Culture, Organizational Policies, Self-Imposed Barriers, and Gender Diversity in the UAE

HAWKAMAH
THE INSTITUTE FOR CORPORATE GOVERNANCE

Introduction

This Report has been prepared by Hawkamah, The Institute for Corporate Governance. The report undertakes an analysis of the relationship between culture, organizational policies, self-imposed barriers and gender diversity in the United Arab Emirates (UAE). It aims to identify the main challenges for women entering the boardroom or leadership positions of listed companies. It also provides actionable recommendations to achieve and sustain gender equality in the region.

In the last few years, there has been a considerable increase in research globally on gender diversity in boardrooms and the board effectiveness as well as on the correlation between gender diversity and companies' performance. Regardless of where the research was conducted and the research methodology deployed, the findings have been similar: gender diversity matters to company performance. A more diverse board leads to better decision making and therefore to better corporate performance.

Yet gender diversity is gaining momentum rather slowly despite the efforts made by governments and regulators. Women representation on boards in many countries ranges from less than one percent to slightly over forty percent. Percentage of women in top management positions is also small; this matters as this is a natural entry point to boardrooms. If gender diversity has been proven to positively impact company and board performance, then why is it not happening? What are the barriers? What can be done to improve women representation on top management and boards? Do men and women view the issues, challenges and solutions differently?

Although the topic of female representation on boards is not a new, it has gained renewed traction in recent years. In the US the first woman on board, Lettie Pate Whitehead, was appointed by the Coca-Cola-Company in 1934. The Research on women's under-representation on boards was firstly documented in 1977. Research on closing this gender gap is no longer debating it on human rights merits, but on the societal and economic value derived from Gender Diversity and diversity in general. As stated by the World Economic Forum, the most important determination of a country's competitiveness is its human talent, the skills and productivity of its workforce.

In the UAE, there are 511 board members in the companies listed on Dubai Financial Market (DFM) and 631 in the Abu Dhabi Stock Exchange (ADX) listed companies. The percentage of women directors is 1.9%.

Hawkamah conducted a survey in 2016 to produce a comprehensive study on the relationship between Culture, Organizational Policies, Self-Imposed Barriers, and Gender Diversity in the UAE. The prime focus was top management and boards. This study is based on a survey, which was distributed to all 160 listed companies in the UAE. The questionnaire was also sent to a group of large, non-listed companies. The survey targeted both genders. In total, 183 responses were received over a 3 months' period, June-August 2016 and out of these 129 responses were valid.

This report is structured in three sections. Part I contains information on the demographic details of the participants. Part II provides information about the challenges of gender diversity in cultural, organizational and self-imposed aspects. The Report concludes with possible solutions to close the gender gap in the Region.

Sources:

[1] This Research was led by Dr. Ashraf Gamal El Din, CEO of Hawkamah and Sadia Ghauri-Malik, Research Department of Hawkamah.
[2] http://www.infoplease.com/spot/womensfirsts2.html.
[3] Burgess, Zena & Tharenou, Phyllis, "Women Board Directors: Characteristics of the Few", Journal of Business Ethics 37, 2002, p.113.
[4] Bohnet, Gender equality: a nudge in the right direction, Financial Times, October 13, 2010.
[5] World Economic Forum, "The Global Gender Gap Report", 2014.

Executive Summary

Respondent's demographics, p. 4 - 7

SURVEY

Sent to 160 listed companies in the UAE

183 responses, 129 valid responses

Male 42%   Female 58%

84%
Responses were of listed companies

64%
Gender diversity important for company performance

26%
Board members

76.5%
Sit on more than one board

49%
Low/very low frequency of discussing gender diversity in the boardroom

56%
Low/ very low frequency of discussing women represen-tation in leadership positions in the boardroom

Challenges, p. 7 – 19

What is the most significant challenge women face to become corporate leaders and board members in your view?

42%
36%
22%

■ Cultural   ■ Self-imposed   ■ Organizational
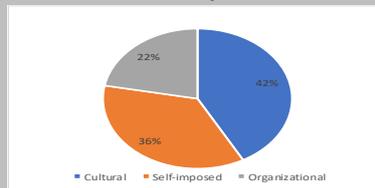
TOP 3 Challenges

More women needs to be qualified to serve on boards and leadership positions as women in the past did not use to work (Cultural)

A change of HR policies needed to increase the number of women on boards and senior executive level (Organizational)

Women tend to sacrifice their own career to support their families (Self-im-posed)

Solutions, p. 20 - 23

Implementing a system of tracking progress on performance & promotions is important for gender-parity in the company

Transparency in board nomination process is important to have more women on boards

HR Initiatives such as flexible hours

Part I: Respondent's demographics details

The research comprised a data set of 129, mostly from listed companies in the UAE stock exchanges. Fifty eight percent of the respondents were female and 42% men. The respondents consisted of board members, CEOs, c-suite as well as senior managers, particularly from legal and compliance departments. Among these the age group of 31 to 40 years was the highest represented, followed by the 41 to 50 year olds.

Out of these 129 responses only 20% of the respondents were sitting on more than one board. Board member holding more than one board position does by average hold two or three board seats.
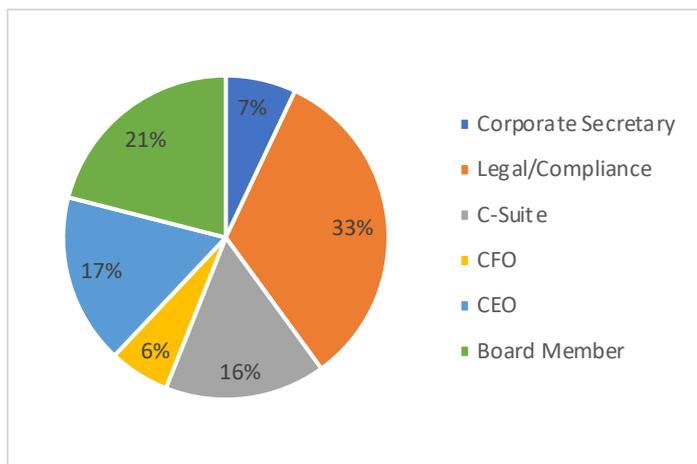
Figure 1 Position in the Company
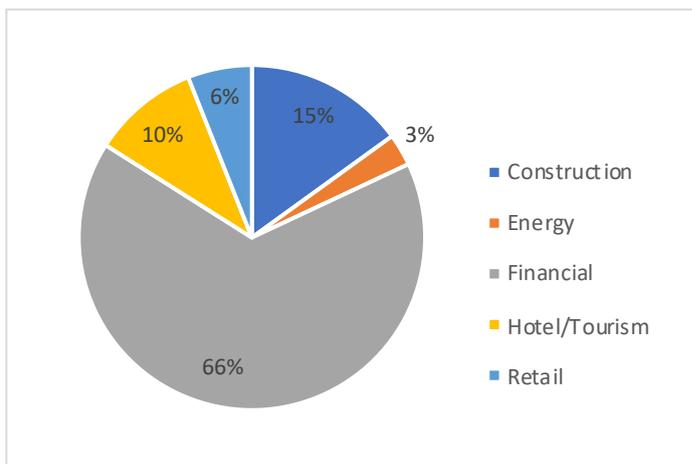
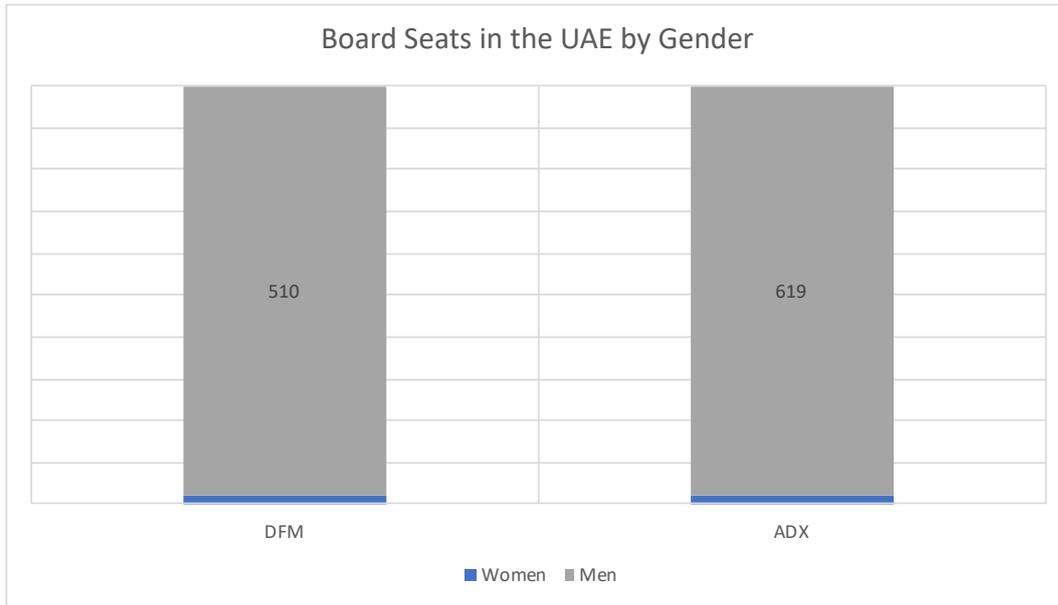Figure 2 Industry of the Company
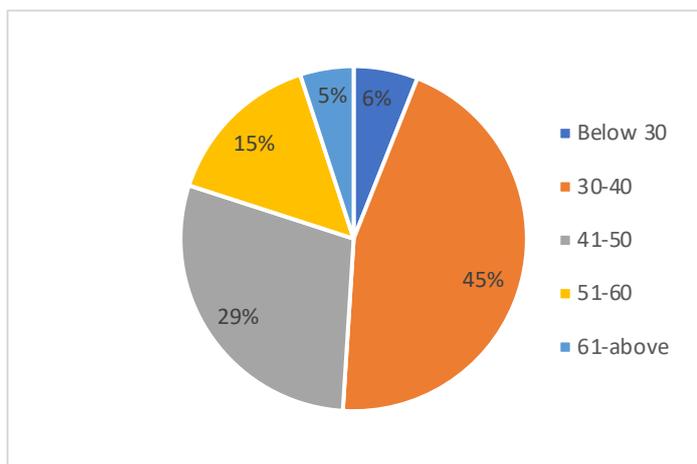
Figure 3 Age group
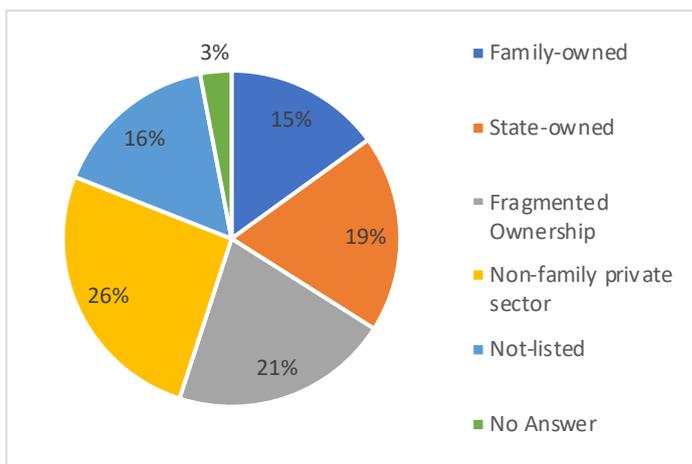
Figure 4 Majority ownership and listing of the company

In the UAE the total number of board members on listed companies amounts to 1142. Among these are 22 female board members. In other words, the percentage of female board members in the UAE is 1.9 %.[6]

Board Seats in the UAE by Gender

	DFM	ADX
Men	510	619

Women ■ Men

On the status of female top executives in the companies, 53% of the respondents companies had an overall approximate percentage of female top executives of less than 10%. Only 10% of the respondents reported an approximate percentage of female top executives of more than 50% in their companies.

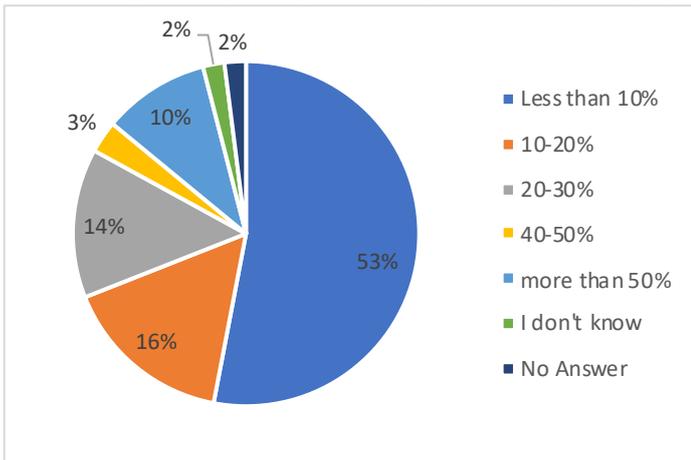What is the approximate percentage of female top executives in your company?

- Less than 10% — 53%
- 10-20% — 16%
- 20-30% — 14%
- 40-50% — 3%
- more than 50% — 10%
- I don't know — 2%
- No Answer — 2%

Figure 5 Percentage of female top executives in the Company

If you are a board member, how were you approached?

- Head-hunter — 4%
- Network — 14%
- You applied — 7%
- Other — 27%
- No Answer — 48%
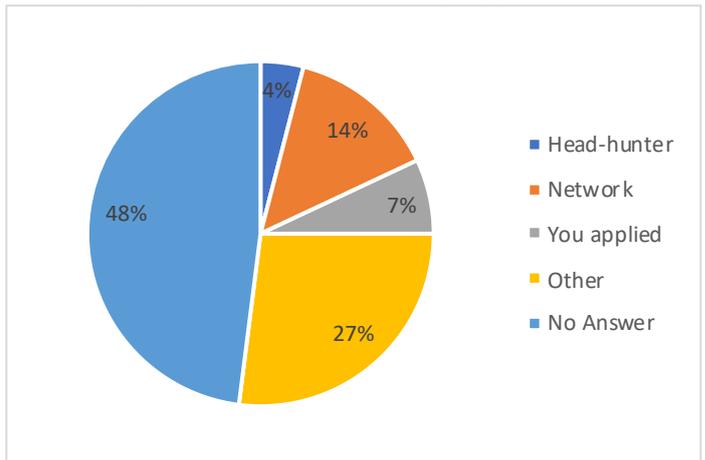
Figure 6 Approach of board member

On the issue of their appointment to a board, only 4% of the respondents said that they were approached by a head-hunter for the role, 7% applied themselves, and 14% said their appointment came through their network. Interestingly, 48% chose not to answer this question.

The great majority of respondents view gender diversity as either very important or important. Despite this, 64 % of the respondents reported an increase in the number of women serving on their boards compared to their previous board.

Compared to previous boards in the company, was there an increase in the number of women directors serving on the board?
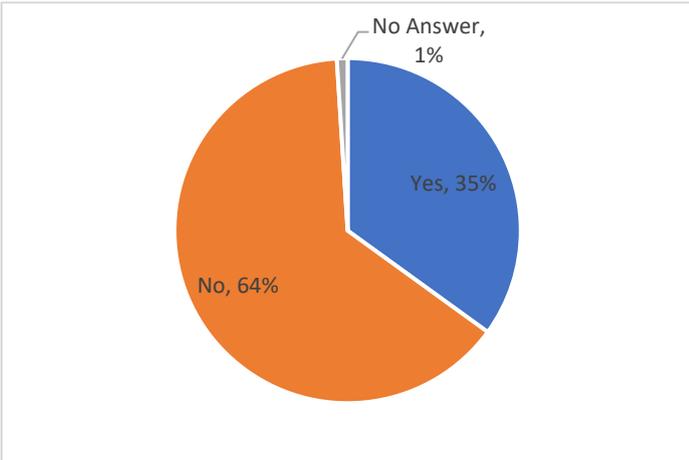
Figure 7 Increase in the number of women directors

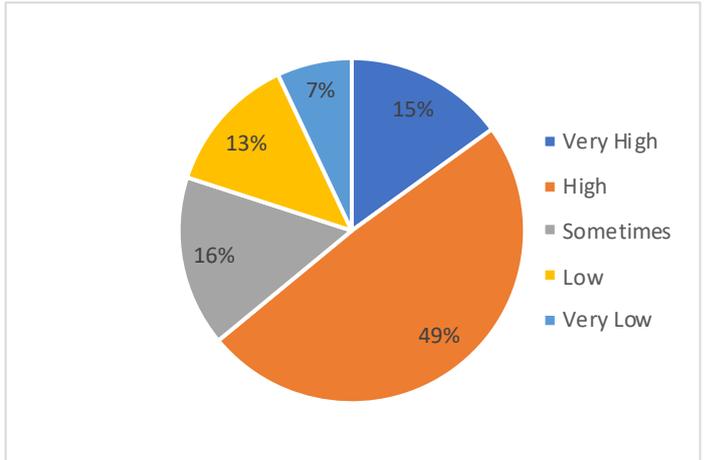How is gender diversity important for your company performance?

Figure 8 Importance of gender diversity on company performance

Interestingly, despite a high resonance on the importance of gender diversity in their companies, the frequency of discussing gender diversity in the boardroom remains low. The respondents marked it as very high only in 4% of the responses, 17% as high and 29% as sometimes discussed. 49% marked the discussion of gender diversity in their boardroom still as low or even very low. Whereas the frequency of board discussion on women representation in leadership positions similarly is reported with 7% as very high, 19% as high. Still 44% reported the frequency as low/ very low.

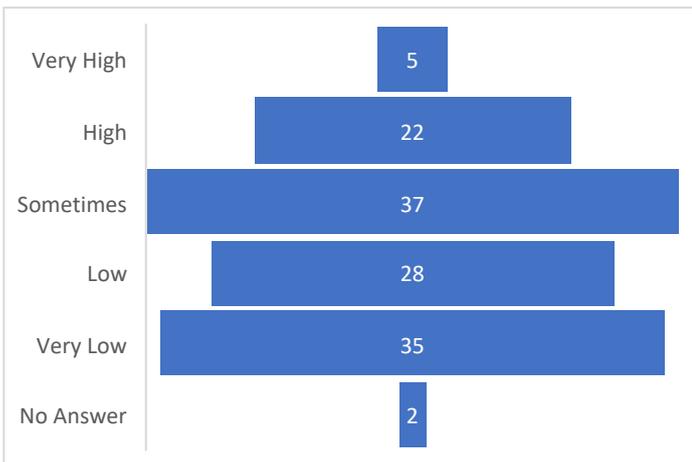Frequency of Discussing Gender Diversity in the Boardroom

Figure 9 Frequency of discussing gender diversity

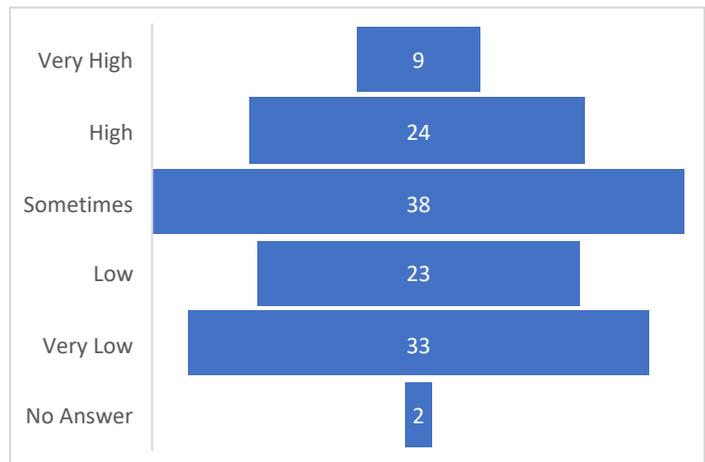Frequency of discussing women representatioin in leadership positions in the boardrooms

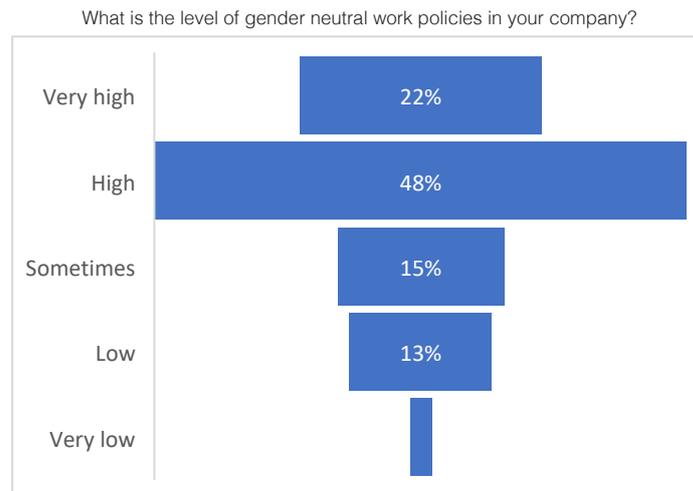Figure 10 Frequency of discussing women representation in leadership positions in the boardroom

What is the level of gender neutral work policies in your company?

Response	Percentage
Very high	22%
High	48%
Sometimes	15%
Low	13%
Very low	

Figure 11 Level of gender-neutral work policies in the company

Part II: Challenges

1. Cultural Challenges

In the second part of the Research, Hawkamah focused on the cultural challenges for women accessing the board or leadership positions.

In general, the respondents identified a lack of maternal support and missing work-home balance, housewife stereotypes and the lack of confidence as major cultural challenges.

On the question, of whether the culture in the society makes it difficult for women to occupy leadership positions in listed companies, 11% of the respondents strongly agreed, 36% agreed, while only 8% strongly disagreed.

On the contrary, 11% strongly disagreed on the existence of an equal access of men and women to senior management/ leadership positions in listed companies; 29% disagreed. Coincidently 11% strongly agreed and 27% agreed on the equal access of leadership positions to men and women.

The culture in the society makes it difficult for women to occupy leadership positions in listed companies
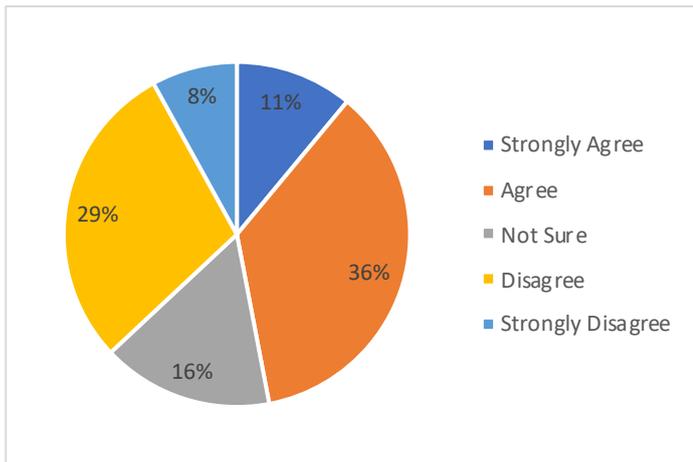

Figure 12 Culture makes it difficult to occupy leadership positions

Senior management/leadership positions in listed companies are equally accessible to men & women
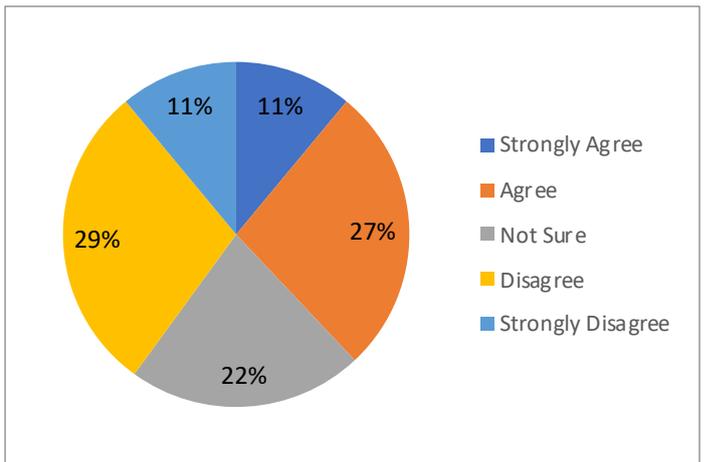

Figure 13 Equal accessibility of leadership position

Most of the respondents did not believe that the presence of both men and women in business meetings and board-rooms prevents women from giving their opinion and be active in discussions. So there is no cultural barrier in this point.

The presence of both men and women in business meetings and boardrooms does not prevent women from giving their opinion and be active in discussions
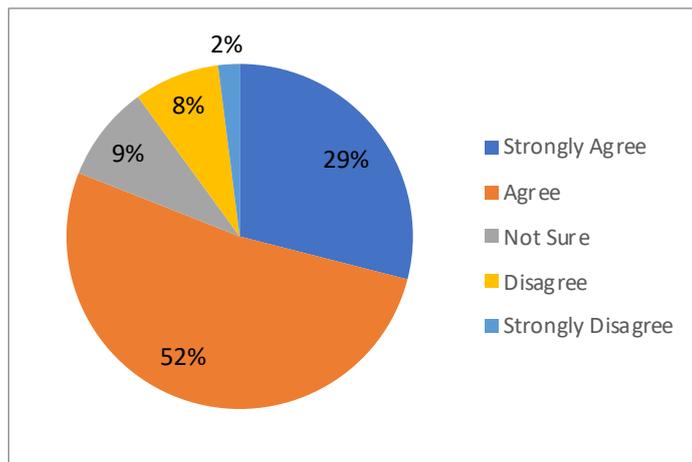

Figure 14 Presence of both gender

66% of the respondents do not see cultural bias against working mothers in their companies, while 47% believe that stereotypes about the roles of women in the society do not make it easier for women to be top executive or a board member.

On the contrary 20% still see cultural bias against working mothers in their companies.

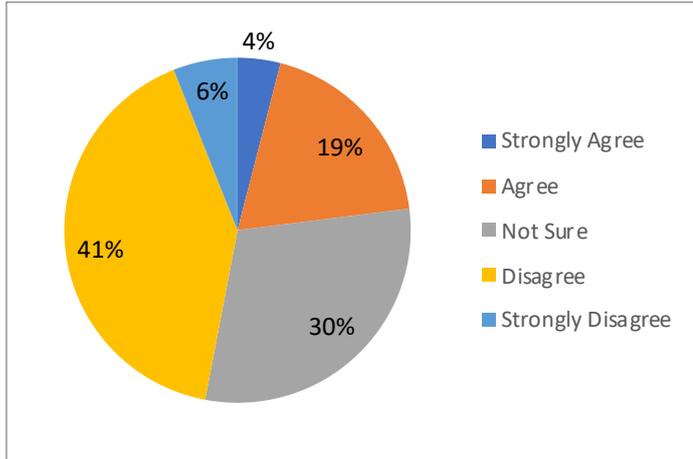**Stereotypes about role of wome in the society make it easier for her to be top executive or board member**

Strongly Agree 4%
Agree 19%
Not Sure 30%
Disagree 41%
Strongly Disagree 6%

Figure 15 Stereotypes about women

I see cultural bias against working mothers in our company

Strongly Agree 5%
Agree 14%
Not Sure 15%
Disagree 40%
Strongly Disagree 26%
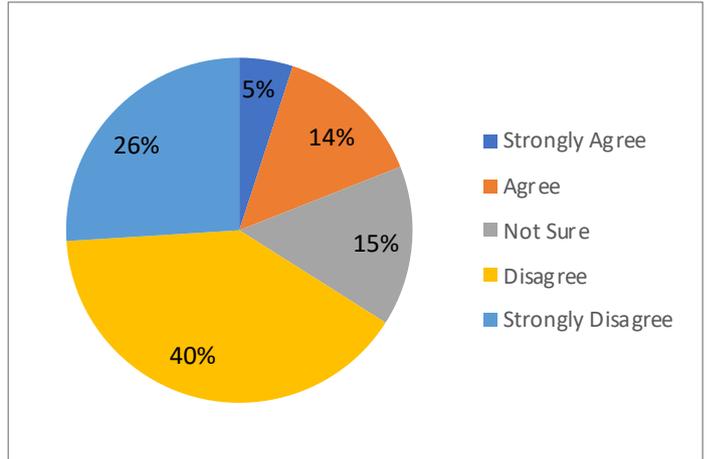
Figure 16 Cultural bias

Another cultural challenge seen by 30% of the respondents is the difference made between men and women in regard to international experience as men are given more chances to travel and gain international experience while 51% of the respondents disagreed with this.

The company gives men more chances to travel and gain international experience than women.

Strongly Agree 6%
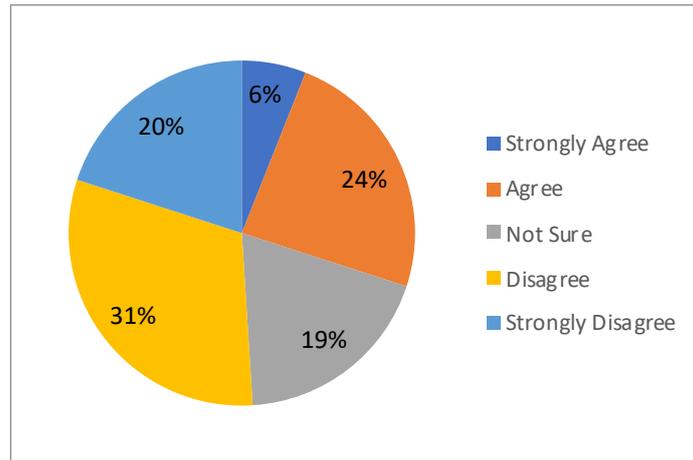Agree 24%
Not Sure 19%
Disagree 31%
Strongly Disagree 20%

Figure 17 International experience

Another cultural aspect which needs to be considered in today's development in gender parity in boardrooms is the fact that traditionally women in the past did not contribute in the workforce, so we need to qualify more women to serve on boards and leadership positions. Although 42% of the respondents think that many women do simply not aspire to be board members or leaders in the company.

I believe that we need to qualify more women to serve on boards and leadership positions as women in the past did not used to work
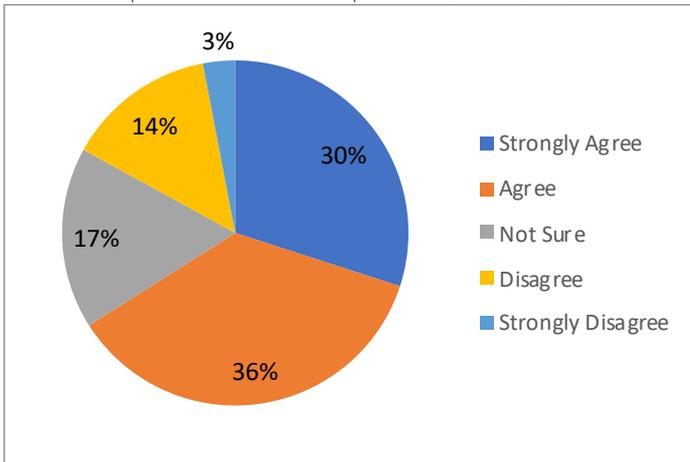

Figure 18 Women in the past

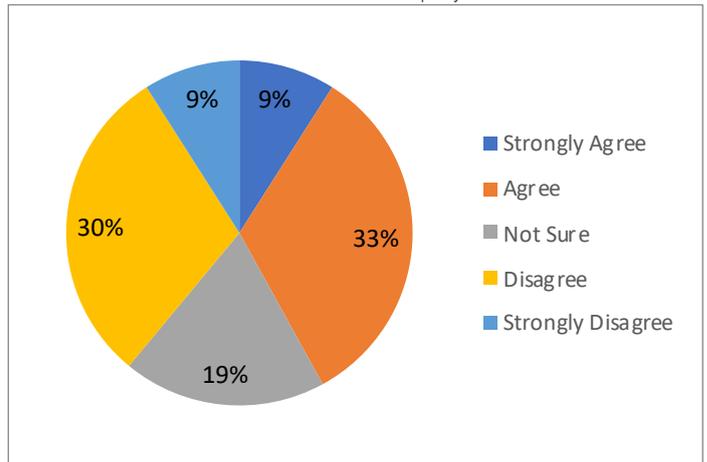I notice that in many cases women do not aspire to be board members or leaders in the company

Figure 19 Women aspiration

2. Organizational Challenges

The third part comprises the aspects of organizational challenges.

The great majority of respondents held the view that women are less likely to advance to top management positions because they face greater barriers to career advancement than men.

Women are less likely to advance to top management positions because they face greater barries to advance than men.
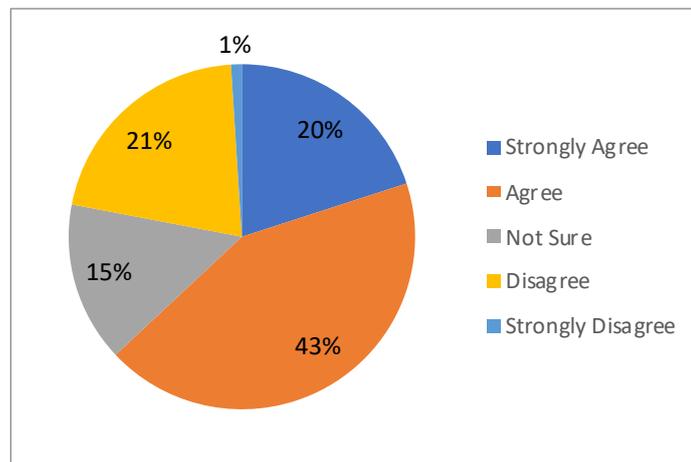

Figure 20 Women face greater barriers

It is sometimes suggested that women are more drawn to degree subjects at university which are not conducive to career advancement at the corporate level. Most of the respondents disagreed with this view.

I can see from my experience that women usually study the wrong subjects in universities, this reduces their chances in getting leadership positions.
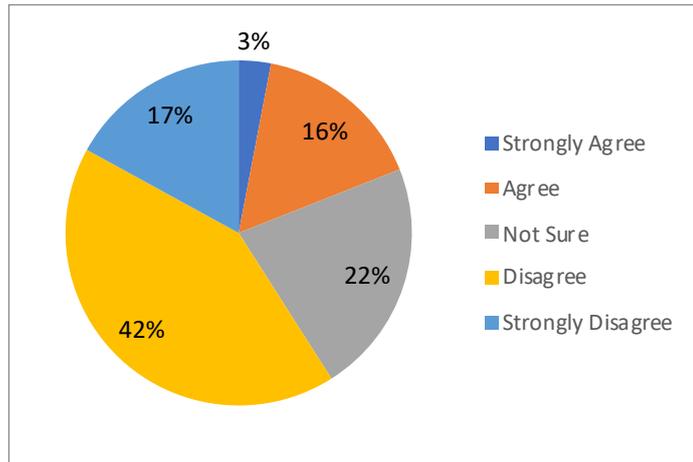

Figure 21 Study subjects

Indeed, the research shows that the respondents do not see any barriers due to lack of organizational skills. The overwhelming majority of respondents felt that women possess the same levels of knowledge (87%), experience (81%) and skills (83%) as men to deal with work pressures as corporate leaders.

Yet, a majority of 63% agreed that women have to work harder than men to prove themselves in the workplace.

One main barrier for women could be seen in the lack of existing networks. Our survey found out that 12% strongly agreed, 34% agreed on the point that women lack supportive initiatives and networks such as mentorships and role models to become top executives. Only 7% strongly disagreed while 31% disagreed.

Women lack supportive initiatives and networks such as mentorships and role models to become top executives in the company.
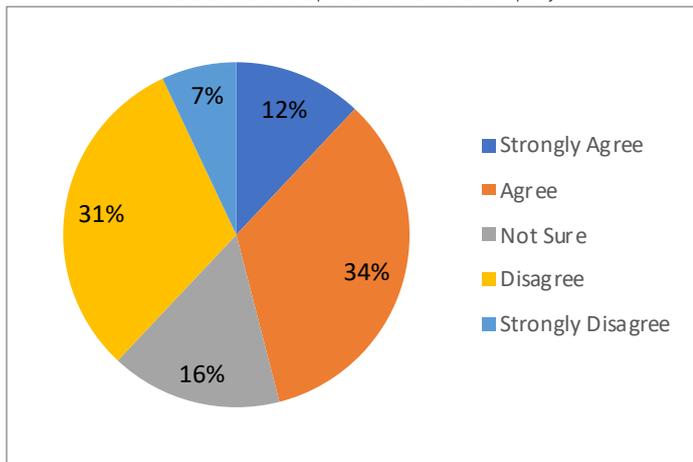

Figure 22 Initiatives & networks

Men and women have the same level of access to information in the company
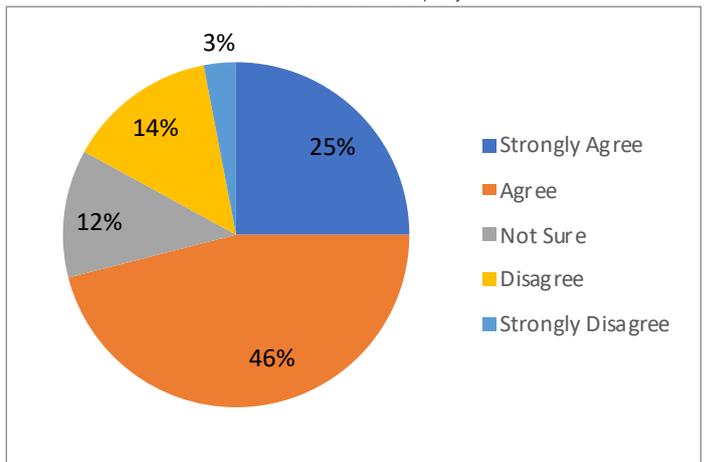

Figure 23 Level of access

Despite lacking networks, the respondents felt in general that men and women have the same level of access to information in the company.

Men and women have the same level of experience to deal with work pressures as corporate leaders
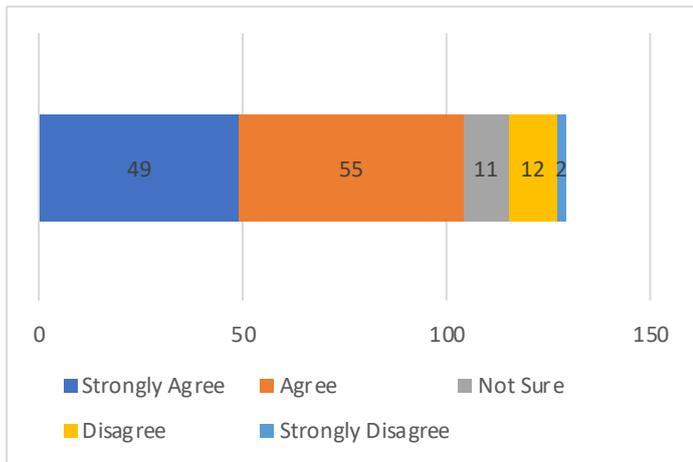

Figure 24 Same level of experience

Men and women have the same level of skills to deal with work pressures as corporate leaders
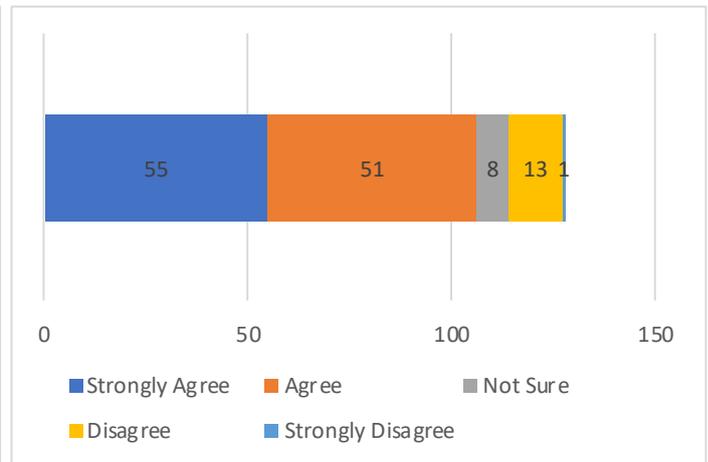

Figure 25 Same level of skills

Men and women have the same level of knowledge to deal with work pressures as corporate leaders
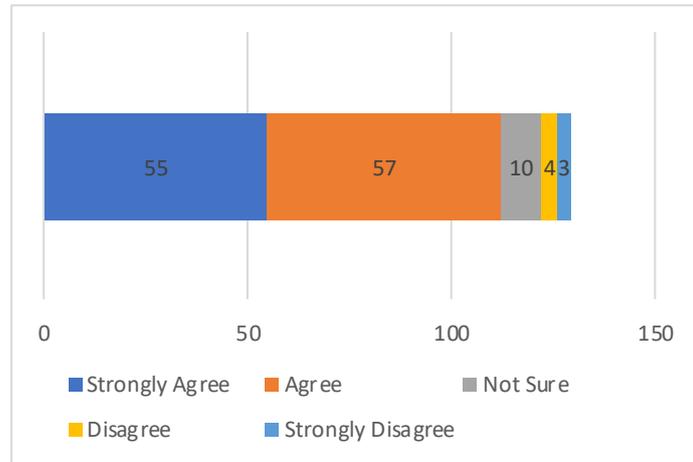

Figure 26 Same level of knowledge

When asked about the differences on strategic vision between men and women, the respondents were discordant. While 11% strongly agreed and 26% agreed that women have a better strategic vision, 22% disagreed and 5% strongly disagreed.

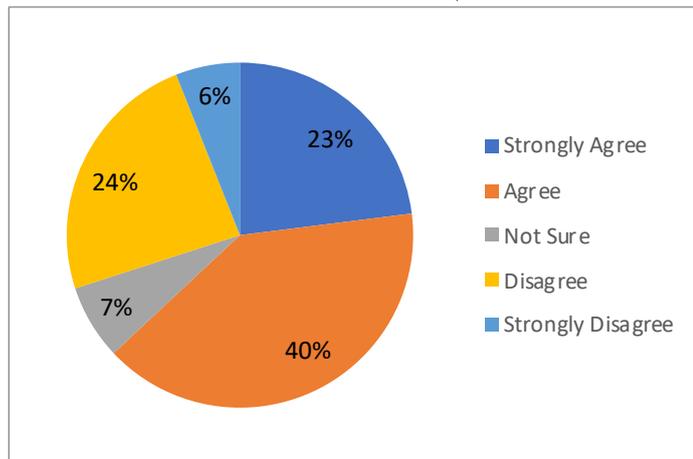Women need to work harder than men to prove themselves.

Figure 27 Women work harder than men

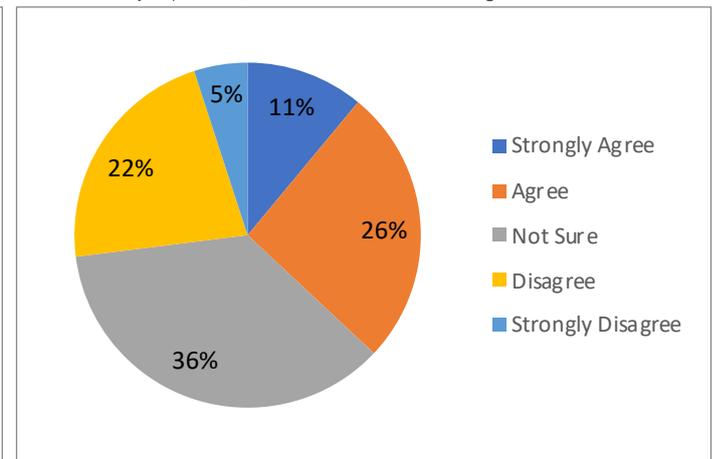From my experience, women have a better strategic vision than men.

Figure 28 Strategic Vision

12

One of the main challenges women face according to the research results are missing human resource policies. Policies such as flexible work timings and the ability to work from home could lead to a higher female participation. In the workforce 23% of the respondents agreed strongly, and 52% agreed to this survey question.

If human resource policies such as flexible work times & working from home exist,
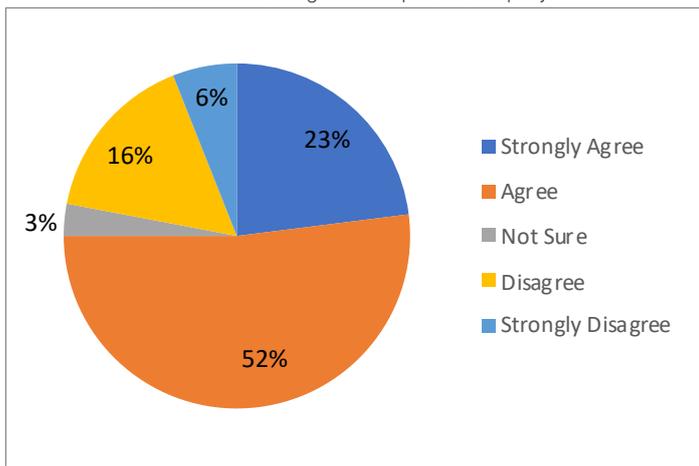more women can go to the top of the company.

Figure 29 HR policies

3. Self-imposed challenges

Within the self-imposed challenges Hawkamah analyzed the deficiencies of women becoming board members or senior executives.

5% of the respondents strongly agreed that women feel they lack experience to become board members. While 35% of the respondents agreed on this, 24% disagreed and 9% even strongly disagreed.

24% of the respondents see a self-imposed challenge in the fact that women feel they lack the independent mindedness needed to be top executive. 2% even more strongly agree to this. While 34% disagree and 12% strongly disagree on this statement.

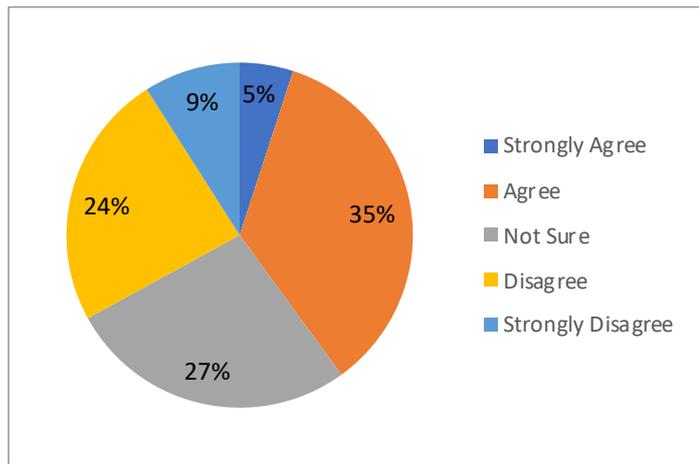Women feel that they lack the experience to become board members

Figure 30 Lack of experience

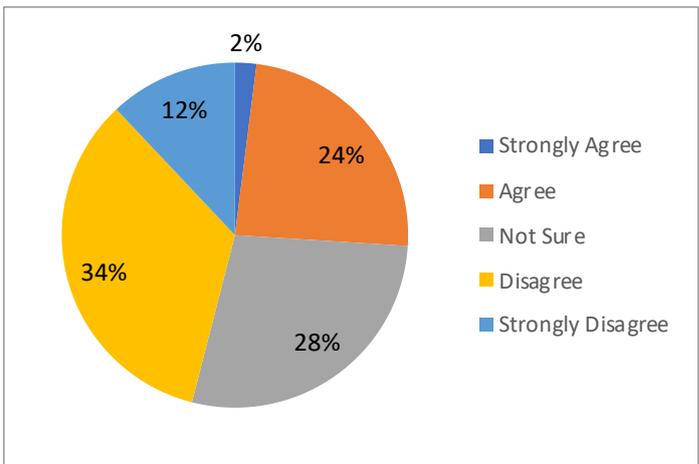Women feel that they lack the independence needed to be top executives

Figure 31 Lack of independence

13

Furthermore, 23% agree that women feel that they lack qualifications to be board members. Although 41% disagreed on this as a self-imposed barrier and 18% strongly disagreed.

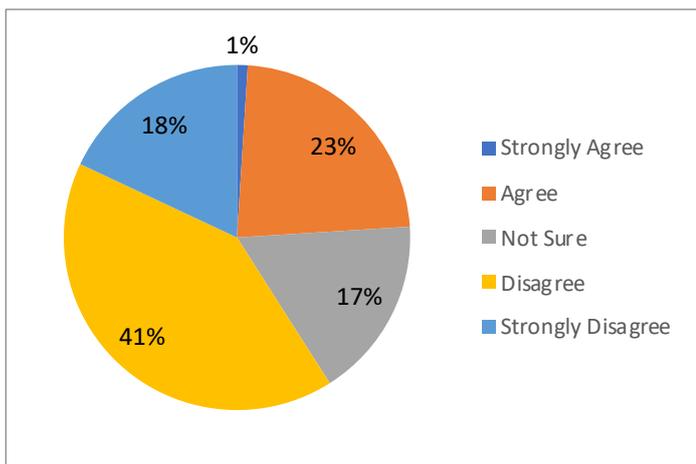Women feel that they lack qualifications to be board members

Figure 32 Lack of qualifications

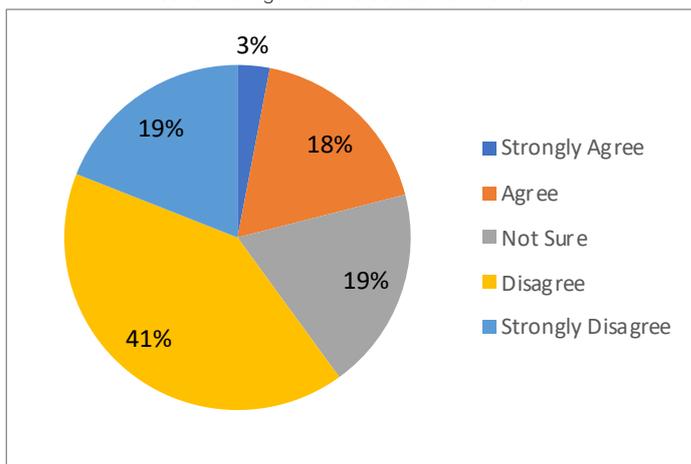Women believe that men have more skills to become members of senior management and boards than women.

Figure 33 More skills to become senior management

Another self-imposed challenge can be the insecurity of women becoming a board member or senior executive. This insecurity can have various reasons.

One hypothesis tested was whether women believe that men have better skills for senior management and board positions than women. On this 41% disagreed and 19% even strongly disagreed, while on the other hand 18% agreed and 3% strongly agreed.

Another thesis tested was the insecurity due to a mixed gender environment. The majority with 45% disagreed whether women could be too shy to speak to high ranks or more experienced members.

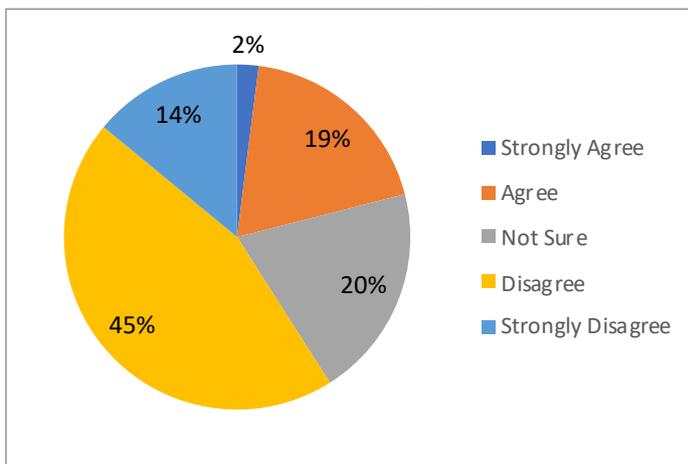Women become insecure in a mixed gender environment.

Figure 34 Mixed environment

Women's reluctance to be in the spotlight could be seen as another self-imposed barrier or women's unwillingness to take high profile projects for fear of pressure and stress. Also as women may have reservations about becoming corporate leaders for the fear of not being able to balance family & work commitments.

Compared to previous boards in the company, was there an increase in the number of women directors serving on the board?
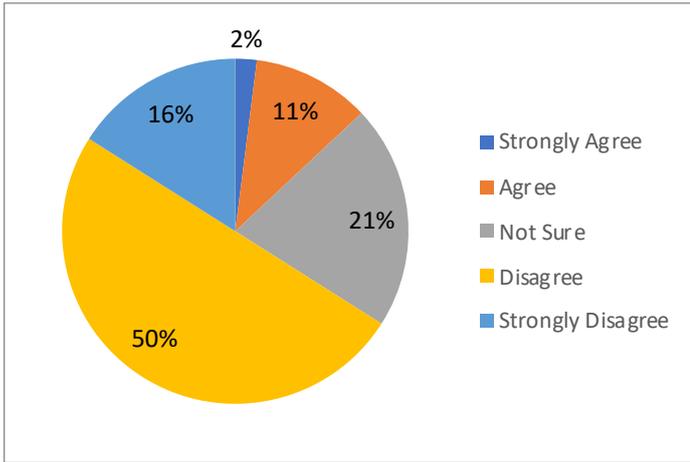
Response	%
Strongly Agree	2%
Agree	11%
Not Sure	21%
Disagree	50%
Strongly Disagree	16%

Figure 35 Women in the spotlight

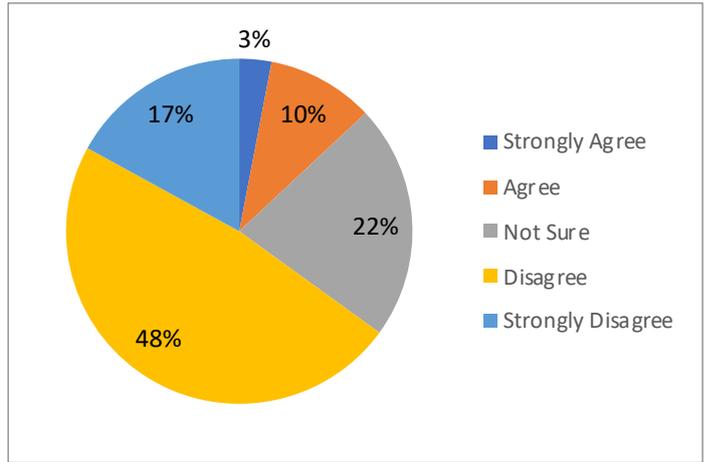Women do not want to take high profile projects as they fear the pressure and stress

Response	%
Strongly Agree	3%
Agree	10%
Not Sure	22%
Disagree	48%
Strongly Disagree	17%

Figure 36 High profile projects

Women have reservations becoming members of senior management

Response	%
Strongly Agree	2%
Agree	37%
Not Sure	21%
Disagree	30%
Strongly Disagree	10%

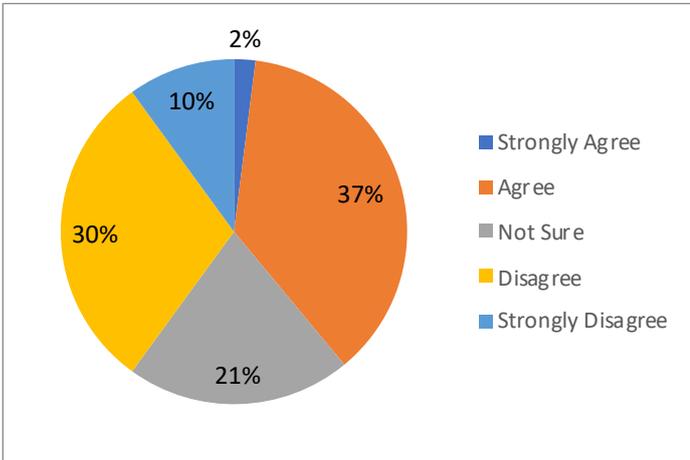Figure 37 Reservations becoming senior manager

Women fear not being able to balance family & work commitments

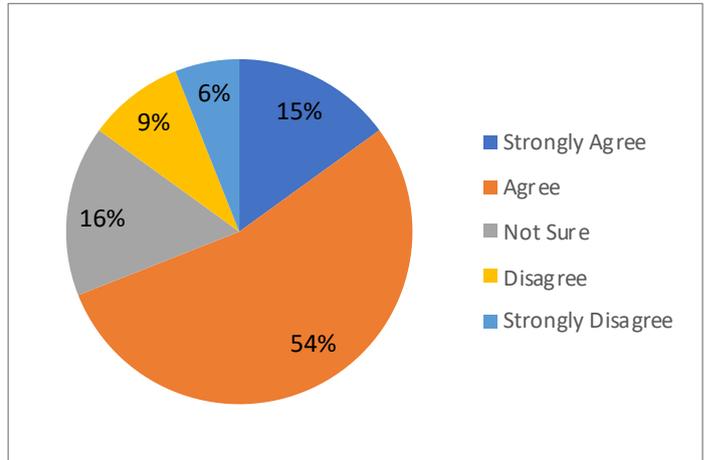| Response	%
Strongly Agree	15%
Agree	54%
Not Sure	16%
Disagree	9%
Strongly Disagree	6%

Figure 38 Balance family & work

Within the self-imposed challenges one main driver for women for not aspiring to board membership could be their family focus. 64% of the respondents agree that women tend to sacrifice their own careers to support their partners' careers. 78% agreed that women tend to sacrifice their own career to support their families.

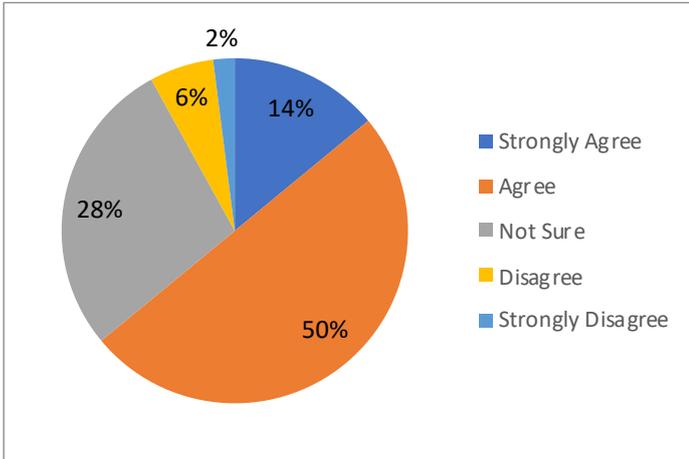Women tend to sacrifice their own career to support their partners career

Figure 39 Sacrifice for partner's career

- Strongly Agree: 14%
- Agree: 50%
- Not Sure: 28%
- Disagree: 6%
- Strongly Disagree: 2%

Women tend to sacrifice their own career to support their families

Figure 40 Sacrifice for family

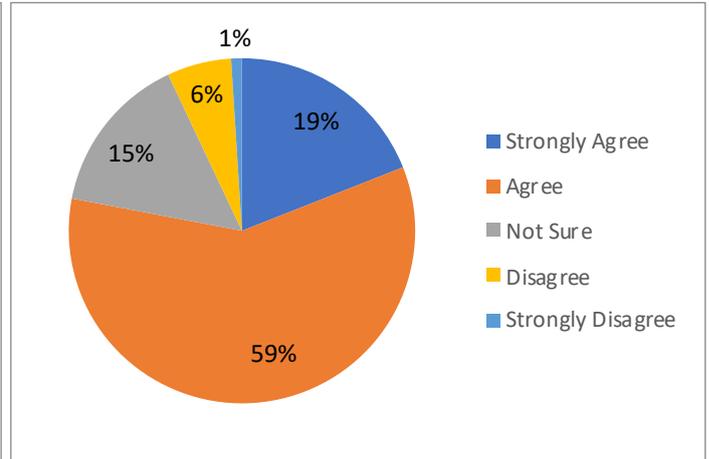- Strongly Agree: 19%
- Agree: 59%
- Not Sure: 15%
- Disagree: 6%
- Strongly Disagree: 1%

24% of the respondents agreed that women are less oriented towards achievement and power than men. 36% disagreed on this statement and 16% strongly disagreed. Roughly an equal number of respondents agreed and disagreed on whether women are underselling their experiences and capabilities.

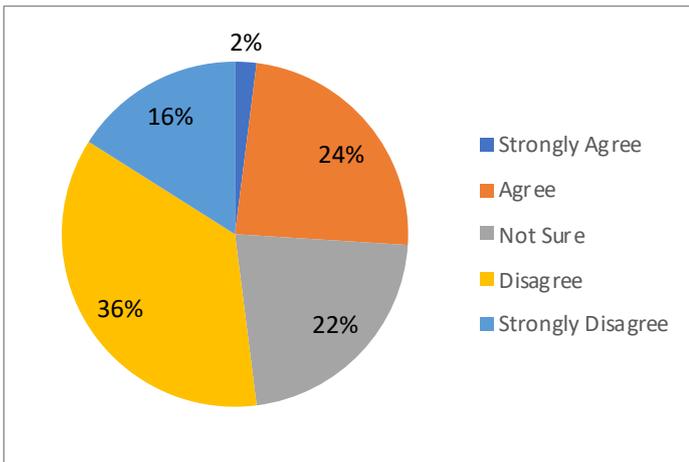Women are less orientated towards achievement & power than men

Figure 41 Achievement & power

- Strongly Agree: 2%
- Agree: 24%
- Not Sure: 22%
- Disagree: 36%
- Strongly Disagree: 16%

Women undersell their experience and capabilities
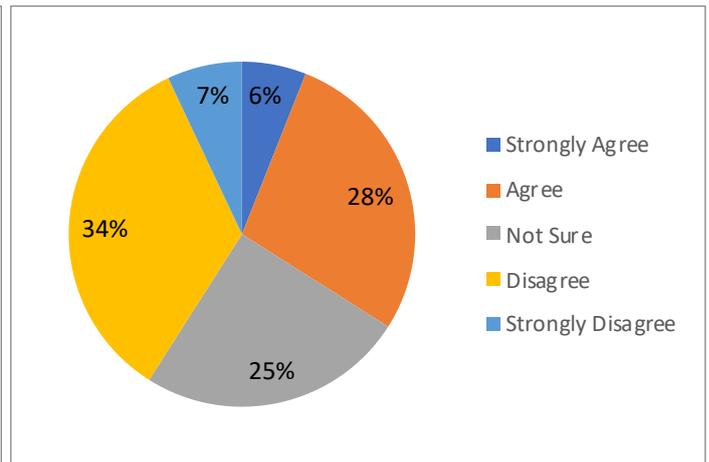
Figure 42 Underselling experience

- Strongly Agree: 6%
- Agree: 28%
- Not Sure: 25%
- Disagree: 34%
- Strongly Disagree: 7%

Another main self-imposed challenge is that women tend to be more careful than men in not making mistakes.

Figure 43 Making mistakes

Figure 44 Spotlight

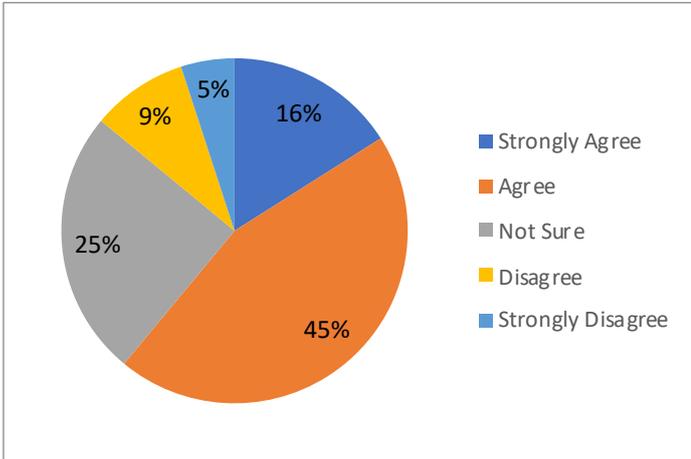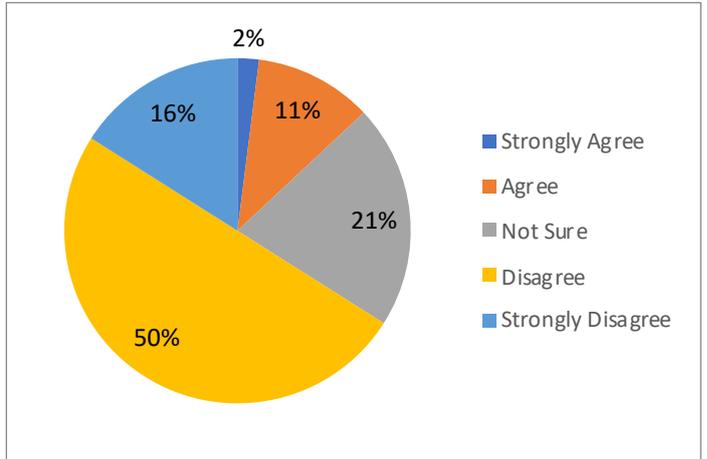The self-imposed challenge variable of women not wanting to be in the spotlight could not be validated with 66% disagreeing votes.

The same goes for the statement that women do not want to take high profile projects as they fear the pressure and stress.
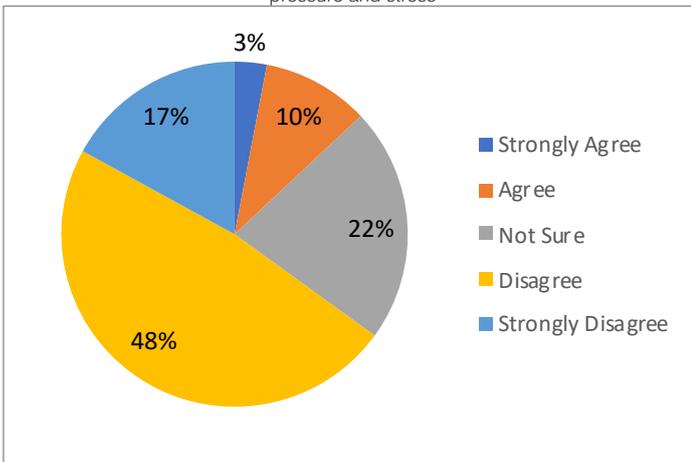
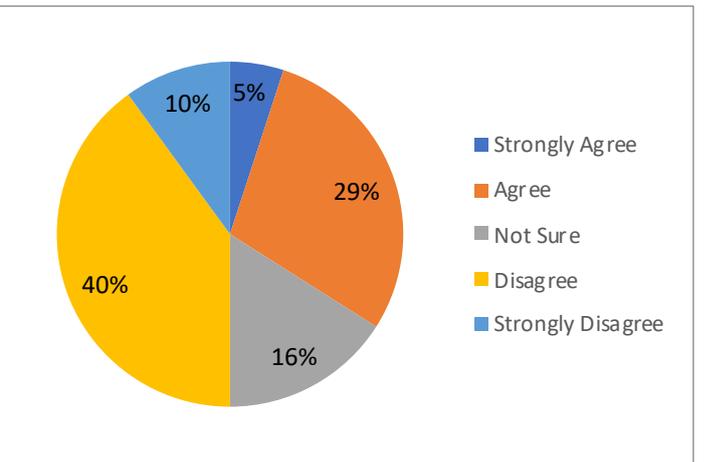Figure 45 High profile projects

Figure 46 Women match in top positions

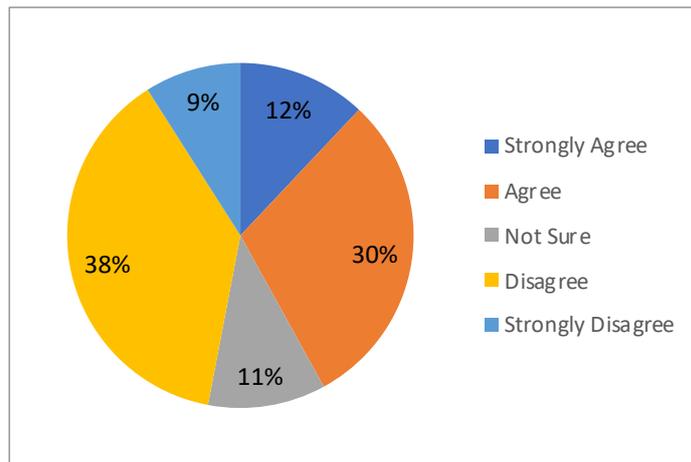Women have less helpful networks; not enough senior staff supporters

Figure 47 Less networks

4. Summary of Challenges

What is the most significant challenge women face to become corporate leaders and board members in your view?

What is the most significant challenge women face to become corporate leaders and board members in your view.
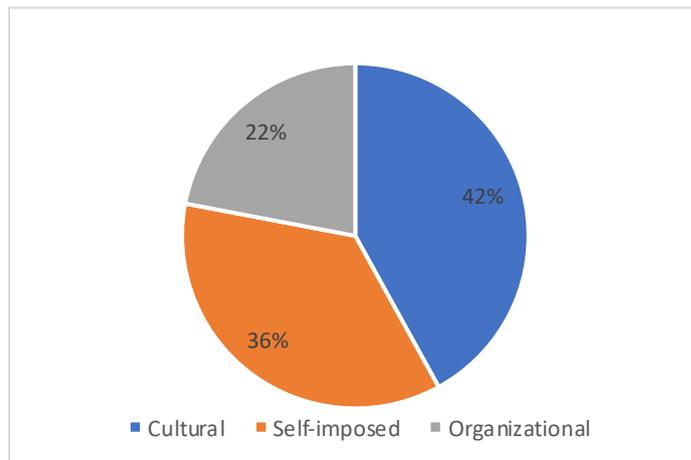

Figure 48 Summary challenges

The respondents reported that the culture in the society makes it difficult for women to occupy leadership positions in listed companies. Regarding the organizational challenges, 81% believe that men and women have the same level of experience to deal with work pressures as corporate leaders, 83% believe that men and women have the same level of skills to deal work pressures as corporate leaders and even 87% of the respondents believe that men and women have the same level of knowledge to deal with work pressures as corporate leaders. However, still organizational challenges exist. As 63% of the respondents believe that women still need to work harder than men to prove themselves.

On the other hand, the respondents place significant emphasis on self-imposed challenges as the reason preventing more gender diversity on board.

In addition to the Top 3 Challenges, the lack of experience to serve as board members and the missing networks to support female senior staff were significant.

Top 3 cultural challenges

1 We need to qualify more women to serve on boards and leadership positions as women in the past did not use to work

2 The company gives men more chances to travel and gain international experience than men

3 In many cases women do not aspire to be board members or leaders in the company

Figure 49 Top 3 cultural challenges

Top 3 Organizational Challenges

1 With more HR policies (flexible work times, home office) more women can go to the top of the company

2 Women need to work harder than men to prove themselves

3 IWomen are less likely to advance to top management positions because they face greater barriers to advance than men

Figure 50 Top 3 Organizational Challenges

Top 3 Self-imposed Challenges

1 Women tend to sacrifice their own career to support their families

2 Women fear not being able to balance family & work commitments

3 Women tend to sacrifice their own career to support their partners' career

Figure 51 Top 3 Self-imposed Challenges

Part 3: Solutions

The respondents were asked about the way their companies currently support women for leadership positions. The majority of respondents named training and development courses for women in all work levels. Many already set equal opportunity policies as well as special leadership programs. When asked about the most effective practical measures, the respondents named almost the same initiatives that their companies already had in place. In other words, the most effective practical measures for womens advancement were deemed to be training & development programs, special leadership and mentoring programs as well as increasing the number of women in higher education.

In which way does your company currently support women for leadership positions?

| TOP 1: Training & Development | TOP 2: Equal opportunity policies | TOP 3: Special leadership programs |

What do you think is the most effective, practical measure, for women's advancement

| Training & development programs | Special leadership & mentoring programs | Increase female higher education/ qualification |

But if the companies already set the most effective practical measures within their companies, why do we not have a higher female participation? Are there more or other more effective solutions?

This study was not only to identify the difficulties women face in reaching board or senior executive position. Hawkamah also identified possible solutions to support women reaching these positions. The research found out that in general the Implementation of a tracking system on performance and promotions can be one of the major solutions for gender parity. Another solution could be a better transparency in the board nomination process as well as more specific HR initiatives such as flexible working hours and home-office possibilities.

Top 3 Solutions:

1 Implementing a system of tracking progress on performance and promotions is important for gender-parity in the company

2 Transparency in board nomination process is important to have more women on boards

3 HR initiatives such as flexible working hours needed.
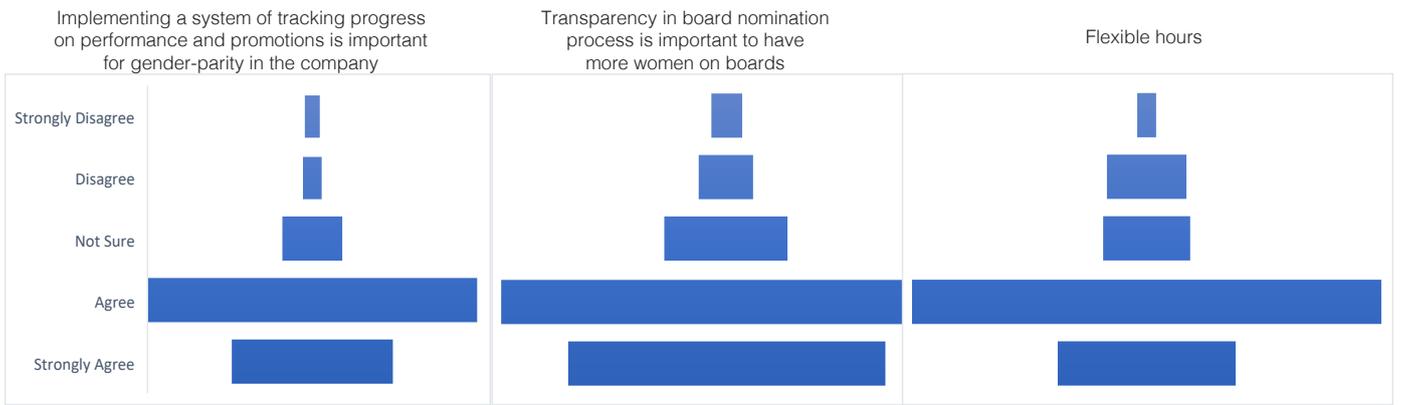
Figure 52 Top 3 solutions

Implementing a system of tracking progress on performance and promotions is important for gender-parity in the company

Strongly Disagree
Disagree
Not Sure
Agree
Strongly Agree

Figure 53 Implement tracking system

Transparency in board nomination process is important to have more women on boards

Strongly Disagree
Disagree
Not Sure
Agree
Strongly Agree

Figure 54 Transparency board nomination

Flexible hours

Strongly Disagree
Disagree
Not Sure
Agree
Strongly Agree

Figure 55 Flexible hours

The Respondents feel that implementing a maximum director term limit will enable more women to join boards. Another very effective measure according the Research could be supporting women with giving them access to relevant networks outside the company.

Implementing maximum director term limits will enable more women to join boards
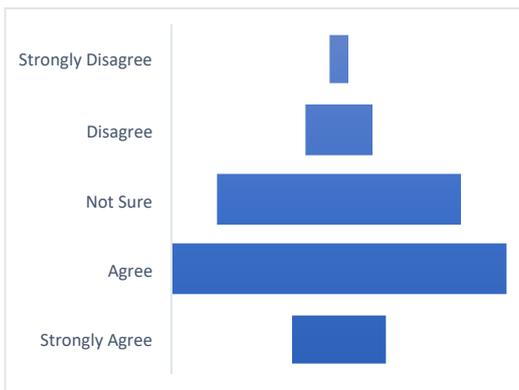
Strongly Disagree
Disagree
Not Sure
Agree
Strongly Agree

Figure 56 Director term limits

Our company needs to support women by giving them access to relevant networks outside the company

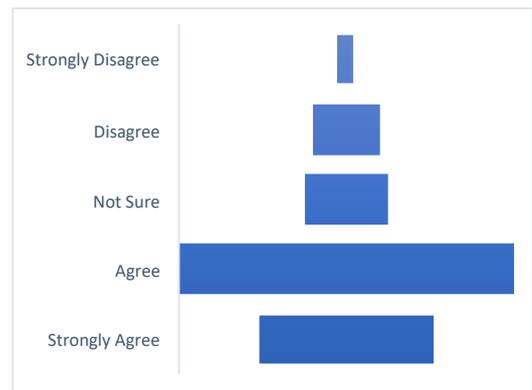Strongly Disagree
Disagree
Not Sure
Agree
Strongly Agree

Figure 57 Access to networks

Transparency in the process used to select senior managers will result in more women being selected

Strongly Disagree
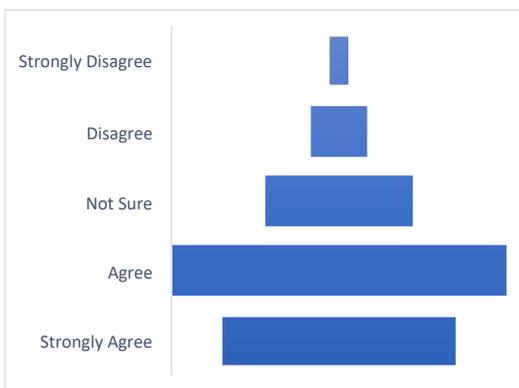Disagree
Not Sure
Agree
Strongly Agree

Figure 58 Transparency selection of senior managers

Our company needs to establish a system to equip new joiners on board and senior management positions with inductions.

Strongly Disagree
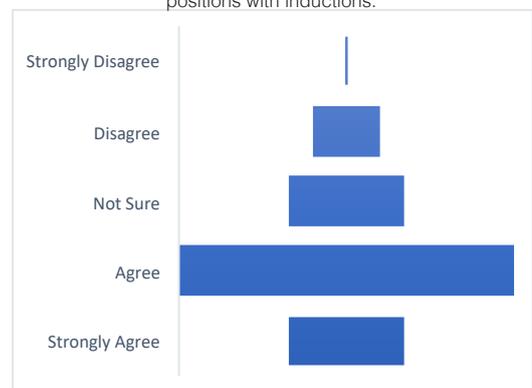Disagree
Not Sure
Agree
Strongly Agree

Figure 59 Inductions

70 % of the respondents report that sufficient maternity leave can be another major solution to have more women on board and in senior executive positions.

Sufficient maternity leave

Figure 60 Sufficient maternity leave

Interestingly, a majority of 69% think that creating quotas for women in senior management positions will help more women to access leadership positions in companies. And even 70% believe that creating quotas for women on boards is a good solution to increase percentage of women on boards.

Hawkamah believes that quota can be an effective solution. However implementing quotas cannot be the final solution as they can only be seen as one of the ingredients needed to crack the glass ceiling by raising awareness and ensuring board effectiveness.
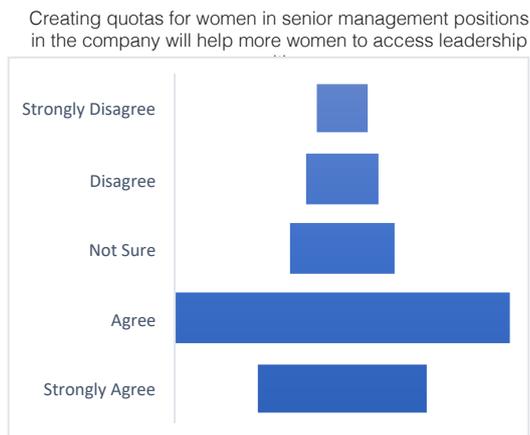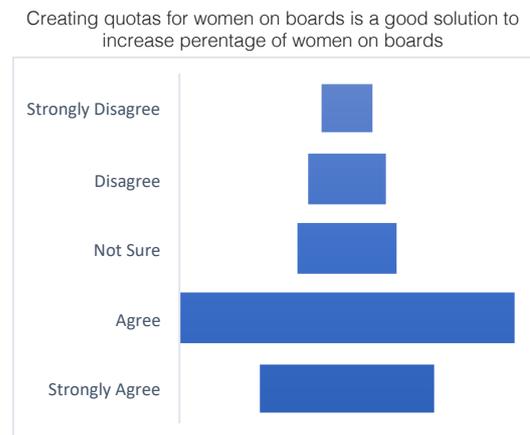
Creating quotas for women in senior management positions in the company will help more women to access leadership

Figure 61 Quotas senior management

Creating quotas for women on boards is a good solution to increase perentage of women on boards

Figure 62 Quotas board

The Respondents identified these additional possible solutions for gender parity.

Our company needs to establish a mechanism to monitor gender diversity issues in the company

Figure 63 Monitoring

We need to develop training for women in our company
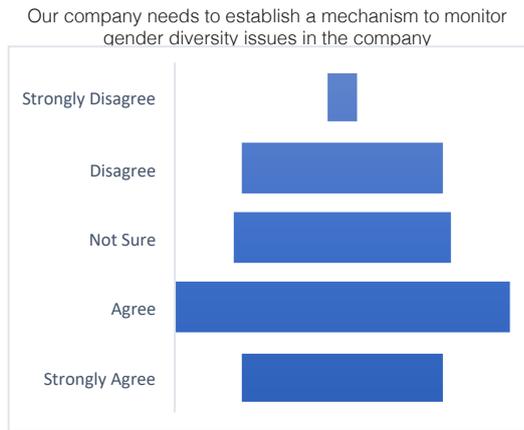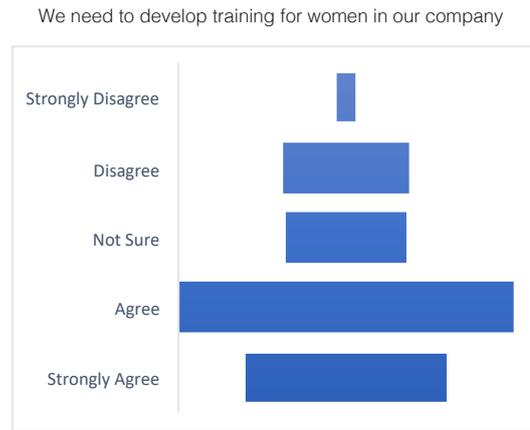
Figure 64 Develop training for women

It is better if we create mentoring schemes within our company

Figure 65 Mentoring schemes
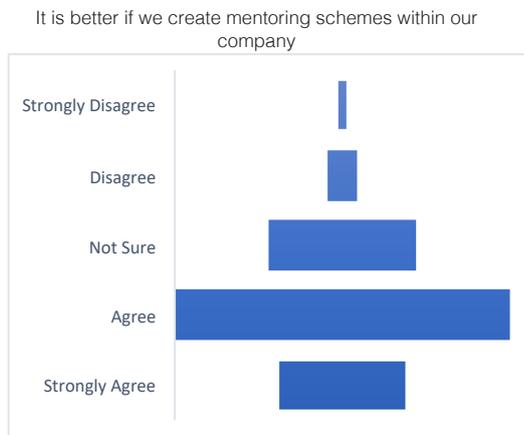
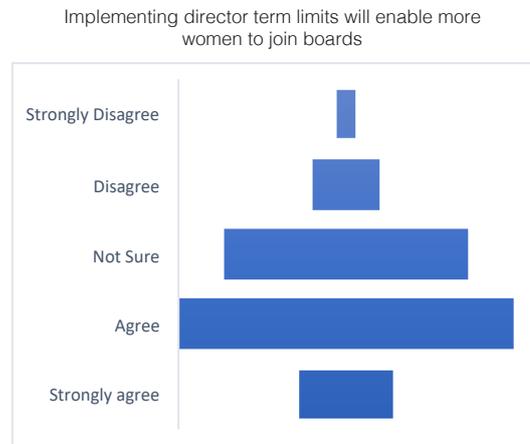Implementing director term limits will enable more women to join boards

Figure 66 Director term limits

It will make a big difference if we identify gender stereotypes in the recruitment and promotion process to overcome them
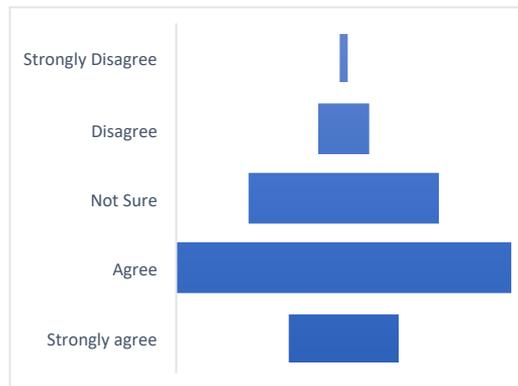

Figure 67 Identify gender stereotypes in recruitment & promotion