

## **P7\_TA(2011)0330**

### **Women and business leadership**

#### **European Parliament resolution of 6 July 2011 on women and business leadership (2010/2115(INI))**

*The European Parliament,*

- having regard to the Fourth World Conference on Women, held in Beijing in September 1995, the Declaration and Platform for Action adopted in Beijing and the subsequent documents adopted at the United Nations Beijing +5, Beijing +10 and Beijing +15 Special Sessions, on 9 June 2000, 11 March 2005 and 12 March 2010 respectively, on further actions and initiatives to implement the Beijing Declaration and Platform for Action,
- having regard to the 1979 UN Convention on the Elimination of All Forms of Discrimination against Women (CEDAW),
- having regard to the Universal Declaration of Human Rights of 1948,
- having regard to the Charter of Fundamental Rights of the European Union, in particular Articles 1, 2, 3, 4, 5, 21 and 23 thereof,
- having regard to Article 2 of the Treaty on European Union, which sets out the values common to the Member States, including pluralism, non-discrimination, tolerance, justice, solidarity and equality between women and men,
- having regard to Article 19 of the Treaty on the Functioning of the European Union, which refers to combating gender discrimination,
- having regard to the Commission report on Progress on Equality between Women and Men 2011,
- having regard to the Commission communication of 27 October 2010 entitled ‘Towards a Single Market Act for a highly competitive social market economy: 50 proposals for improving our work, business and exchanges with one another’ (COM(2010)0608),
- having regard to the Commission communication of 21 September 2010 entitled ‘Strategy for equality between women and men 2010-2015’ (COM(2010)0491),
- having regard to the Commission Green Paper of 6 June 2010 on corporate governance in financial institutions and remuneration policies (COM(2010)0284),
- having regard to the Commission communication of 5 March 2010 entitled ‘A Strengthened Commitment to Equality between Women and Men: A Women’s Charter’ (COM(2010)0078),
- having regard to the European Pact for Gender Equality adopted by the European Council in March 2006, and the new European Pact for Gender Equality adopted by the European Council on 7 March 2011,

- having regard to Council Recommendation 96/694/EC on the balanced participation of women and men in the decision-making process,
  - having regard to the annual meeting of the World Economic Forum, held from 26 to 29 January 2011 in Davos, and the programme entitled ‘Women Leaders and Gender Parity’,
  - having regard to its resolution of 11 May 2011 on corporate governance in financial institutions<sup>1</sup>,
  - having regard to its resolution of 8 March 2011 on equality between women and men in the European Union - 2010<sup>2</sup>,
  - having regard to its resolutions of 15 June 1995 on the fourth World Conference on Women in Beijing: ‘Equality, Development and Peace’<sup>3</sup>, of 10 March 2005 on the follow-up to the fourth World Conference on Women Platform for Action (Beijing +10)<sup>4</sup> and of 25 February 2010 on Beijing +15 – UN Platform for Action for Gender Equality<sup>5</sup>,
  - having regard to Rule 48 of its Rules of Procedure,
  - having regard to the report of the Committee on Women’s Rights and Gender Equality (A7-0210/2011),
- A. whereas gender equality is a fundamental principle of the European Union, enshrined in the Treaty on European Union and ranking among its objectives and tasks, and whereas the Union has set itself the specific task of mainstreaming gender equality in all its activities,
- B. whereas one of the Union's primary objectives should be to afford competent and qualified women access to jobs that are currently difficult for them to obtain, by removing the persistent barriers and gender inequalities that prevent women from advancing in their careers,
- C. whereas gender equality in employment must entail the advancement of men and women, without distinction, both within the labour market generally and in terms of their promotion to management posts at all levels, in the interests of social justice and of making full use of women's skills so as to strengthen the economy in the process, and must afford women the same career development prospects as men,
- D. whereas, in 2008, 59,5% of university qualifications awarded in the EU went to women, whereas women outnumber men in business, management and law faculties, but whereas, however, the proportion of women in the highest decision-making bodies of the largest publicly listed firms was only 10,9% in 2009,
- E. whereas other possible factors impeding women's representation may be a combination of sex-based discrimination, stereotypical behaviour patterns that tend to persist within companies and limited mentoring provision for women with management potential,

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<sup>1</sup> Texts adopted, P7\_TA(2011)0223.

<sup>2</sup> Texts adopted, P7\_TA(2011)0085.

<sup>3</sup> OJ C 166, 3.7.1995, p. 92.

<sup>4</sup> OJ C 320 E, 15.12.2005, p. 247.

<sup>5</sup> OJ C 348 E, 21.12.2010, p. 11.

- F. whereas studies produced by the Commission and the private sector have demonstrated a correlation between companies' improved commercial and financial performance and the presence of women in their decision-making bodies; whereas the clear message is that meaningful representation of women at management level actually serves to enhance performance and commercial competitiveness,
- G. whereas it is therefore essential to introduce methods such as case studies and exchanges of good practice in this field, as well as affirmative action, in order to achieve optimal use of female human resources at all levels within companies,
- H. whereas, however – albeit with differences from country to country and between different occupational sectors – women currently make up only 10% of the membership of boards of directors of the largest listed companies in the EU, and only 3% of the CEOs of such companies are women, whereas the gender pay gap is still as high as 17,5% for the EU as a whole, and also applies to leadership positions,
- I. whereas the number of women in corporate boardrooms is currently increasing by only half a percentage point per year; whereas at this slow rate it will take another 50 years before corporate boardrooms contain at least 40% of each gender,
- J. whereas chambers of commerce and industry and the organisations that represent trade unions and employers have a long way to go to achieve a balanced representation of men and women, and this mirrors the low proportion of women in corporate management bodies; whereas, however, chambers of commerce and industry and the organisations that represent trade unions and employers can contribute to the dissemination and exchange of good practice in this respect,
- K. whereas it is incumbent on policymakers at both EU and Member State level and on companies to remove the barriers to women joining the labour market generally and management bodies in particular, and to offer women equal opportunities so that they can obtain senior posts, with a view to ensuring that all existing resources are efficiently utilised, that women's skills and strengths are channelled to best effect, that the best possible use is made of the Union's human potential, and that the EU's core values are defended, given that equality is a fundamental principle,
- L. whereas the proactive initiatives and measures taken by the private sector to increase female representation – such as in-company human-resources development with a view to improved career support for women, or the creation of networks, beyond the bounds of the company, to encourage women's participation and advancement as well as regular exchanges of good practice – have proved useful and should be encouraged even if they are not yet sufficient to alter the status quo within companies, and women remain under-represented at management level,
- M. whereas the Commission has announced that it will present legislative measures to ensure that publicly listed companies take effective measures to reach equal representation of women and men in boards, in case self-regulation fails to do so within the next 12 months,
  - 1. Welcomes the measures announced by the Commission on 1 March 2011, and in particular the Commission's intention to propose European legislation in 2012 if companies do not manage to achieve through voluntary measures the targets of 30% women on company boards by 2015 and 40% by 2020,

2. Urges companies to reach the critical threshold of 30% female membership of management bodies by 2015 and 40% by 2020,
3. Notes the clear progress on women's representation in Norway since the adoption in 2003 of legislation requiring a minimum of 40% of both women and men on boards of listed companies with a workforce of more than 500 and making provision for effective sanctions for non-compliance;
4. Stresses that companies are required to ensure equal treatment of and equal opportunities for men and women at work and with this aim in view measures should be adopted to prevent any kind of discrimination;
5. Welcomes the initiatives of Member States such as France, the Netherlands and Spain in setting thresholds, which companies have to achieve, for women's representation on management bodies, and is following the debate about women's representation in other Member States, such as Belgium, Germany and Italy; notes that demonstrating political will is the only way of speeding up the process of getting binding measures adopted to help ensure the balanced representation of women and men in corporate management bodies;
6. Welcomes Finland's Corporate Governance Code, under which firms' decision-taking bodies must contain both male and female representatives and there must be public disclosure of any non-compliance; notes that, because of the code, the proportion of women on Finnish firms' decision-taking bodies is now 25% and that, since the introduction of the code was announced, the proportion of stock exchange-listed firms with women on supervisory or management boards has increased from 51% to about 70%;
7. Insists that recruitment to positions in corporate management bodies must be based on the competence required in the form of skills, qualifications and experience and that the principles of transparency, objectiveness, inclusiveness, effectiveness, non-discrimination and gender equality must be observed in corporate recruitment policies;
8. Takes the view that consideration should be given to introducing effective rules to prevent people from holding multiple positions on boards of directors, both in order to free up posts for women and to help ensure the effectiveness and independence of board members of medium-sized and large companies;
9. Stresses that public enterprises listed on stock exchanges should set an example in implementing balanced representation of women and men on their boards and in management positions at all levels,
10. Invites the Member States and the Commission to implement new policies to enable more women to become involved in managing companies, in particular by:
  - (a) initiating a dialogue, not limited to the issue of quotas, with the boards of large companies and with the social partners about ways of increasing female representation, which could take place annually;
  - (b) supporting initiatives to assess and promote male-female equality on recruitment committees and in other areas, e.g. with regard to wage differentials, job classification, training and career patterns;

- (c) promoting corporate social responsibility for European companies, with a commitment to ensuring managerial responsibility for women and family-friendly services;
  - (d) supporting cultural measures to orient young women more towards scientific and technological studies, as called for by the United Nations Economic and Social Council;
  - (e) introducing specific measures and arrangements for the provision of high-quality and affordable services, for example childcare and care of the elderly and other dependent persons, fiscal incentives for companies or other compensation to help women and men employed by businesses to balance family and work commitments;
  - (f) developing women's individual capabilities in-house, by means of specific further-training courses and other forms of professional support, such as dedicated mentoring and networking in order to prepare them effectively for management duties at all levels;
  - (g) developing training on gender equality and non-discrimination;
  - (h) promoting precise and quantifiable commitments on the part of companies;
  - (i) encouraging all stakeholders to set up initiatives to change the way women are perceived and women's self-perception in the work field, so as to enable more women to take on leadership responsibilities on the operational side of the business, and not just on the functional side; takes the view that such initiatives should aim at encouraging girls and young women to consider a broader spectrum of careers with the support of teachers, family members and various role models, and presenting female leadership positively in the European media;
  - (j) identifying ways to increase the representation of women from particularly under-represented groups, such as those from an immigrant or ethnic-minority background;
11. Emphasises the problem of pay differentials within companies and, in particular, differences between the salaries of women in management positions and those received by their male counterparts; calls on Member States and the Commission to take measures to tackle the lingering pay inequality connected with traditional stereotypes which affect career development and are partly responsible for women's under-representation on corporate management bodies;
  12. Considers in particular that companies required to submit unabridged profit and loss accounts should be required to achieve balanced representation of women and men on their boards within a reasonable time frame;
  13. Encourages companies to adopt and implement corporate governance codes as a means of promoting gender equality on company boards, utilising peer pressure to influence organisations from within and implementing the 'comply or explain' rule, obliging companies to clarify why there is not at least one woman on the board;
  14. Takes the view that the Member States and the Commission should set up initiatives designed to address the fairer sharing of family care responsibilities not only within the family, but also between the family and society and reduce the disparities in the salaries

earned by women and men for the same work; considers that specific measures should be taken to:

- (a) address problems in accessing childcare facilities, which should be affordable, accountable and local,
  - (b) introduce flexible work practices to enhance organisational capacity and maximise women's contribution; such practices must gain support and cooperation from across the workforce; leadership is therefore needed to challenge cultural attitudes and traditional principles of good business and to usher in new ways of thinking about the role of men and women in society, sustainable workforce planning, social capital and responsibility towards the community;
15. Encourages senior corporate managers to raise their staffs' awareness of the career patterns of men and women and to become personally involved in career monitoring and support programmes for female executives in their companies;
16. Calls on the Commission to:
  - (a) present, as soon as possible, comprehensive current data on female representation within all types of companies in the EU and on the compulsory and non-compulsory measures taken by the business sector as well as those recently adopted by the Member States with a view to increasing such representation,
  - (b) following this exercise, and if the steps taken by companies and the Member States are found to be inadequate, to propose legislation, including quotas, by 2012 to increase female representation in corporate management bodies to 30% by 2015 and to 40% by 2020, while taking account of the Member States' responsibilities and of their economic, structural (i.e. company-size related), legal and regional specificities;
17. Invites the Commission to present a road map setting out specific, measurable and attainable targets for the achievement of balanced representation in enterprises of all sizes, and calls on the Commission to draw up a specific guide for small and medium-sized enterprises;
18. Calls on the Commission to set up a website dedicated to good practice in this area, with a view to disseminating and exchanging best practice; stresses the importance of establishing a communication strategy in order to inform the public and the social partners effectively about the significance of such measures; therefore invites the Commission and Member States to launch targeted information campaigns;
19. Instructs its President to forward this resolution to the Council, the Commission, and the governments of the Member States.