

Gender diversity is good for the boardroom say Liberals and Democrats

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After four decades of voluntary measures, EU companies are still failing to fill vacant boardroom seats with women. Despite the growing presence of suitably qualified and experienced women in the recruitment pool, optimism that these talented women would automatically break the "glass ceiling" turned out to be misplaced. Only 13% of company board members in the EU's largest publicly listed companies are women.

At the same time evidence shows that mandatory targets to promote gender equality on company boards are effective and can facilitate the much-needed breakthrough. To reverse the poor progress made towards better gender-balance in boardrooms, the Liberals and democrats group (ALDE) therefore had to overcome its natural dislike of quotas. ALDE today voted in favour of an EU wide law requiring member states to improve gender diversity in their corporate board rooms.

Silvana Koch-Mehrin (FDP, Germany), ALDE spokesperson for the Committee on Women's Rights comments:

"Progress is too slow. If we want to get more women into top roles, we cannot wait anymore. Europe needs a culture shift within companies. Modern companies cannot avoid addressing the quota issue. This legislation is not just about fairness but it also makes economic sense. A company performs much better if it has a diverse leadership team that brings a wide and relevant set of skills to the table. "

The objective of the new legislation is to reach 40% of the under-represented sex among non-executive directors by 2020. Qualification and merit will remain the key criteria for a job on the board.

Appointment decisions will have to be based on objective qualifications criteria. SMEs with less than 250 employees are excluded from the scope even if they are publicly listed.

Member states that already have an effective system in place will be able to keep it provided it is equally efficient as the proposed system in attaining the targets. Member states will have to lay down appropriate and dissuasive sanctions for companies in breach of the provisions in line with the goals of the directive.