

# White men still top of corporate pile, says report

'Some way to go with gender empowerment'

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MAINSTREAM South African boards are still dominated by white males, according to a report on the top 100 listed companies in SA, researched and compiled by executive search firm Landelahni.

White men held 71% of the 1 289 board seats reviewed in financial 2006.

Thirty-percent of the businesses had no women on the board and another 30% had just one woman on the board.

Colin Reddy, director of black economic empowerment at research firm Business Map, said that from the data he had looked at, the country certainly still had "some way to go with gender empowerment".

He had researched women entrepreneurs and found some progress was being made in that area, but despite the government's empowerment codes pushing companies to earn empowerment points for having women in senior management, movement was slow.

On the flip side, when it came to ethnic diversity, Sandra Burmeister, CE of Landelahni, said empowerment legislation was pushing local companies in the right direction.

Up to 25% of the companies surveyed had at least one black director on the board.

However, in line with comments made by David Couldridge, senior governance officer at Frater Asset Management, Burmeister pointed out that SA's dual listed stocks (particularly those listed on the JSE and on the London Stock Exchange) tended to show a better level of corporate governance than those listed only on the JSE.

But, as has been found in previous surveys, there is a general lack of inde-

pendent directors on South African boards. Burmeister said the second King code of corporate governance was too vague on the issue.

Furthermore, local directors tended to stay on boards for longer than international peers, with the average being a seven-year stint. This meant that the pace of transformation was significantly slowed down.

Another problem was that often when a black director was appointed to a board as a nonexecutive director, that director's task was to look after an empowerment stake on behalf of an empowerment company.

This situation compromised the director's independence even if the director was adding diversity to the board.

"The nature of board appointments is that they tend to follow a deal. It's a reactionary approach, not a strategic long-term approach," said Reddy.

The question that had to be asked when it came to diversity was whether or not there was a pipeline of skilled people being groomed for executive positions. Burmeister believed there was. Using 2005's statistics from the Employment Equity Commission, it was shown that of all the companies that sent in their reports, executive levels were 27% black, and 17% female.

"A ready pool of potential to take up board roles," said Burmeister.

But while the country struggles to integrate the depth of diversity of its population in its companies, SA may also suffer from having too few international directors.

Burmeister said that although 40% of the companies surveyed were spreading out into other countries around the globe, only 6% of the directors were foreign.

