ACE Market and LEAP Market, as well as small and medium enterprises and startups to set the tone of best corporate practices in the country.

Ami said that currently, only 18% out of 936 companies listed on Bursa Malaysia have women on their board of directors.

When asked about the challenges of having more women representation at board levels, Ami said the most common complaint was “there are not enough” women talent to fit into the role.

“That is because many recruiters or headhunters were using the same circle to find talents.

“But if you really look into many companies in Malaysia, actually you will see women also doing a lot of heavy lifting work and holding senior level positions,” she said.

“It is very important for headhunters and companies to widen their search for talents.

“At the 30% Club, we are also putting in various initiatives including how companies are shaping their policies around diversity, equity and inclusion,” she added.

On the other hand, she encouraged women to take up the challenge and not be afraid to showcase their capabilities.

“It is also very important for women to develop their own network and social capital resources that are beyond their workplace. It is very important for women to have each other’s back.

“My five main shout outs are: Don’t be shy to look out for other women; promote sisterhood; safe environment in the workplace; do not accept bad behaviour; and love yourself, because if you do you will never be alone,” she said.

The goal of having no all-men boardrooms is not new in Malaysia. The issue has been raised since 2011 under the Corporate Governance Blueprint 2011 and the Malaysian Code on Corporate Governance 2021 that require companies to put more women in company’s leadership and decision-making positions.

In 2018, the Securities Commission set its own target of having no all-male boards on the 100 PLCs.

In Budget 2022, the government has taken more proactive measures whereby Malaysia’s publicly traded firms must have at least one woman director on their boards effective from Sept 1 this year for companies with more than RM2bil market capitalisation, and June 1, 2023 for other listed firms.

The United States S&P index saw the last all-male board in July 2019. Last year, Australia saw no all-male boards within the top 200 companies on Australian the Securities Exchange for the first time since it was formed in 1987.

The 30% Club Malaysia will be hosting a webinar on March 2 entitled “Diversity, Equity & Inclusion (DEI) Conversation: Elevating Investability”.