

# Women board members as a diversity tool for enhancing corporate governance and stakeholder value.

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## ABSTRACT

The continued failure of companies mainly with the majority of male board members prompted this research to establish the importance of board heterogeneity, the role of women board members, their characteristics and how their board presence can be utilised for improving corporate governance and stakeholder value. This study derives from board composition which dictates that directors of substance should populate boards. The debate on the utility value of women on boards was investigated using an interpretive enquiry. Document review coupled with a semi-structured interview was administered to forty-two (42) respondents. Purposive and snowball sampling were used to select respondents. Results of the research showed that women are thinly populated in boards yet they are risk averse, prepare for meetings diligently, are objective, have integrity and are protective of the organisation. The research recommends that bursaries and scholarships should be availed to women and girls so that they get chances to go through all levels of education and end up as managers, a step towards board membership. The government of Zimbabwe should make sure that steps are taken to enforce the 50:50 principle in management and that to cascade to boards. There should be advocacy for the need to infuse women leadership in all walks of life.

**Key words:** Corporate Governance, Board Diversity, Women on Boards, NVivo, qualitative and Stakeholder Satisfaction.

## 1.0 Introduction

The board of a company oversees the way managers run the organization on behalf of the owners (Raheja, 2005). A contentious issue has been why companies continue to collapse or perform below par yet they are endowed with full boards. Traditionally boards of directors have been dominated by men. This defeats the quest to have a balanced board which is diverse in terms of gender distribution.

However, the Zimbabwe Constitution of 2013 states that in all spheres of corporate life, there should be equal gender distribution. To have an article in a constitution shows that there is a gender imbalance in favour of men. When corporate giants like Enron, Worldcom, Tyco, Parmalat and Global Crossing dismally collapse, they were male dominated. Why these companies, together with other local ones, continue to fail while the board members are operating in full force begs answers.

Corporate scandals in Zimbabwe have not involved women but men and examples were at PSMAS (Herald, 5 February 2014), ZBC (Daily News, 9 February 2014, AFRE (The Standard, 28 October 2012, Caps Holdings (Chronicle, 22 July 2013), and DWL. Internationally, there are no corporate failures which were presided over by women. Women board members have not been associated with graft and other unorthodox practices. This begs answers to the questions: Why are there very few women on boards of directors? What capabilities do women have? How does selection of directors take place which leaves out women? Is gender diversity on the board an issue?

## **1.1 Objectives of the study**

- 1.1.1 To establish why they are very few women on boards of directors.
- 1.1.2 To understand the capabilities women could bring into the boards if included.
- 1.1.3 To determine whether gender diversity on boards is an issue.

## **2. Literature review**

### **2.0 Introduction**

The utility value of the board of directors as a cog in the directing and controlling of the affairs of a company is supported by many strategists (Shivdasani and Yermack, 1999). They further state that directors bridge the gap between shareholder expectations and management needs. Is it enough to satisfy shareholders without seeking to satisfy needs of the broader stakeholder community? Does the director selection process take into consideration the needs of the broader stakeholder community? Haspeslagh (2010) opines that corporate governance is facilitated by the responsibility that rests in the hands of the board and the tasks of the board are to approve strategy, provide performance targets and reward company leadership.

### **2.2 Board gender diversity**

Results of a study by Joecks, Pull and Vetter (2013) on gender diversity in the boardroom suggest that a more gender diverse board composition will only enhance performance if diversity is sufficiently large (10 + percent female representation) and that only for boards with a critical level of 30+ percent females (3+ women on the board), performance will be over and above the one of male boards. The results also suggest that at very low levels of gender diversity i.e. below 10 percent female representation, an increase in diversity might even be associated with reduced firm performance. The study suggests that – unless there are no restrictions on the supply side – female representation in the boardroom should be in the range of 30+ percent (Joecks et al., 2013). What would internal, external board members and other stakeholders perceive to be the best mix of women on the board of a developing country like Zimbabwe?

Smith, Smith and Verner (2009) contend that the presence of more female managers in organisations motivates young women to strive for higher positions and even places on the board of directors. An important issue is about what could be done to improve programmes that assist the presence of more women in management and boards. Gender diversity on boards may have a political dimension (Lückerath-Rovers, 2011) and also that companies embrace diversity in order to improve their public image to the outside world. Burgess and Tharenou (2002) concur with Singh and Vinnicombe (2004) that the presence of women on boards has been found to improve team performance through a diversity of ideas and a range of perspectives.

### **2.3 Women on boards of directors**

Researchers have noted that the growing numbers of women and racial minority directors on boards have led to increased attention to social responsibility, charitable giving, and community relationships (Stanwick and Stanwick, 1998; Williams, 2003). For example, Stanwick and Stanwick (1998) reported that female directors have greater orientation towards charitable giving than their male counterparts. Hillman et al. (2002) found that African-American and female directors, in particular, are more likely to be influential in society, which results in linkages with the community. The community is the source of stakeholders of the company.

A study by Miller and Triana (2009) showed that board gender diversity is positively related to innovation in the form of Research and Development expenditures. Furthermore, there was support for innovation as a mediator between board racial diversity and firm performance. These findings suggest that firms may benefit from the diverse human and social capital on diverse boards which support an innovation strategy. Quantitative studies seek to provide causal proof that relationships exist between variables. A qualitative methodology may provide a better world view of the place of gender diversity and the role of women. This research sought perceptions and understanding of various stakeholders who include women on what they perceive to be the role of women on the board.

In Norway legislation is mandating companies to appoint women to their corporate boards to achieve 40 per cent females within the next three years, and Sweden has implemented similar legislation with a target of 25 per cent female representation (Singh and Vinnicombe, 2006). According to Adams and Ferreira (2009) the percentage of female directors in Canada, Japan and Europe is estimated to be 10.6%, 0.4%, and 8.0%, respectively. The given statistics are for countries with developed capital markets. While the research was done in the developed world, a research in a developing country context was ideal focusing on how women presence on the board could improve effectiveness of the board and also how the presence of women could be increased.

In an interpretive research by Huse and Solberg (2006), the research established that having more women on the board makes business sense. The research further established that women as well as men need to understand the power game inside and outside the boardroom and their contribution depends on the ability and willingness to make alliances with the most influential actors, to spend time on preparations, being present on the most important decision-making arenas, and to take leadership roles. This informative study, in a Western setting, had to be pursued in a developing context like that of Zimbabwe where research on women presence on the board is scanty.

One criticism of men is that they focus on money and quantifiable issues and less on the human and social aspects of business (Huse and Solberg, 2006). Women are expected to be more socially oriented than men and, therefore, have the potential to broaden discussions on strategic issues (Burgess and Tharenou, 2002; Williams, 2003). Some recent qualitative studies have redirected the research question from if women make contributions to how they can make contributions (Huse and Solberg, 2006). Central to the debate is also the issue of how to improve women numbers on the boards of directors.

## **2.4 Theoretical Framework**

### **2.4.1 Resource dependency Theory**

According to the resource dependence theory (Pfeffer and Salancik, 1978) boards of directors perform a service task and are supposed to bring different types of resources to the firm. Among the different potential benefits provided by corporate boards, advice and counsel on the one hand and external legitimacy and networking on the other are considered to be particularly valuable (Hillman and Dalziel, 2003). Director selection should thus be oriented towards bringing on the board men and women who have abilities to bring resources to the board.

The resource dependence theory provides an external focus from an internal perspective (Huse, 2005). The board is viewed from a resource dependence perspective as an administrative body linking the corporation with its environment. The board is considered to be the link that helps the corporation to acquire important resources from the environment, and thus reduce the corporation's dependence on external stakeholders or protect the corporation from external threats (ibid). Important board roles from this perspective are those of networking, door-opening, legitimacy, and communication in internal relations.

The networking task is based on resource dependence and has an external focus (Minichilli, Zattoni and Zona, 2009). It is rooted in the relationship between the firm and its external stakeholders, and contributes to the firm legitimacy purpose. According to this view, the main contribution of boards of directors is to guarantee the company a steady flow of critical resources.

### **2.4.2 Stewardship Theory**

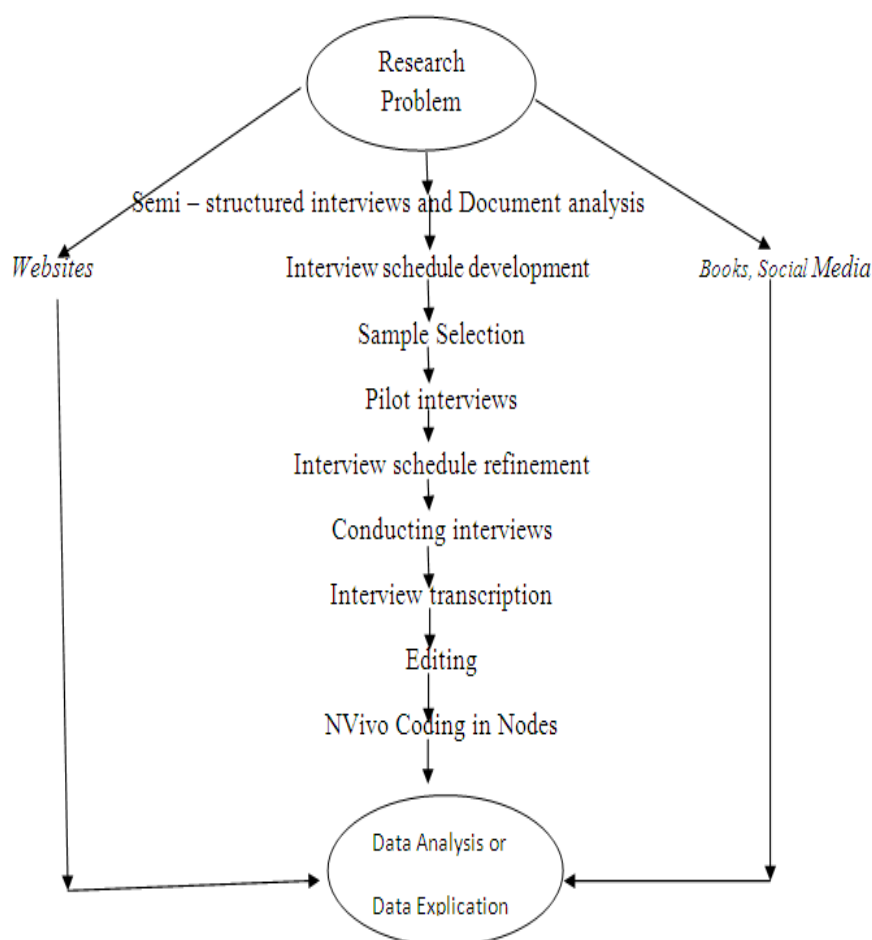
According to stewardship theory, founded on a positive view of human behaviour, people are not inclined to opportunism, and managers want to sincerely pursue shareholders' interests (Davis, Schoorman and Donaldson, 1997). In this view, boards of directors are groups of competent people that help managers to enhance their decision-making process, e.g. contributing to the boardroom debate through their experiences, competences and different viewpoints. Thus, board members provide advice and support to top managers, and thus represent a valuable resource for corporate boards.

## **3.0 Methodology**

The research methodology used for understanding board diversity and women on boards as a source of director competencies was exploratory and qualitative with deep roots in interpretivism. Interpretivism allows the digging deep of data to explain phenomena. Semi-structured interviews, social media and document analysis were used as shown in *Figure 3.1*. The stages leading to the analysis of the research question involved interview

schedule development as adapted from Carcary (2009, p36). Purposive sampling was used to select board actors and stakeholders who were conversant with board issues (see Saunders et al., 2009). Respondents who went through interviews usually guided the researchers to other respondents who were very conversant with board issues and women issues on boards. To refine and improve the semi-structured interview guide, a pilot study was done. Questions which were not clear were improved. Forty-two interviews were held ranging from an average of twenty minutes to an hour. The interviews were recorded using an ipad tablet. Transcription was done by experienced typists. The transcribed text was edited by listening to the tablet and corrected spellings, grammatical mistakes and sense of the statements. A Computer Aided Qualitative Data Analysis Software (CAQDAS) package, NVivo 10 was used to store and analyse interview transcripts and secondary documents gathered from the internet on corporate governance issues that helped to answer the research question. NVivo 10 was used to explore themes. The package has a utility value in that it allows coding of data under relevant nodes, thematic analysis, cluster analysis, word clouds and tree maps which help in explicating research questions.

### Research methodology in diagrammatic form



**Figure 3.1:** Research methodology as adapted from Carcary (2009, p36)

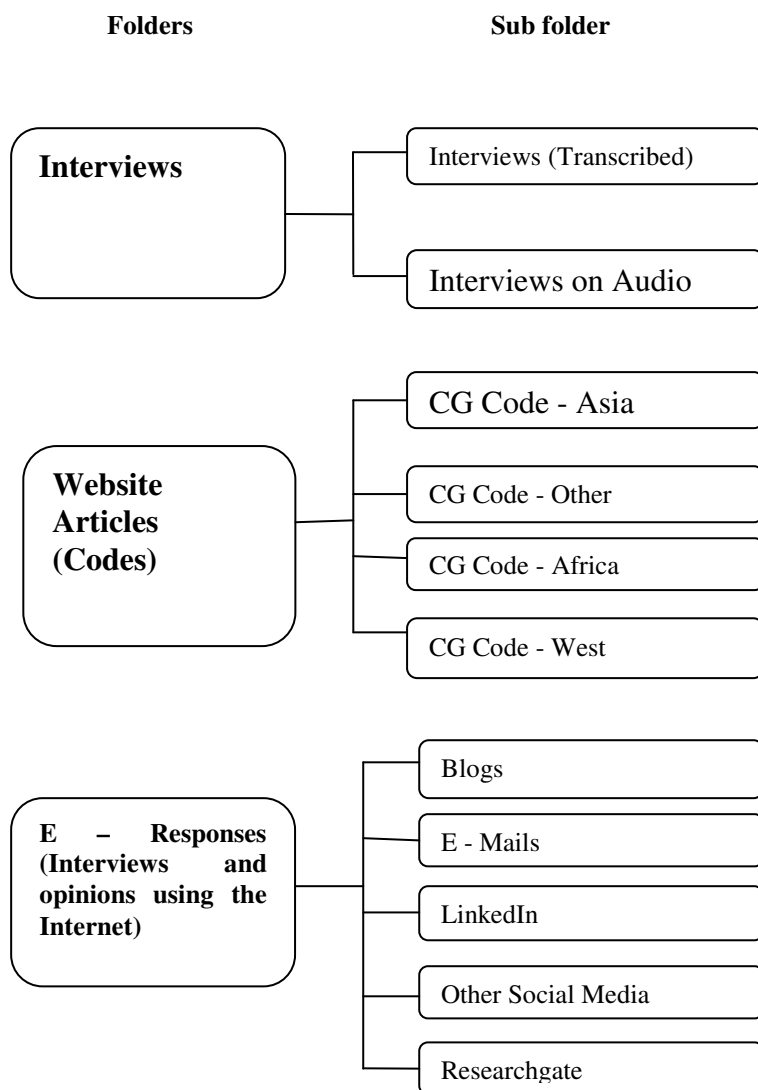
Folders and subfolders were created in NVivo 10. As shown in *Figure 3.2* below the folders and subfolders contain data (e.g. interview transcripts, corporate governance codes from different countries and social media responses). Contents of the folders and subfolders were used to code data and create nodes to facilitate the discovery of patterns.

### 3.1 Qualitative Research as a Continuous Process

The researcher should develop “eagle eyes”. He should see far away. While reading newspapers, journal articles, listening to the news and engaging in conversation; there is need to make sure that any useful

information for research is captured in the appropriate format into Nvivo 10. It therefore follows that qualitative research is continuous. The researcher can keep on adding more data for analysis and coding. *Figure 3.2* below shows folders and subfolders formed to hold data in NVivo 10.

### Creation of folders in NVivo 10

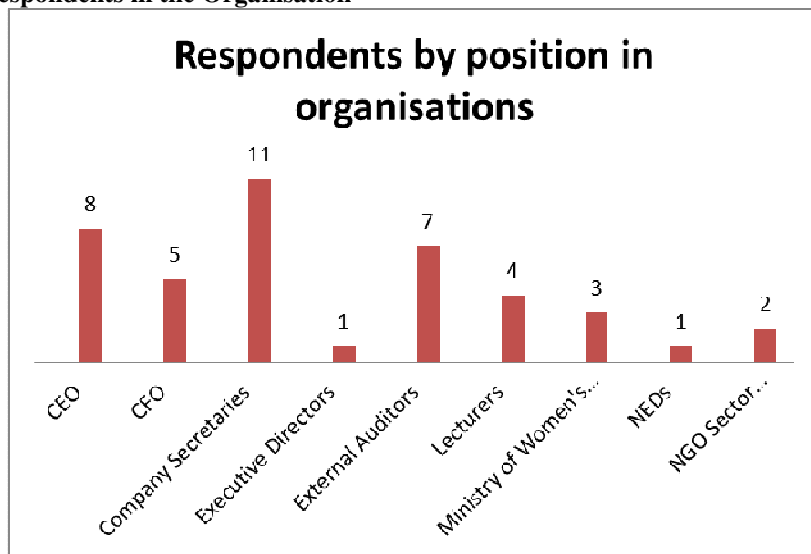


**Figure 3.2** Folders created in the Nvivo 10.

### 4. Data analysis and interpretation

The purpose of this study was to understand insights into the director selection and appointment process in order to identify key forces involved and stakeholder involvement and how director selection can be improved for the good of various stakeholders. This research argues that directors who populate boards of listed companies do so to satisfy stakeholder expectations. Of importance is the issue of how the directors get to boards given the plethora of board failures experienced in Zimbabwe and elsewhere in the world. Questions that have to be answered by this section of the research are centre on board diversity. The following questions to be answered are: *What should be done to ensure that a diverse board is selected? What is the contribution of women on boards? How can the presence of women on the board improve?* Sources of data were mainly face to face interviews. In order to buttress the research findings from interviews, triangulation came from literature sources, document review, observation and social media. Triangulation methods enhance credibility and reliability of the findings (Miles and Huberman, 1994).

**The position of respondents in the Organisation**

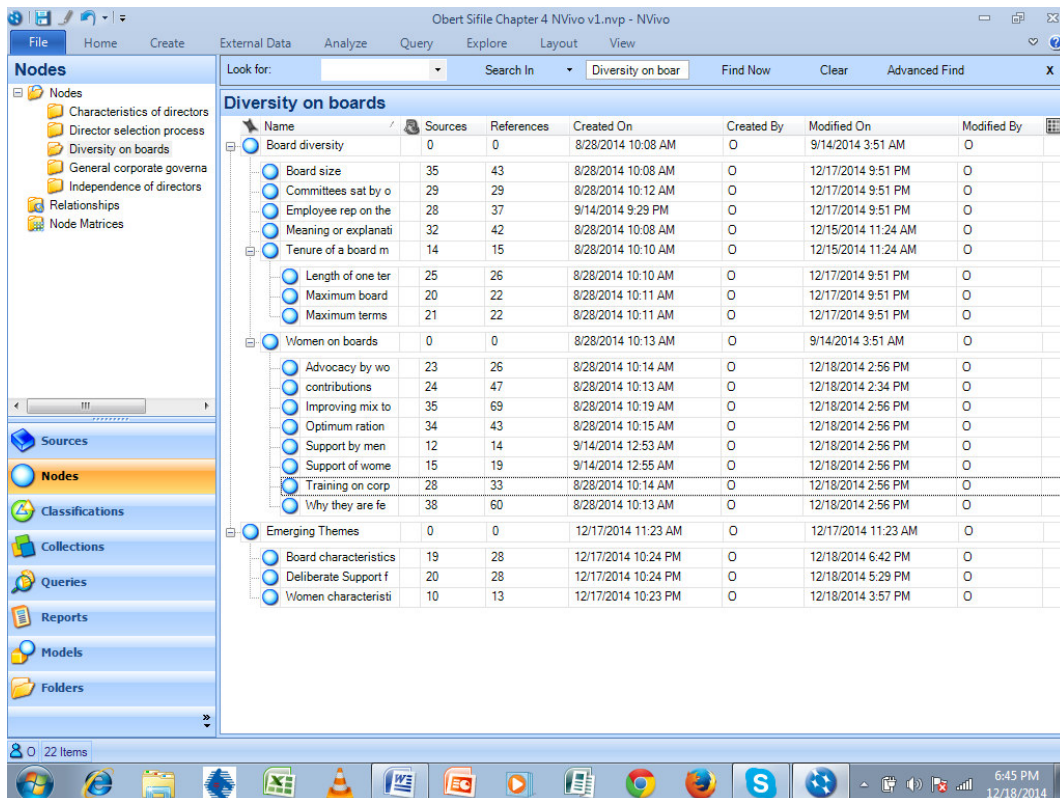


**Figure 4.1 Positions of respondents in their organisations**

24% of the interviewees had eleven years of experience and above. The rest had one to ten years of experience. Those with less board experience had experience as executives like CEOs, CFOs and company secretaries. They had board experience since they attended boards as executive directors or by invitation.

The *Figure 4.2* below illustrates the NVivo output of the nodes which contained the themes that were recorded from the sources used e.g. in-depth semi – structured interviews, social media discussions like Researchgate, LinkedIn and internet Pdfs; observation and document analysis.

**NVivo output for Nodes for board diversity and women on boards of directors**



**Figure 4.2:** NVivo 10 output for nodes and sub-nodes for board diversity and women on boards.



The following abbreviations were used to denote respondents during the interview process: *CEO=Chief Executive Officer, CFO=Chief Finance Officer, NED=Non Executive Director, NGO Director=Non Governmental Organisation Director.*

#### **4.1 Defining and explaining board diversity**

Major issues pointed out the aspects of skills, experience, gender, profession, knowledge of the sector and backgrounds. The mix from various aspects shown was seen to be what was needed to have a credible and balanced board. The mix of directors that satisfies diversity was given by Interviewee 11 CEO/NED who stated that “*a plethora of skills – engineers, lawyers, accountants, human resources experts, local, international*”. The same emphasis was echoed by one interviewee when he stated that “*I will take board diversity to mean..... skills and experiences so that you have people who are experienced in HR, in accounts and so forth so that the board is able to act as a whole competency because they have a diversity of skills*”. (Interviewee 12 CEO/CFO/NED)

#### **4.2 Proportions of women on boards of directors: what is expected?**

Gender diversity with a particular focus on the role or contributions that women make on boards of directors has been a topical issue (Miller and Triana, 2009; Rose, 2007; Carter et al., 2003). In the Scandinavian countries, the threshold for women on the board is a minimum of 40% (Huse and Solberg, 2005). This threshold of 40% or the general interest of requiring women presence on the board has generated interest even in developing countries like Zimbabwe (Zimbabwean Constitution, 2013). This research seeks to find out how directors are selected to serve on boards and why the scanty presence of women is an issue. The Zimbabwean constitutional position of 50% women on boards raises a lot of interest because even in developed countries, the minimum threshold is 40% which has proved to be difficult to fulfil (Huse and Solberg, 2005).

#### **4.3 Comparison of board contributions between male and female directors**

The issue of who performs better between male and female directors is controversial (Ibara, Carter and Silva, 2010). There have been a lot of discussions about having more women on boards as if to suggest that the men in those boards are not performing as expected. Some interviewees felt there is no difference in performance. They observed that the gender aspect is not an issue. What they expected was a professional who performed as expected. This was exemplified by statements like:

*Their contributions are the same as those for men. They are appointed based on qualifications or skills; therefore they contribute the same way.* (Interviewee 4 Ministry of Women’s Affairs)

#### **4.4 Capabilities of female directors**

Interviewees were of the view that the major highlights of women directors centre on their experience as managers in the homes. It is this experience which they extrapolate when elected to the board. Women are to the point. They call a spade a spade. They work very hard while on the board to prove themselves. They bring a softer touch to the board. They bring a stabilising effect to the board. Training was seen as an enabler for women. Gender activists had this to say about women capabilities:

*Women are caregivers. They can care for a company. They bring love, happiness and constructive debate. They do not steal. There is no major scandal that involves women in top management or on the board unless things are done behind the back of women.* (Interviewee 24 NGO Director)

*Women have been caring both in the homes and private spheres ndivo vaive manurses, mateachers [they were nurses and teachers] and all that. We cannot take away that value of being primary care providers.* (Interviewee 29 NGO Director)

The role of women in promoting gender and women issues was well pronounced by some interviewees. They felt that women help other women to get into industry. One interviewee stated that:

*They bring the gender-sensitive issues to the table and they are less inclined to work on the buddy kind of system that you find with men.* (Interviewee 23 CEO/CFO/NED)

#### 4.5 Why are there few women on boards of directors?

The thin population of women on boards is not only a Third World issue (Parrotta and Smith, 2014). In Australia and the USA, women on boards are 10.7% and 15.4% respectively (Adams and Ferreira, 2009). These proportions have led Scandinavian governments to put a minimum threshold of 40% composition of women in order to improve gender balance (Medland, 2004). In Canada, Japan and Europe is estimated to be 10.6%, 0.4%, and 8.0%, respectively (Adams and Ferreira, 2009). The statistics tell a pathetic story of male dominated boards and attempts at correcting the situation are imperative. A document analysis of Zimbabwean boards came up with the following descriptive statistics which evidently show the poor presence of women on Zimbabwean boards: about 6% women to 94% men is clearly pathetic and may need redress.

This research sought to find out why there is a gender imbalance on our boards and specifically why women numbers are so small. Interviewees observed that the traditional and historical setting where women were the hewers of wood and drawers of water was the major cause (West, 2012). Women are child bearers and caregivers. These tasks militated against their corporate aspirations. An external auditor had this to say:

*[The problem] goes back to history. We are saying men were the most educated in Zimbabwe even if we go back to history, most women were not sent. (Interviewee 1 External Auditor)*

One interviewee felt in families, girl children were meant to be in inferior professions like teaching yet boys were supported to be doctors and engineers:

*The son must be the engineer, doctor, whereas the girls must be the teacher ..... the secretary, that kind of thing, so its culture and it is historical perhaps that's why there is this interest in trying to break all those glass ceiling and barriers so that women are also found at the top. (Interviewee 28 CEO/Lecturer)*

To show the difficulty women face to climb the corporate ladder, a CEO had this to say:

*There is a glass ceiling, and it's difficult for women to break into that old boys club. The boys club, they play golf together, drink together and participate in all sorts of clubs and outings together. A typical woman with a family would never be part of that old boys club. (Interviewee 40 CEO/NED/External Auditor)*

The role of women in procreation was taken as a disadvantage for their quest to be on boards and management positions. A gender activist lamented this position of women by stating that:

*They give birth and disappear from the radar of the company. They want to go home and cook. They are oppressed and not given a chance. Yet they are equally capable of doing what men do. (Interviewee 24 NGO Director)*

#### 4.6 Advocacy to have women on boards by women's groups

##### 4.6.1 Positive efforts by women's groups

There has been a plethora of women's groups that are purported to be supporting marginalised women. In support of their efforts, some interviewees believed that:

*We are trying to form a database. The challenge is – where are the women? There is need to sensitise women about this. We have seen that women are not aware of benefits of being on the board. The onus is on sensitising women. Civil society has tried to collect CVs of capable women. Men are connected. They have networks and they don't struggle like women to be noticed. (Interviewee 4 Ministry of Women's Affairs)*

*WIPSU, Proweb and others like IBWO are for women and help women to be on the limelight. However some women don't have confidence with other women. They rather vote for men out of jealous or the fear that women are incapable. (Interviewee 24 NGO Director)*

##### 4.6.2 Failures of women's groups

Failures of women organisations were chronicled by many interviewees who pointed that they are not pushing for the people with the right qualifications. They are not focusing on increasing the supply side, that is primary



and secondary schools. Interviewees lamented that women groups make noise about having women on boards yet they are not training women in boardroom dynamics in order to prepare them for the board.

#### 4.7 Do men support women to be on the board?

Men have dominated boards since time immemorial (Mahadeo, Soobaroyen and Hanuman, 2012). It was pertinent to find out whether men support women by selecting them to sit on boards. Many responses illustrated the following:

*We are not promoting women definitely like I said earlier on, what you find is that there is just the recycling of the same women.* (Interviewee 3 Company Secretary)

*These men don't want; we face a lot of resistance. Even if you work with them they want to make sure that they pull you down, I mean, it's a survival of the fittest remember.* (Interviewee 6 Lecturer)

Interviewees mainly dealing with women issues had this to say:

*The support is there but where are the women?* (Interviewee 24 NGO Director)

*Yes, there are some men of substance who support women, but how many are they? There is always a glass ceiling that stops women to go beyond the glass ceiling.* (Interviewee 38 Ministry of Women's Affairs)

Some interviews proffered what needs to be done to support women to be selected to boards. They had this to say:

*Everyone including those women groups should advocate for women to be appointed to boards.* (Interviewee 17 CEO)

A human resources practitioner felt that *"there is no need to do anything to improve women presence on boards. Women should simply prove their worth, rather than have somebody help them to be up there. If one is selected just because they are a woman, their self – esteem will be affected. Women of integrity fight for space"*. Interviewee 25 CEO/HR Specialist)

#### 4.8 Optimum number of women on boards to support diversity

The research also focused on what respondents would prescribe as the ideal mix when selecting male and female board members in order to form diverse boards. The trend showed that a balance [meaning same composition] is ideal. No gender should dominate the boardroom. One interviewee said *"It's very clear we would advocate for 50:50. Why not?"* (Interviewee 5 Internal Auditor)

One interviewee had misgivings on the issue of a mix in terms of percentages of men and women on the board. He felt that it was an issue of capabilities. He opined that:

*75% women, 25% men, I can have 25% women 75% men as long as somebody is capable, it's an issue of capability honestly there is no problem with a board that is composed of men only or a board composed of women only as long as they are capable and they can run the company.* (Interviewee 22 Lecturer)

Other responses put the male and female composition as follows: Between 30% and 40% quota for women while their numbers increase. Some advocated for 20% as a starting point then grow. Some respondents felt that we could not just start off with a 50% quota as that would not be possible. Some interviews felt that prescribing a mix was premature as the situation on the ground did not allow that. They felt a slow start and an eventual build up would be ideal. They had this to say:

*I think the 50:50 is ideal but I think we need to progressively realise and come up with our target. I think if we start with arrangement of a minimum of 30:70 at every sphere it's a beginning then start to capacitate and train and we get to 40:60 then ultimately in a decade we should get to 50:50..... We have not prepared them so it's like setting someone to fail so am more supportive of an incremental approach which progressively realise the ultimate goal. Hatingabva tatanga kurasa chiri muhapwa nekuomberera chatisati tapihwa [We need to tread with caution]. You know we have to realise that and be able to really say okay let's start even starting from zero and say in 5 years tinenge tava paone [that*

*will be a start] but then in those 5 years we are working with the one to be the 1 percent against the 99%. So it's not an overnight thing because it will then be bound to fail. (Interviewee 29 NGO Director)*

#### **4.9 Improving the women to men ratio to 50:50 - The constitutional requirement**

The Constitution of Zimbabwe (2013) prescribes a 50:50 in leadership positions and the same would apply when it comes to boards. There is a basis for that position. This research seeks to understand what could be done to achieve the 50:50 on the boards of directors. Responses from interviewees pointed at the following interventions:

- Consider women in managerial positions so that they gain experience necessary for the boardroom.
- Look at capabilities of women and nominate them for board positions to improve diversity.
- Let us not use the constitutional requirement of 50:50 but fairness based on capabilities.
- Support for women should start early at primary school to tertiary and finally board level.
- Advocacy and awareness programmes by government and other organisations should increase.
- Not to fill a post until the quota of women has been satisfied.
- Give more women bursaries and scholarships to boost their numbers in the academic and professional spheres as the precursor to boards.
- Institutions like the Institute of Directors should actively produce a database of capable women from where potential directors could be recommended.
- The recruitment process, be it the selection processes, you now have to justify why you picked a male candidate when there was a women candidate.
- There is need to sensitize all sexes on gender issues.

#### **4.10 Training women on corporate governance**

The research sought to find out if the dearth of women board members could be curtailed by training women on corporate governance and leadership issues so that they would be prepared for nomination to board positions. Below is a summary of some of the contributions:

- There is no need for training or retraining as some women already had qualifications, but what was required was integrity and not training. Training was necessary after one was selected to sit on the board not before.
- Women numbers will match up in a few years time as they are now coming up as a force in the boardroom.
- Train women so that they are appreciated and not be just for window dressing but equipped for the roles they have to play.
- Training is one way of promoting women even for university entry; women entry points should be lower for the same degree than men.
- Flight adverts in media accessible by women to attract them to boards of directors.
- Train both women and men because men are also short of corporate governance and leadership skills.
- Induction period for new directors is two to five days and that is too short. Formal training will enhance women's knowledge on board dynamics.
- The nomination committee should cast the net wider in order to capture women.

Emphasis on the need to train women for preparing them for the boardroom was exemplified by statements like:

*[Training] That's the correct way to go because sitting on boards requires quite a lot of experience; it requires somebody to understand corporate governance..... (Interviewee 10 Ministry of Women's Affairs)*

*It's a good starting point so that they are equipped to take influential positions. (Interviewee 16 CFO)*

However some interviewees felt that training for corporate governance was misplaced. Knowledge and experience is what counts. They had this to say:

*I don't think you can train someone to be a board member, that's my view for someone to be trained say in corporate governance and things like that, corporate governance is just part of what needs to be brought to bear in a board meeting, (Interviewee 37 CFO/External Auditor/Internal Auditor)*

#### **4.11 Emerging Themes**

The participation of women on boards of directors has been a subject of much debate. Three major themes emerged as summarised under the following headings: women characteristics, board characteristics and deliberate support initiatives for women. The research findings on the themes are explicated below.

##### **4.11.1 Women characteristics**

###### **4.11.1.1 Stewardship**

Women's capabilities as good stewards who ably look after organisations where they are board members were justified by highlights like:

*They give valuable support, even valuable advice to the board. (Interviewee 1 External Auditor)*

*Women are better stewards. (Interviewee 3 Company Secretary)*

The ability of women to digest issues during meetings was justified by a company secretary who stated that:

*Women pay attention to detail. (Interviewee 3 Company Secretary)*

###### **4.11.1.2 Risk aversion and conservatism**

Research considers women to be more risk averse than men in financial decision making (Sila, Gonzalez and Hegendorff, 2014; Jianakoplos and Bernasek, 1998) and thus affect the organization's resource allocation. This position was supported by interviewees whose statements showed that:

*[Women are] less risk takers than their male counterparts. (Interviewee 3 Company Secretary)*

*Values like adherence to ethical procedure because of fear of the unknown. They hate risk as they look after families. (Interviewee 38 Ministry of Women Affairs)*

*Men are very sensitive to money or wealth, they are risk takers, and they would do anything to get rich or to make the company profitable without looking at other things. Women come to meetings prepared, women have got those values, and they look after children and family. When they come to companies they want to look after the company. They want to extend their motherly work. (Interviewee 28 CEO/Lecturer)*

She went further and stressed that:

*You don't just take things to women and you want them to vote, women will vote after careful analysis, digging deep, men don't do that, that's why you see men spreading themselves across a lot of boards where they don't even have enough time to give input but you would have women sitting on one board or only two boards and giving maximum attention. (Interviewee 28 CEO/Lecturer)*

###### **4.11.1.3 Integrity**

Interviewees roundly praised women for their integrity, incorruptibility, accountability and non-discrimination. This was summarised by one interviewee who observed that:

*Women are less corrupt than men, with this you can take a look on convicts, check in our prisons there are a few cases of armed robberies by ladies and other crimes like that. I think women have better components of corporate social responsibility naturally. Men are hard-hearted somehow than women..... (Interviewee 16 CFO)*

Other positives centred on the stabilizing effects of women, good communication and sharp brains that come about after bringing women to boards were observed as follows:

*They can bring a stabilizing effect to the board especially where there are heated arguments. They are obviously more objective than men sometimes.* (Interviewee 25 CEO/HR Specialist)

The interviewee continued to observe the stabilising effect on women on boards as follows:

*Their soft side brings some stability to the board.* (Interviewee 25 CEO/HR Specialist)

An interviewee who is a lecturer and NGO Director had this to say:

*They [women on boards] can give advice, are good communicators, they are people who can manage conflicts and resolve issues.* (Interviewee 34 Lecturer/NGO Director)

*There are women in societies that have got a very sharp brain, are intelligent, can contribute as long as the individual women have got the capability and capacity to understand issues pertaining to a particular business.* (Interviewee 9 Company Secretary/CFO)

## 5. DISCUSSION

The major research question sought to elicit views on board heterogeneity or diversity and the role of women and other corporate governance characteristics on the selection process of directors. Respondents showed that women improve board diversity through their abilities as better stewards. Women give valuable advice and support to the board. Women pay attention to detail, are conservative, are risk averse and adhere to ethical procedures because of their fear of the unknown. Women come to meetings well prepared and they vote in the meetings after careful scrutiny of issues at stake. Male directors were seen to be overstretched by being executive directors and also sitting on several boards thus limiting their capacity to peruse board packs and prepare appropriately. Women deal with care-giving issues (in the home and family) and are better placed to look after the organisation.

Despite having those positive characteristics, the thin population of women on boards is a worldwide issue of concern. The research established that women are not well represented on boards as this dates back since time immemorial and is also a cultural phenomenon in a developing country, Zimbabwe. Before independence in 1980, women in Zimbabwe were minors, and it seems there was a continuation of that status quo. There was and there is still a preference of educating boys than girls. Some respondents felt that women are their own enemies because they prefer to be led by men, thus they choose men leaving their own. Another major setback was the issue of the *glass ceiling* which is like a predetermined position that women cannot or are prevented from surpassing a certain hierarchy or position in organisations. Interviewees also felt that women disappear from the organisations when they are on maternity, leaving their counterparts running organisations and this puts them in a disadvantageous position.

There was support on the issue of capacitating women through training so that they attain corporate governance aptitude which would prepare them for board appointment. Some strongly felt that women were marginalised, thus they needed support through training in order to be appointed to boards. However some strongly felt that only capable women should be appointed to boards and if there was to be training, both genders needed that training since companies whose boards were male dominated continued to collapse, so there was evidence to prove that men were not better than women in terms of performance.

Respondents were of the view that the 50:50 board composition advocated by the Zimbabwean Constitution (2013) was not possible in the short term as capable women were in short supply as compared to men. Proposals were that women should be considered for managerial positions because board positions are mostly given to people with managerial experience. Others felt that advocacy and awareness programmes to potential women board members should be increased. No boards should fill positions until a quota for women has been filled.

## 6. RECOMMENDATIONS

Historically women were disadvantaged in terms of education thus they were very few on boards. Culturally Zimbabwean women belong to the kitchen, look after children and have places in professions like teaching where they have no chance of being selected to sit on boards. Statistics in primary, secondary and tertiary institutions show more men and fewer women. The same then happens on the board. There is a glass ceiling for women and it is difficult to break. To increase the number of women on boards, they need to be capacitated by increasing their numbers in schools, colleges and universities. Government should give women more bursaries

and scholarships to boost their numbers in the academic and professional spheres as the precursor to boards. They also need to be put in managerial positions. Appointments to boards usually pick those with managerial experience. The participation of women on boards could also increase by implementing the 50:50 required by the Constitution of Zimbabwe. Advocacy by the government and women's group should be increased. There is need to start a quota system until 50:50 is reached. Companies should look at capable women and select them to boards rather than recycle the same overburdened men. Organisations like the Institute of Directors (IoD), Institute of Chartered Secretaries and Administrators (ICSAZ) and the Institute of Chartered Accountants of Zimbabwe (ICAZ) should help by training more women for managerial and board positions.

## 7. Areas for future research

While there may be merit to increase women presence on boards of directors, future research should focus on the characteristics that women have that make them worthy to be core members of boards and how they can be nurtured to make them more efficient. Research should also focus on how best to synergise female and male members of the board to improve board efficiency. Future research should also endeavour to determine the preparedness and time to be taken before the 50:50 (or equal) representation required by the Zimbabwean Constitution is implementable. The role of government in ensuring that the 50:50 gender balance position is reachable is also a subject of further research.

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