



# Female Representation on Corporate Boards in Nigeria:

A review of Top 100 Most Capitalized Companies  
on NGX and their Board Composition from 2020-2023

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# INTRODUCTION

In today's business world, diversity in corporate governance is increasingly valued. More women in key decision-making roles are seen as a sign of a company's effectiveness, innovation, and sustainability. In Nigeria, the discussion around gender diversity in corporate leadership has gained momentum in recent years. This report focuses on the issue of female representation on corporate boards within the Nigerian context, aiming to assess its significance, current status, challenges, and potential pathways for improvement.

Gender diversity on corporate boards is not just a matter of fairness; it's also a strategic imperative for Nigerian businesses. The focus on gender diversity stems from the recognition that diverse perspectives improve decision-making. Studies show companies with more women on boards perform better financially and have stronger governance practices. Additionally, gender diversity is linked to increased innovation, resilience, and long-term value creation. Despite these benefits, women remain significantly underrepresented on corporate boards in Nigeria. Understanding the barriers preventing equal representation of women on corporate boards is essential for devising effective solutions.

This report aims to provide insights into the current landscape of female representation on corporate boards in Nigeria, highlighting challenges, opportunities, and best practices. By analyzing data, and synthesizing existing research, we aim to offer actionable recommendations for stakeholders committed to advancing gender diversity in Nigerian corporate leadership. Ultimately, achieving gender-balanced boards is not only essential for building inclusive organizations but also for driving economic growth and societal progress in Nigeria.

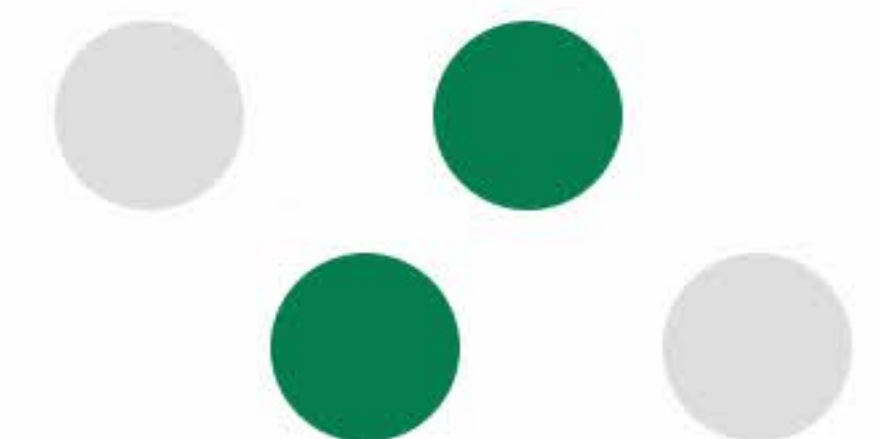
The data used in this report was derived from a combination of companies' websites, data obtained from NGX and independent research.

# REGULATORY INITIATIVES AND CORPORATE RESPONSES TO GENDER DIVERSITY ON BOARDS

It is important to spotlight Nigeria's regulatory approach to gender diversity in corporate governance and conduct a comparative analysis, revealing varying strategies and frameworks implemented by different countries to address the issue. Nigeria's regulatory approach will be compared with that of South Africa, the United Kingdom, Malaysia, Australia, and Norway.



## Nigeria's Voluntary Approach



The Nigerian legal framework for gender diversity on boards includes various regulations and codes issued by regulatory bodies and authorities. Some key components of this framework include:

- **Central Bank of Nigeria (CBN):** The CBN recommends a minimum of 30 percent female representation on Boards of Nigerian commercial banks.
- **Nigerian Code of Corporate Governance, 2018 (NCCG):** The NCCG, in principle 2.4, recommends that boards establish diversity goals and be mindful of them when filling board vacancies.

*These regulations and codes provide guidance and recommendations rather than strict legal requirements. While this approach allows for greater flexibility and adaptability to local contexts,*

1. Zukis, B. (30 June 2020) How Women Will Save The Future, One Corporate Board At A Time. Forbes
2. Adams, R. B., & Ferreira, D. (2009). Women in the boardroom and their impact on governance and performance. Journal of Financial Economics, 94(2), 291-309.
3. Catalyst. (2020). Women on corporate boards. Retrieved from <https://www.catalyst.org/research/women-on-corporate-boards/>
4. <https://drive.google.com/file/d/1W0Kilcz5-erbAdpkcVjI0gWe2jR1N0za/view?usp=sharing>

*it has resulted in slower progress towards achieving gender parity in corporate leadership.*

*It is pertinent to highlight that the SEC Corporate Governance Guidelines, NAICOM Code of Corporate Governance, and NCC Code of Corporate Governance, do not explicitly provide a percentage of female representation on Boards.*



## South Africa



South Africa has no legislation that specifically mandates companies to include women on their boards of directors. However, there have been some measures. In August 2008, South Africa signed the Southern African Development Community's (SADC) Protocol on Gender and Development, one of whose progressive goals included having 50% of women in positions of decision-making in organisations in the public and private sectors.

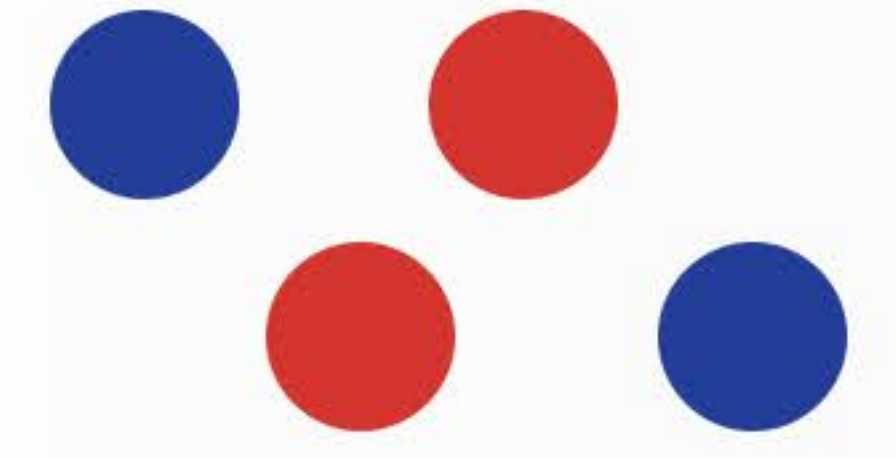
There are also the Johannesburg Stock Exchange (JSE) listing requirements, which necessitate all listed entities to have a policy on the promotion of broader diversity at the board level and to report this annually. In 2021, the Johannesburg Stock Exchange (JSE) was reported to have the best gender balance on boards of any developing country in the G20., according to a report by the Sustainable Stock Exchanges (SSE) Initiative. As a corporation, the JSE Board of Directors was reported to have 60% female representation, while 66.7% of the JSE's executive committee are women.

Other indirect measures to encourage gender diversity, include the Broad-Based Black Economic Empowerment Codes of Good Practice - to ensure the growth of black entrepreneurs, the Employment Equity Act - which is to safeguard women from discrimination in the workplace, and the King IV Report on Corporate Governance, which encourages companies to prioritise diversity and inclusion as integral components of effective corporate governance practices. The application of these codes is voluntary except for JSE-listed companies.

In 2014, the 2013 Women Empowerment and Gender Equality Bill, which provided for equal representation of women on the boards of public and designated private bodies, was withdrawn for further consultation and it “appears to have since been abandoned.”



# United Kingdom



The UK Government has embraced a voluntary, business-led approach to increase female representation on corporate boards, with about 40% of board positions in the FTSE 100 now held by women, ranking second internationally behind France. Initiatives like the Davies Review, launched in 2011, kickstarted efforts to address gender imbalances on FTSE 350 boards, resulting in significant progress without the need for legislative quotas.

The legacy of the Davies Review lives on through initiatives like the FTSE Women Leaders Review, which sets recommendations for improving female representation on boards and leadership teams of FTSE 350 companies. Despite the absence of regulatory quotas, the voluntary strategy has been successful, supported by investors, government, and top corporations in the UK, achieving its 40% female representation target three years ahead of schedule.



5. JSE tops G20 developing countries for gender balance on boards.

6. USB report unpacks how to improve women's representation on corporate boards



## Malaysia



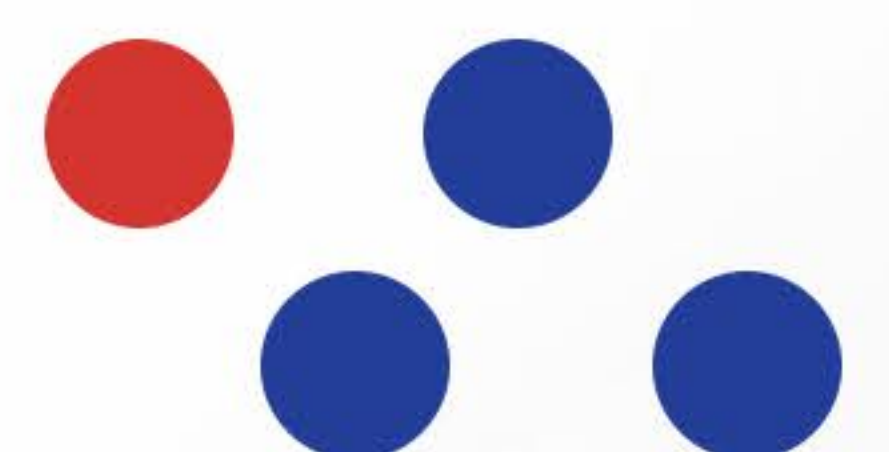
Bursa Malaysia, along with key stakeholders, has been leading efforts to promote gender diversity within its publicly listed companies across all levels of organization. The Malaysian Code of Corporate Governance (MCCG) 2021 recommends that boards comprise at least 30% women directors and disclose diversity policies and measures to achieve this target. Similarly, the Institutional Investors Council has set expectations for investee companies to achieve 30% female board representation within three years.

In January 2022, Bursa Malaysia mandated publicly listed companies with a market capitalisation of 2 billion Malaysian Ringgit or more to appoint at least one female board member by September 2022, with the requirement extended to all remaining companies by June 2023. While no sanctions are specified for non-compliance, the Malaysian government has indicated its readiness to publicly identify companies failing to meet the target.

These initiatives align with global standards such as the OECD's Principles of Corporate Governance and Malaysia's commitment as a signatory to the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW). They reflect efforts to harmonize domestic legislation with international norms, resulting in positive progress towards gender diversity in Malaysian boardrooms.



## Australia



Australia, an OECD member, established a 30% gender parity target for corporate boards without significant legislative intervention, showcasing confidence in achieving goals through voluntary measures. The Workplace Gender Equality Act of 2012 mandated reports on gender equality metrics for non-public sector companies with 100 or more employees. The Australian Institute of Company Directors and initiatives like the 30% Club Australia advocated for increased female representation on boards, supported by pressure from entities like the Australian Council of Superannuation Investors (ACSI) urging investment in companies with diverse boards.

The introduction of the Australian Corporate Governance Code's fourth edition in 2019 reinforced gender diversity recommendations, including the establishment of diversity policies with measurable targets. Many Australian companies voluntarily adopted UN Sustainable Development Goals, including gender equality objectives. Positive strides have been made, with women comprising approximately 35% of directors in the ASX 200 and 34% in the ASX 300 as of 2021/2022.

In May 2023, the ACSI released a new voting policy to promote gender balance, advising members to vote against ASX300 boards lacking gender diversity. Australia's approach underscores a blend of voluntary initiatives, legislative frameworks, and investor pressure driving progress in gender diversity on corporate boards.



Norway has been a pioneer in promoting gender diversity in corporate governance through its Gender Equality Act, mandating at least 40% representation of each gender on company boards since 2003. This regulatory intervention, the first of its kind globally, has significantly increased female representation on boards, albeit facing criticism for potential tokenism and meritocracy challenges. The recent agreement to extend these requirements to more companies reflects ongoing efforts to address gender imbalances in leadership roles.

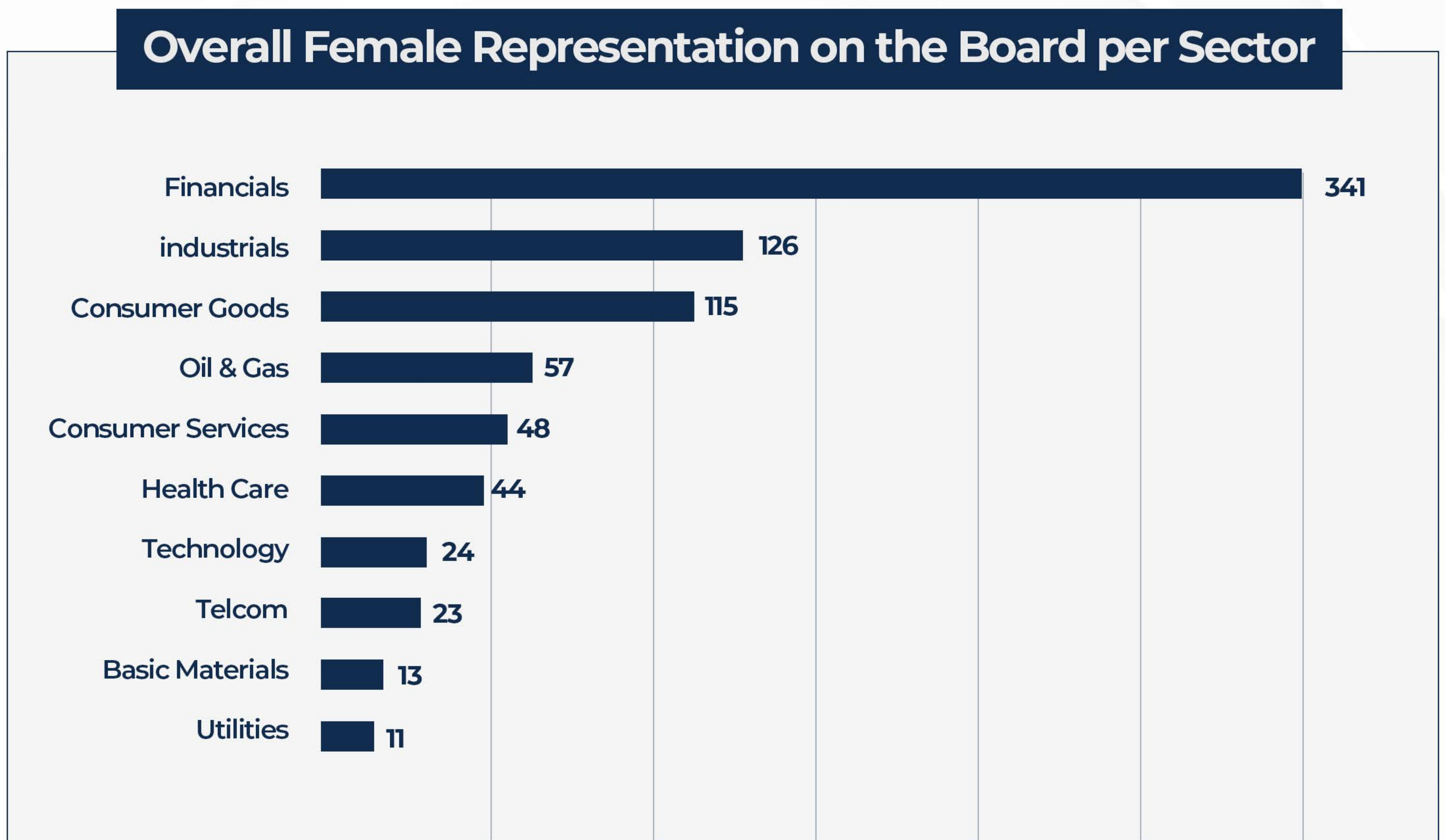
Comparative analysis underscores the importance of context-specific strategies for promoting gender diversity in corporate governance. While Norway's mandatory quotas have driven rapid progress, voluntary initiatives, such as those in Nigeria, offer flexibility but may result in slower gains. Transparency and accountability are crucial, with regulatory frameworks stressing disclosure and reporting to hold companies responsible for diversity efforts.

Industry-led initiatives and holistic approaches are crucial for fostering inclusivity and addressing systemic barriers to gender equality. Collaboration and knowledge sharing among countries can enhance the effectiveness of strategies, leveraging insights from diverse regulatory approaches. Sustainable progress requires collective advocacy and engagement from governments, businesses, civil society, and international organizations to challenge stereotypes and create inclusive environments for all.



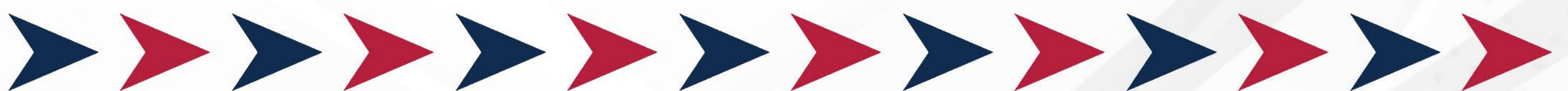
# ANALYSIS OF DATA USED

(Top 100 Most Capitalized Companies on NGX and Their Board Composition from 2020 – 2023).



## Figure 1: Female Representation on the Board per Sector

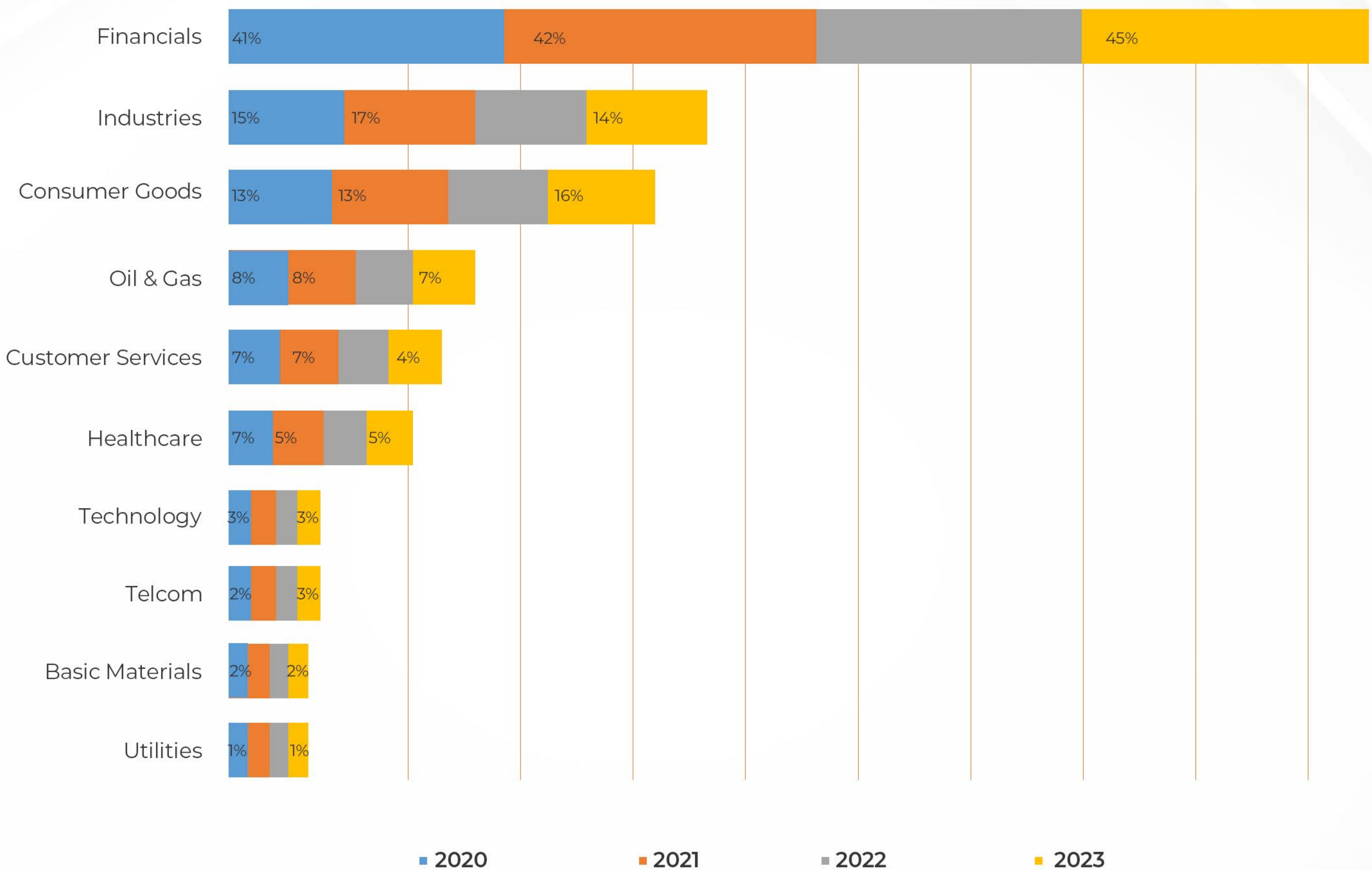
The bar chart shows the number of female board members in different sectors. Financials have the highest female representation with 341 members, followed by Industrials (126) and Consumer Goods (115). Sectors like Utilities and Basic Materials have the lowest representation, with only 11 and 13 female board members, respectively. This indicates varying levels of gender diversity across sectors, highlighting areas where improvement is needed to achieve more balanced representation.



7. The information provided is as at 31 December 2023. Source of information is the companies' financial statements published on the NGX's website and companies' websites

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## Sectoral Analysis of Female Board Representation

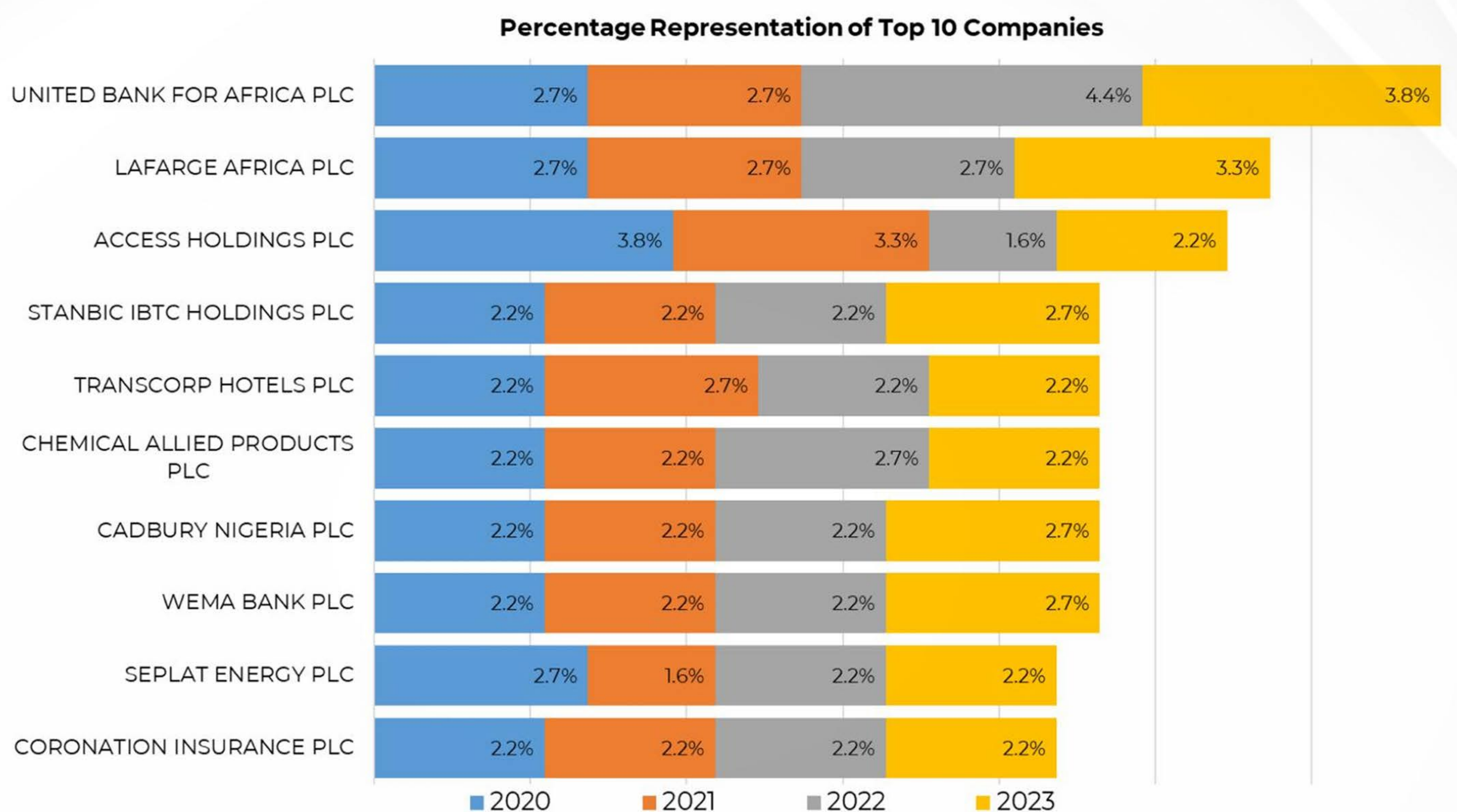


**Figure 2: % Year-on-Year Sectoral Analysis of Female Board Representation**

The chart presents a sectoral analysis of Female Board Representation (FBR) year-on-year (YoY). Across various sectors, there are notable differences in the percentage of female representation on boards. In 2020, the Financials sector had the highest FBR at 41%, followed by Industrials at 15%. However, by 2023, Financials had increased to 45%, while Industrials slightly decreased to 14%. Consumer Goods and Oil & Gas also experienced decrease in FBR over the years, reaching 16% and 7% respectively by 2023.

On the other hand, sectors like Consumer Services, Health Care, and Telecom witnessed declines in FBR over the same period. These findings highlight disparities in gender representation across sectors and underscore the importance of targeted efforts to promote gender diversity in corporate leadership, particularly in sectors with lower FBR percentages.

Across the analyzed sectors from 2020 to 2023, the overall percentage increase or decrease in Female Board Representation (FBR) varied, with Financials experiencing a net increase, Industrials showing mixed trends, and Consumer Goods demonstrating consistent growth.



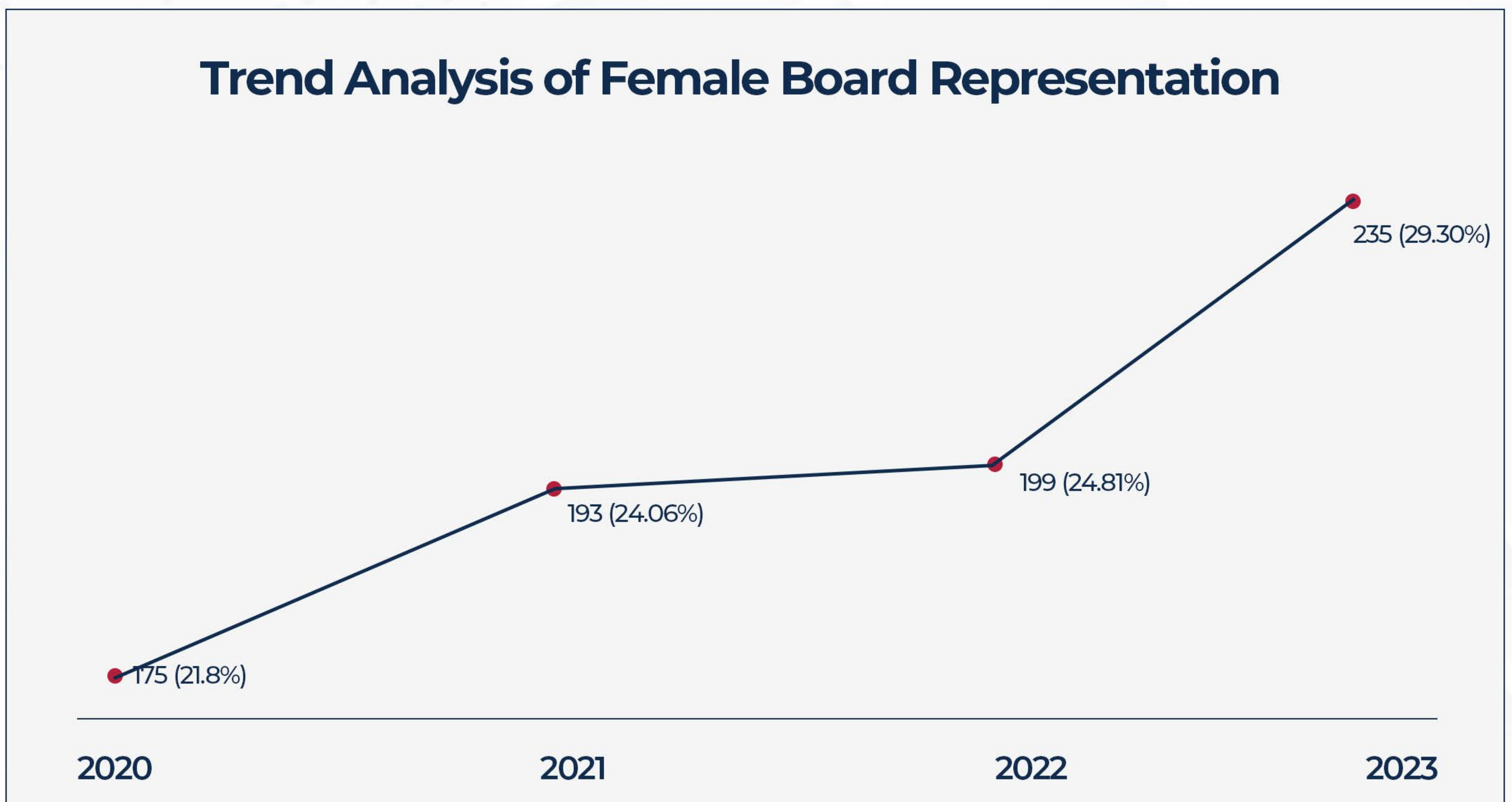
**Figure 3: Percentage Representation of Top 10 Companies**

Across the listed companies, there are fluctuations in FBR percentages from 2020 to 2023. For example, United Bank for Africa PLC had an FBR of 2.7% in 2020, which increased to 4.4% in 2022 but slightly decreased to 3.8% in 2023.

Similarly, Lafarge Africa PLC maintained a consistent FBR of 2.7% from 2020 to 2022 but saw a slight increase to 3.3% in 2023.

Overall, the FBR percentages for the top ten companies collectively increased from 25.1% in 2020 to 26.2% in 2023, reflecting a positive trend towards higher female representation on boards among these leading companies.

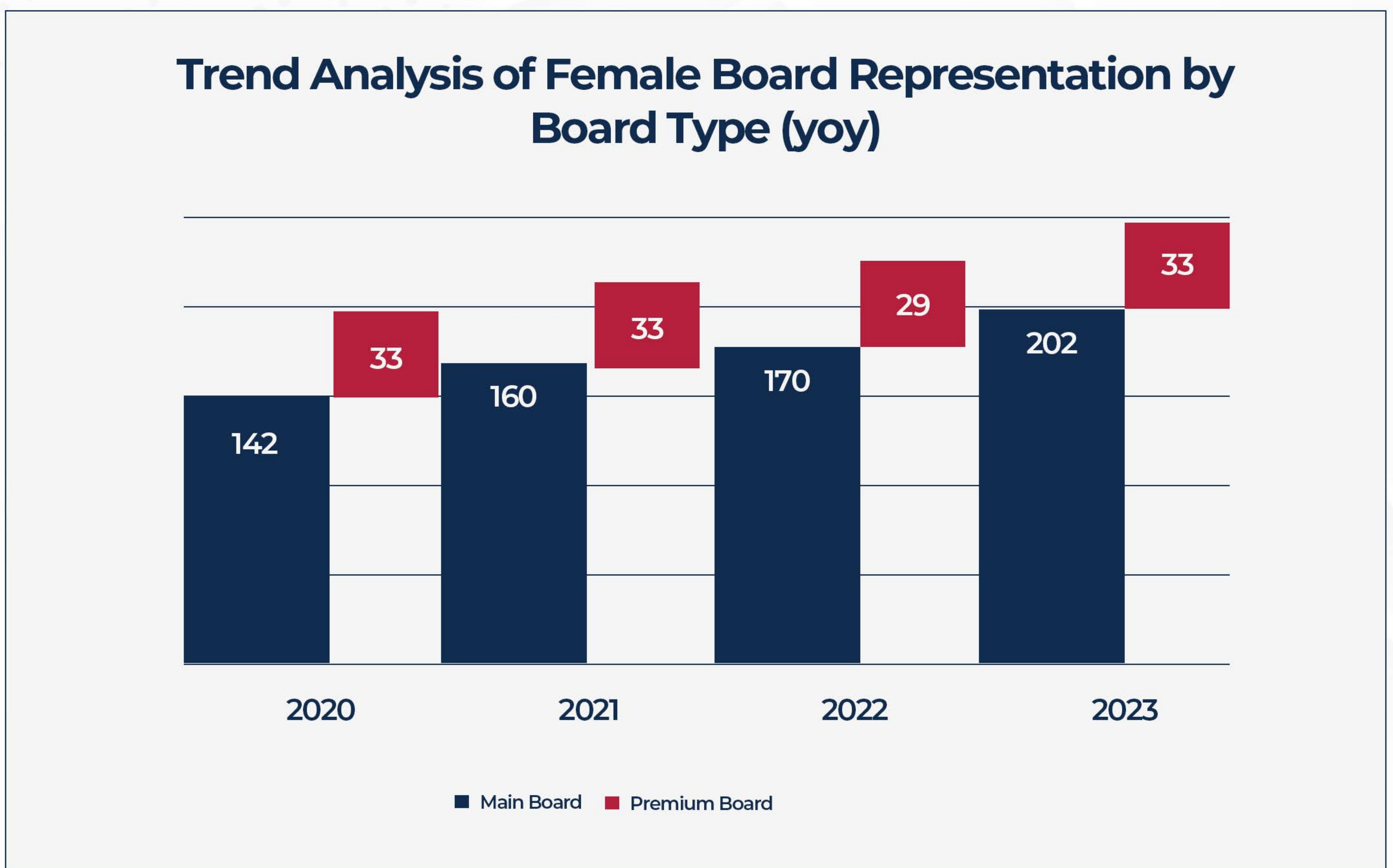
## Trend Analysis of Female Board Representation



### Figure 4: Trend Analysis of Female Representation Over Time

The graph presents a progressive increase in female representation on corporate boards from 2020 to 2023, with the percentage of female members steadily rising. In 2020, 175 female representatives accounted for 21.82% of the board, followed by 193 (24.06%) in 2021, 199 (24.81%) in 2022, and 235 (29.30%) in 2023. This upward trajectory reflects a growing commitment to gender diversity and inclusivity within corporate governance structures over the years. The data underscores a positive trend towards achieving greater gender parity and fostering an environment that values diverse perspectives and equitable opportunities for leadership roles, essential for driving organisational effectiveness and sustainable growth in the long term.





**Figure 5:** Trend Analysis of Female Representation Over Time by Board Type

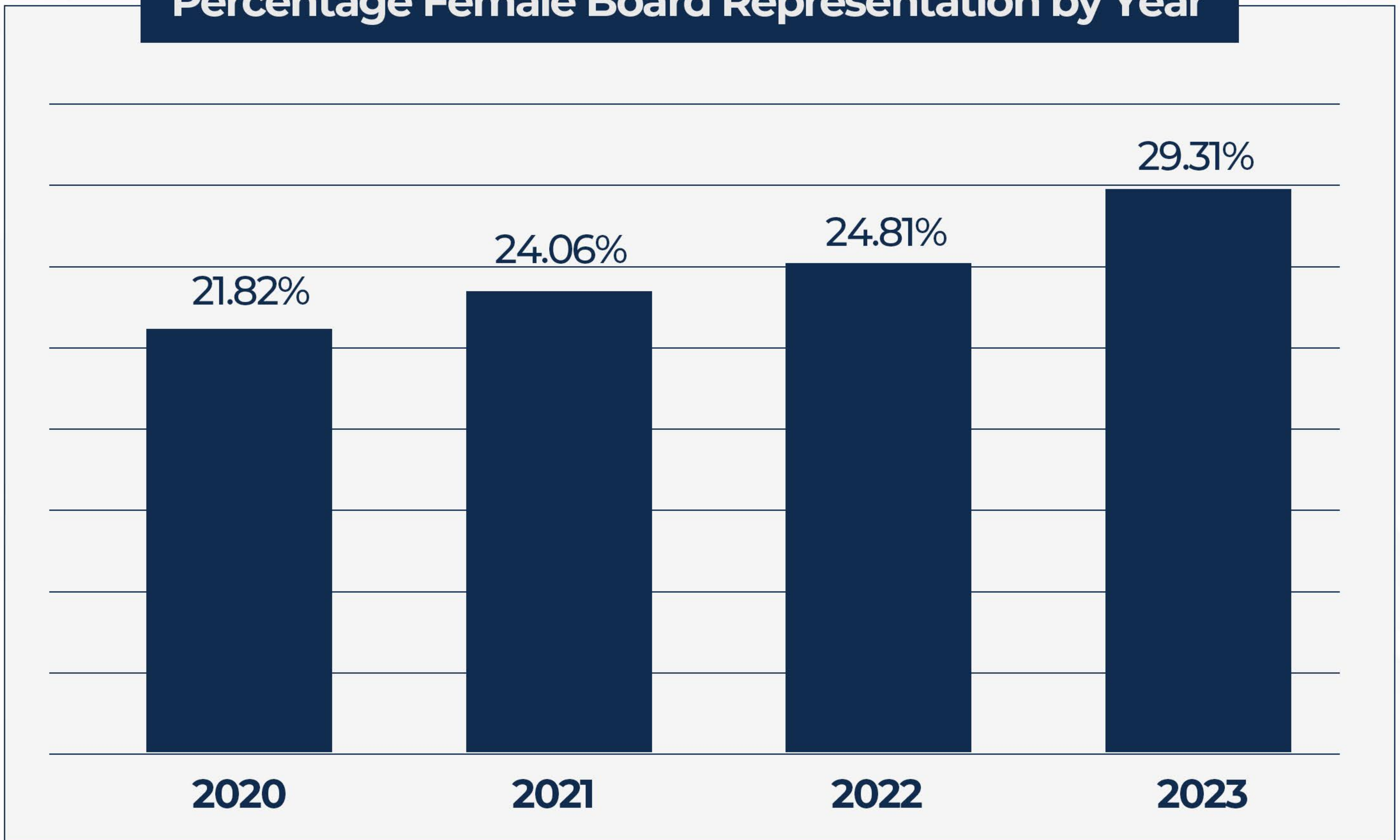
The chart reveals a consistent rise in the number of women on both Main and Premium Boards annually. For instance, in 2020, there were 142 women on Main Board and 33 on Premium Board. By 2023, these figures had increased to 202 and 33 respectively.

This translates to an approximate yearly increase of 2.47% for Main Boards, while Premium Boards saw a negligible 0.03% uptick.

This indicates effective efforts to enhance female representation in corporate leadership, yet suggests potential variations in progress between board types. The findings emphasize the ongoing need for equitable inclusivity across all boards.

## TREND ANALYSIS OF FEMALE REPRESENTATION FROM 2020-2023

## Percentage Female Board Representation by Year

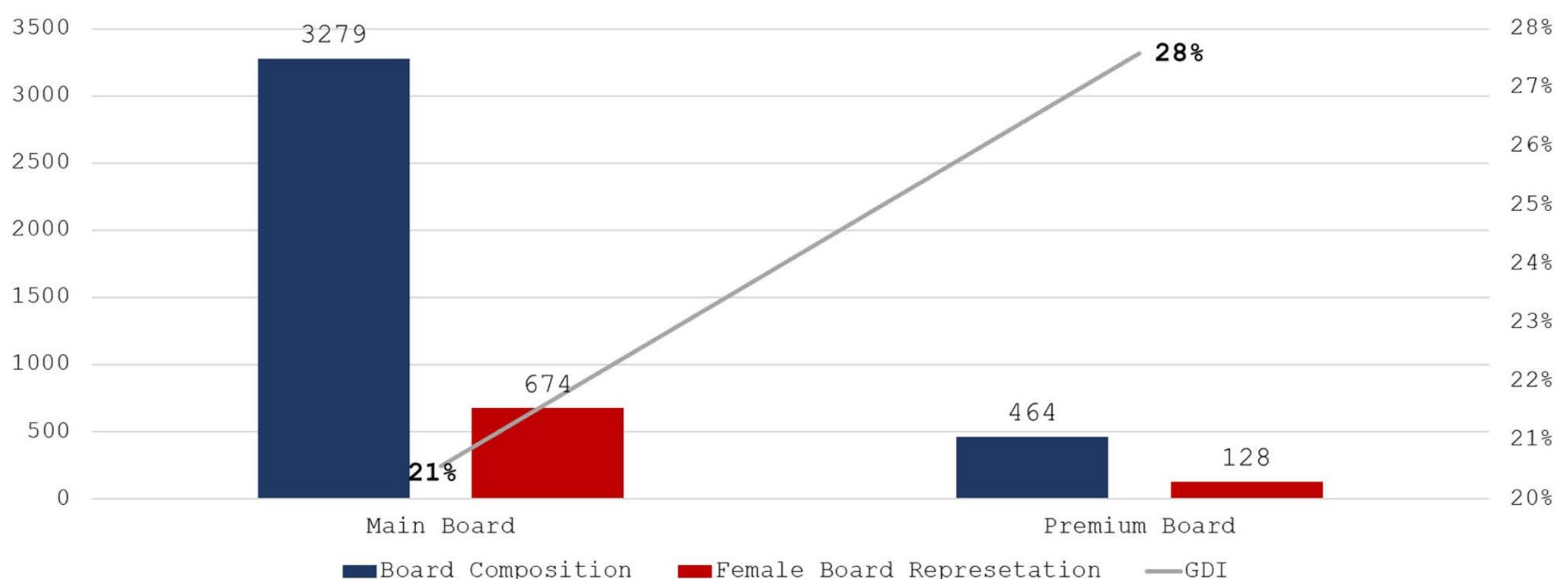


### Figure 6: Percentage of Female Board Representation

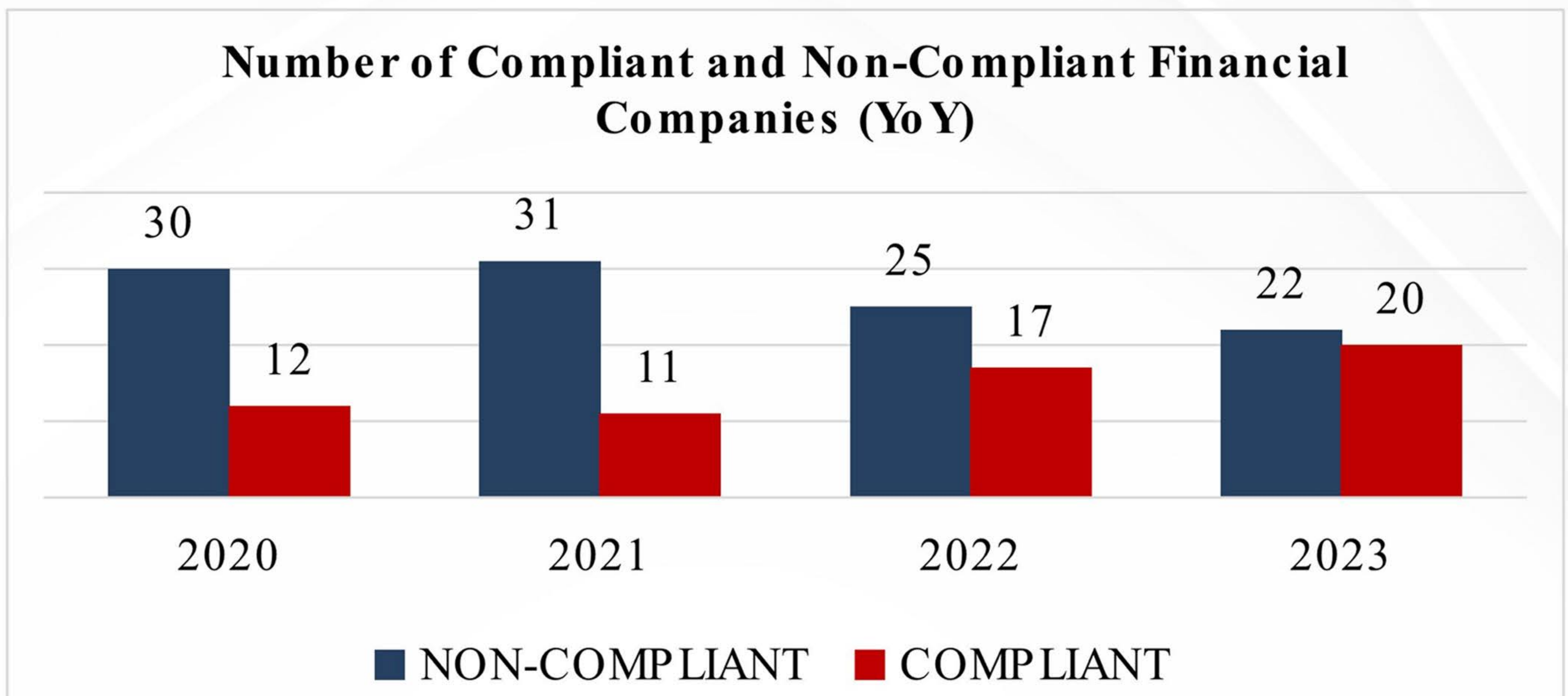
Year 2020 to 2021 (2.24% Increase), 2021 to 2022 (0.75% increase) and 2022 to 2023 witnessed 4.5% increase

Average Increase for the four years is approximately 2.49%

### Figure 7: COMPLIANCE OF CBN PROVISION WITHIN THE FINANCIAL SECTOR (30% REPRESENTATION) BY BOARD TYPE



The chart shows board composition for the Main Board, with 3,279 positions and 674 occupied by females, representing 21% female representation. On the Premium Board, out of 464 positions, 128 are held by females, equating to 28% female representation. This indicates a higher proportion of female representation on the Premium Board compared to the Main Board.



**Figure 8: COMPLIANCE OF CBN PROVISION WITHIN THE FINANCIAL SECTOR (30% REPRESENTATION)**

### Number of Compliant and Non-Compliant Financial Companies (YoY)

The chart presents the compliance of Central Bank of Nigeria (CBN) provision within the financial sector regarding a 30% Female Board Representation (FBR) requirement.

Across the years 2020 to 2023, there were 60 cases of compliance, where companies met or exceeded the 30% representation threshold. In contrast, there were 108 cases of non-compliance, where companies fell short of meeting the requirement.

Overall, out of 168 observations, 60 were compliant while 108 were non-compliant, indicating room for improvement in achieving the desired level of female representation on boards within the financial sector as per CBN provisions.

# CHALLENGES AND BARRIERS TO FEMALE REPRESENTATION ON CORPORATE BOARDS

Despite the growing recognition of the importance of gender diversity in corporate governance, significant challenges and barriers persist, hindering the representation of women on corporate boards. These obstacles reflect deep-seated structural inequalities and cultural norms that continue to shape the composition of corporate leadership.

One of the foremost barriers to female representation on corporate boards is the prevalence of implicit bias and stereotypes regarding women's leadership capabilities. Deeply ingrained cultural norms often perpetuate the perception that men are better suited for leadership roles, leading to unconscious biases in recruitment, selection, and promotion processes. This is aptly illustrated in a recent study from MIT, which shows that women tend to be under-represented in managerial roles in large part because their leadership skills are undervalued.

There is also the challenge of work-life balance. Balancing professional responsibilities with caregiving and family obligations presents a significant challenge for many women aspiring to corporate leadership positions. The lack of supportive workplace policies, such as flexible working arrangements and maternity leave, can exacerbate these challenges and contribute to the underrepresentation of women on corporate boards.

Resistance to change within corporate cultures and governance structures is also a significant barrier to increasing female representation on boards. Some stakeholders may resist efforts to diversify boards, fearing disruptions to existing power dynamics or questioning the business case for gender diversity.

There is also the issue of overboarding, which is the practice whereby individuals serve on an excessive number of corporate boards simultaneously. While overboarding can affect both male and female board members, it poses a particular challenge to increasing female representation on corporate boards. Overboarding exaggerates the already limited pool of qualified female candidates available for board positions. Women, who are historically underrepresented in corporate leadership roles, may find themselves disproportionately affected by overboarding constraints. As a result, opportunities for talented and experienced female candidates to secure board seats may be limited. Overboarding also perpetuates gender disparities on corporate boards by reinforcing existing power dynamics and limiting opportunities for female board members to secure positions of influence and leadership.



When a small group of individuals holds multiple board seats, it may perpetuate the dominance of a male-dominated network, making it more challenging for women to break into boardrooms and ascend to leadership roles.

Addressing these challenges and barriers requires a multipronged approach that encompasses changes in organisational culture, policies, and practices. By promoting inclusive leadership, fostering diverse talent pipelines, and implementing equitable recruitment and selection processes, companies can overcome these obstacles and unlock the full potential of gender-diverse corporate boards.

## Summary of SCGN Female Board Representation Report 2024

The report highlights progress and challenges regarding gender diversity on corporate boards in Nigeria.

### Key Findings:

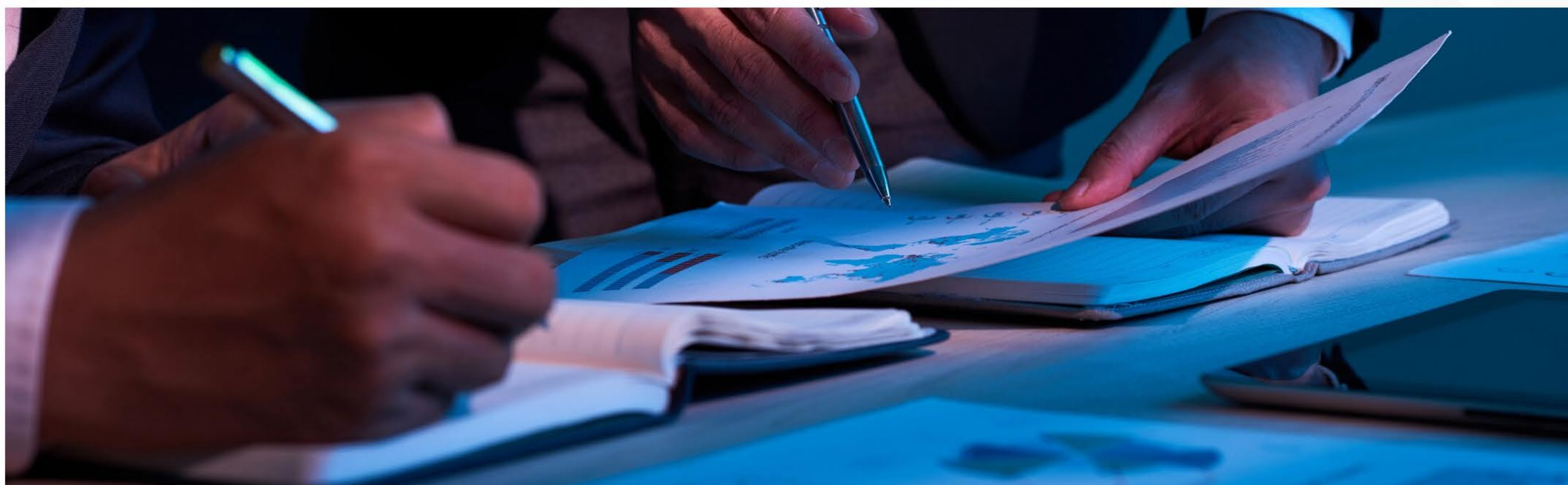
- Female board representation is increasing, with a rise from 21.82% in 2020 to 29.30% in 2023.
- The financial sector has the highest female representation, while utilities and basic materials have the lowest.
- Larger boards tend to have more female members.
- Main boards have a higher percentage of female representation compared to premium boards.



8. Forbes, "Women's Potential is Undervalued at Work" (14 October 2021)  
<<https://www.forbes.com/sites/adigaskell/2021/10/14/womens-potential-is-undervalued-at-work/?sh=d329e50865b4>>

## Challenges:

- Implicit bias and stereotypes against female leadership.
- Work-life balance challenges for women.
- Resistance to change within corporate cultures.
- Overboarding by a select few, limiting opportunities for other qualified women.



## Recommendations:

- **Companies:** Implement supportive policies for working mothers, close the gender pay gap, prioritize female candidates for senior roles, and create mentorship programs for women aspiring to board positions.
- **Existing board members:** Encourage shadow boards for women and support female executives pursuing board roles.
- **Shareholders and investors:** Lobby for stricter gender diversity reporting, nominate women for boards, and prioritize companies with balanced boards.
- **Nigerian government:** Provide incentives for companies with diverse boards, collaborate with stakeholders, and mandate a minimum percentage of female board representation (proposed: 40%).

*Overall, the report emphasizes the need for a varied approach to achieve gender parity on corporate boards in Nigeria.*

This is an advocacy initiative for diversity  
and inclusion on corporate boards  
By the Society for Corporate Governance  
Nigeria with the support of  
NGx Regulations.



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