

MB defends hiring of Anwar as economic advisor
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Women must make up at least 30 percent of the board of directors of companies in the next five years.

Prime Minister Najib Abdul Razak said the cabinet approved the initiative as a policy at its meeting last week.

"The government acknowledges that women are important for the development and well-being of the country. Also, that more women (should be) given a chance to participate at (the decision-making) level," Najib told reporters in the Parliament lobby today.

"This policy is a catalyst to affirmative action to achieve gender equality in the corporate sector."

The move, said Najib, will also lead to diversity in boardrooms.

He added that research has shown that companies that have equal representation of women at decision-making levels enjoy higher profits.

Women, Family and Community Development Minister Shahrizat Abdul Jalil, who was at the press conference, said her ministry is not satisfied with the status quo in the corporate sector.

"For an example, only 91 women (or 13 percent) had been appointed as members of the board (as at 2010 in companies incorporated under the Finance Ministry.

"In the 200 companies listed in Bursa Malaysia, women (made up) only 7.6 percent of the board of directors last year."

In 2004, a similar policy was approved for the public sector.

"From 18.8 percent women in decision-making positions - like secretaries-general or heads of department - in 2004, we had 32.3 percent last year," noted Shahrizat.

"This is why the policy is important. We see that the corporate sector is very slow in giving opportunities to women even though there many women with potential, talent, experience and knowledge ... They should be given a chance."

Persuasion first

Asked what will happen if the corporate sector does not comply with the policy, Shahrizat explained that she is confident of changes sooner or later.

"This is the first phase; we use persuasion. That is why we did not recommend any law to be enforced.

"We understand the market. We understand about productivity and profitability and there has to be a mindset change. But I am confident that we will see changes sooner rather than later."

She said the ministry will carry out an audit in three years to gauge implementation of the policy.

The ministry will also start training potential female candidates to fill the top roles.

"When we have the pool (of talent), there can no longer be arguments that there are no qualified women.

"In the financial sector, not many women are given the chance to sit on the board of directors, (even less) to become the chairperson. The percentage is too small."

Shahrizat said the ministry will work closely with the Securities Commission, Bank Negara, Khazanah Nasional and government-linked companies toward a strategic plan for successful implementation of the policy.

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