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> Listed companies have five years to comply with gender equality policy

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KUALA LUMPUR: The cabinet has approved a policy that listed companies must have at least 30% representation of women at their highest decision-making levels.

Prime Minister Datuk Seri Najib Abdul Razak who announced this yesterday said corporations, including government-linked companies (GLCs), statutory bodies and financial institutions, have five years to comply with the policy.

"This is a catalyst to the affirmative action to ensure gender equality in the corporate sector. Apart from that, this move will also lead towards diversity and inclusion in the boardrooms," he said.

He said many international research have shown that companies that have women at decision-making levels enjoy higher profits.

Najib said that the cabinet made the decision last Friday upon the request of the Women, Family and Community Development Ministry for affirmative action to be taken to ensure women participation in the boardroom.

The minister, Datuk Seri Shahrizat Abdul Jalil, said the ministry was not satisfied with the representation of women at decision-making levels in the corporate sector.

"For example, there are only 91 women or 13% appointed as

members of the board last year at Ministry of Finance Incorporated companies.

"Out of the 200 companies listed on Bursa Malaysia last year, women comprised only 7.6% of the board of directors," she said.

She said the ministry was confident the policy will not affect the securities market, but will provide diversity in the composition of a company's boardroom and lead to higher productivity and profits.

Shahrizat said in 2004, the cabinet approved a similar proposal to increase women's representation in the public sector although many felt there was no need for such a policy.

"A few years down the road, we can see women's progress (in the government sectors). From 18.8% in decision-making positions like secretary-general or heads of departments in 2004, we now have 32.3% in 2010," she said.

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

Asked what would happen if the corporate sector does not comply with the policy, Shahrizat (who was in the corporate sector before entering politics in 1995) said she was confident there would be changes sooner than later.

"The first phase is by persuasion.

That is why we did not recommend for any laws as such to be enforced. We understand the market. We understand about productivity and profitability but there has to be a mindset change," she said. She said the ministry will start training and identifying talented women with

potential and also carry out an audit in three years to see the progress of the policy.

"When we have the pool (of talent), there can no longer be arguments that there are no qualified women. (Currently), in the financial sector, not many women are given

the chance to sit on the board, what more to become the chairman. The percentage is too small," she said.

The ministry, she said, was also working closely with the Securities Commission, Bank Negara, Khazanah Nasional and GLCs to have a strategic plan to achieve the target.