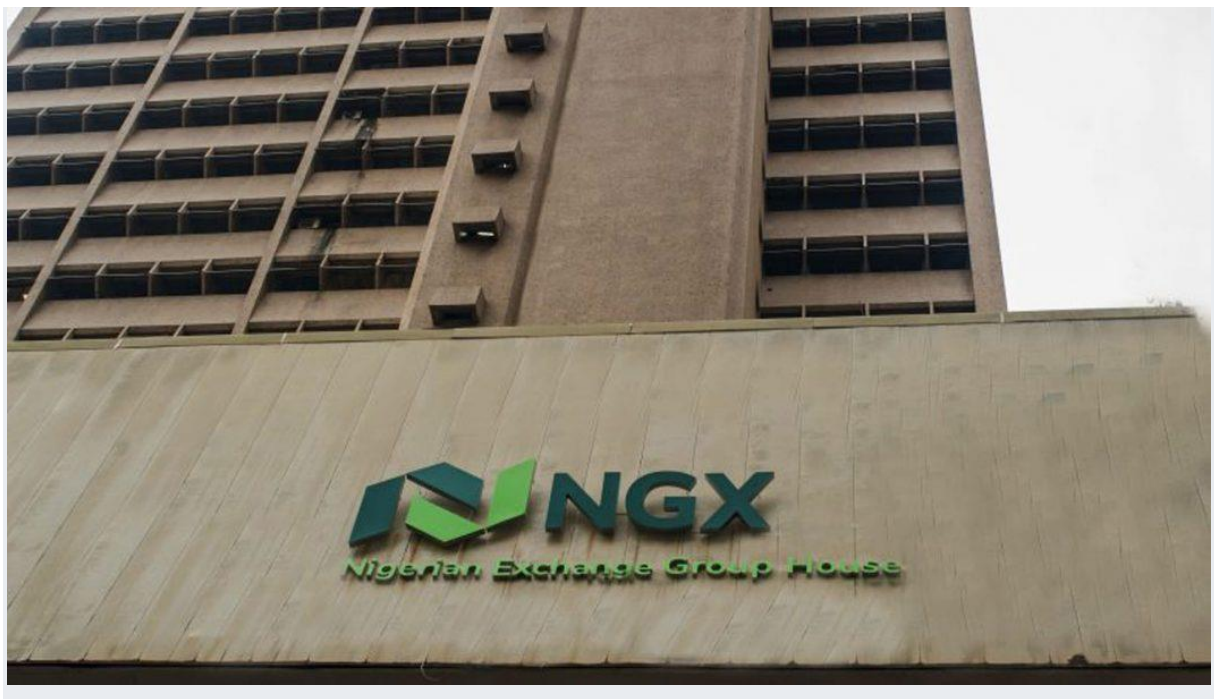


Nigeria: UBA, Lafarge, Guinness Ranked Highest In Gender Diversity In Board Positions

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It revealed that Nigerian firms scored 25% average diversity.



The Gender Diversity in Corporate Leadership report released by Augusto Consulting on Monday, has ranked the United Bank for Africa (UBA) the highest in terms of gender diversity, with 50 percent of women holding board positions in the financial institution.

The bank was closely followed by Lafarge Africa Plc and Guinness Nigeria, with both having 45 percent of women holding management positions respectively.

It revealed that the top 25 companies listed on the Nigerian Exchange Group by market capitalization, as at the end of 2022, had industry average of women holding board positions at 25 per cent. It also revealed that 17 of the companies had a male-dominated board composition greater than 70 per cent. Furthermore, it revealed that the highest recorded male-dominated board composition level was at BUA Foods, which is currently 100 per cent.

The report stated: "UBA has the highest female board composition level, with its value standing at 50 per cent. Thus, UBA has an equal number of men and women on its board of directors.

"Asides from UBA, four other companies are close to the 50 per cent mark. Lafarge Africa, Guinness, Stanbic Bank and Nigerian Breweries all have female board composition levels exceeding 40 per cent but less than 50 per cent.

"We also analysed companies with low female representation on their board as seen in the figure of First Bank of Nigeria, BUA Cement, Geregu Power Plc, Union Bank and Okomu Oil, all have low female board composition levels of 15 per cent and below.

"A further review of the board composition reveals that 10 companies added more women on their board between 2020 and 2022, thus signifying greater representation.

"Okomu Oil made an impressive move on its board from having no female representation in 2020, to 15 per cent representation by the end of 2022.

"Flour mills and Zenith Bank also recorded significant improvement between 2020 and 2022, moving from seven per cent and eight per cent respectively in 2020, to 20 per cent apiece by the end of 2022." It showed that the female board composition of BUA Foods declined by 100 per cent to nil which implied the company has no female board member, while Union Bank's composition declined by 44 per cent to 14 per cent.

It added: "Our research reveals that by the end of 2022, Nigeria still has lower representation of women on the board at an average of 25 per cent compared to South Africa at 35 per cent, UK at 41 per cent and United States at 35 per cent. Despite the relative progress in Nigeria, the cross-country review especially with South Africa reflects that there is still material room for improvement in Nigeria.

"This is further buttressed by the fact that Nigeria's 25 per cent threshold was largely achieved on the back of the push from companies that can be defined as being progressive on the diversity agenda.

"We note that the strong female representation on the boards of UBA, Lafarge and Guinness may have masked Nigeria's underwhelming levels of female representation amongst the select companies.

"To boost female board representation, Nigeria will have to adopt a more bullish regulatory approach on the subject. For instance, in the UK, the Financial Conduct Authority (FCA), the country's financial watchdog, proposed that for listed companies, at least one senior position, such as company chair, chief executive or chief financial officer, be held by a woman. It also states that at least 40 per cent of the board should reflect diversity."

It added: "While we acknowledge that the Nigerian Code of Corporate Governance (NCCG) makes no clear provision for the exact portion of female representation on the board, we note that the Code adopts a principle-based approach of voluntary compliance.

["The realities indicate](#)

"The realities indicate that the intentions of the NCCG have been undermined by the level of underrepresentation of women on the board. In some instances, albeit amongst the negative outliers, there have been companies in Nigeria with only one and in some instances, no women represented on their board. "Therefore, the NCCG, which is meant to serve as a moral guide to all Nigerian companies, is failing as not all companies have complied with these guidelines.

"Thus, we believe that the NCCG and other regulatory bodies, as well as Nigerian companies need to make a stronger push to increase the representation of women on their boards.

"This will place Nigeria in stronger stead on global best practice benchmarks. Overall, we note that there may be a need to introduce female diversity benchmarks as moral suasion is proving to be insufficient to boost diversity on the boards of Corporate Nigeria.

"These rules have worked in the UK and we believe there are learning points for Nigeria."

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