



## Dual Listings 'Aid Diversity On Boards'

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FINANCIAL services groups account for the lion's share of the JSE's top 100 listed companies that are dual listed and which boast the most women board members, says Sandra Burmeister, CEO of executive search firm Landelahni Business Leaders.

She said on Friday that 40% of the top 100 companies in SA were dual listed -- 18% of them on the UK's FTSE, 16% on African bourses, 5% on the Nasdaq and the New York Stock exchanges, and 1% on other African exchanges.

A recent study by Landelahni showed financial services firms constitute 19% of the JSE's top 100 companies. Consumer and goods services account for 29% and resources and materials 25%. Industrial, telecommunications and other account for 18%, 4% and 5%, respectively.

Burmeister said 74% of financial services companies in the JSE's top 100 firms were dual listed compared with 60%, 24% and 10% of resources, consumer goods and industrial companies, respectively.

Financial services, mining and consumer services sectors had the bulk of black representation on their boards, Burmeister said.

"Financial services has the highest number of female board representatives at 15%, followed by resources at 10%, while black board membership in financial services is at 29% and resources at 30%," she said.

There was a high correlation between dual-listed entities and board diversity in terms of gender and race. "There is a significant correlation between dual listing and increased nonexecutive representation on company boards.

"Board members with international experience complement local board members' skills, bringing a greater range of experience to bear on complex business issues." Burmeister said the bulk of JSE top 100 companies' board members were 50- 60 years old with service averaging seven years, while the FTSE top 100 companies clocked an average of 56 years, but with an average of four-and-a-half years.

"There is an untapped pool of retired individuals who could serve as nonexecutive directors, bringing their years of experience to bear on strategic business issues," she said.

"There is a significant correlation between dual listing and shorter average length of service, indicating that these companies refresh their boards more regularly, bringing in new talent and new ideas," she said.

The drive to combine global best practice while increasing race and gender diversity, put SA ahead of more established markets, Burmeister said.

"Locally and internationally, the imperatives of good governance, such as increased transparency, disclosure and objective measurement of effectiveness, have had an impact on boards of directors," she said.

The homogeneity of board membership in SA and the UK suggested companies there had not searched broadly for talent in the past.

Informal relationships and personal networks had resulted in small pools of people sharing common experiences, career patterns and backgrounds.