



DYNAMIC CHANGES IN THE BOARDROOM

Hisham Farouk, Managing Partner of Grant Thornton, a leading global advisor to family-owned businesses talks about the importance and contribution which women make in the boardroom.

Grant Thornton places an important focus on family owned businesses, which represent more than 90% of business enterprises in the UAE. In order for the UAE to continue with its track record of encouraging entrepreneurs and successful businesses it is essential for family-owned businesses to recognize how they can unlock their potential for growth.

Managing Partner of Grant Thornton UAE, Hisham Farouk believes, one such way of unlocking their potential for growth is to ensure that the founders of family-owned businesses are educated in how to successfully plan the introduction of young dynamic leaders and in embracing female members to boards.

“The founders of family-owned businesses may have expectations of their family charting their own course in life, but the reality is that the family business is embedded into each member from an early age. It is only when the family members start to take an active interest in the business that they begin to consider the business to be a viable career path.”

Passing a family business from one generation to the next can be a complicated process and one which needs to be managed and planned with care. The incumbent management has a great wealth of knowledge and experience and this has to be passed onto the younger generation who are being prepared to take over. The ultimate objective is to guarantee that the business continues to thrive during this period of sometimes difficult change. All the stakeholders must agree that productivity and smooth functioning of the company is the ultimate goal.

WOMEN LEADING THE WAY

Traditionally, family businesses passing from one generation to the next have been dominated by the male heirs, nevertheless, around one in every two people on the planet are women. A large success factor for any family-owned business is the balanced representation of family members which includes females.

Only one in five women hold senior jobs in business globally, and in some countries the figure is substantially less. Women's roles as bearers and nurturers of children are given as reasons for this imbalance; however a growing body of research suggests that such imbalance in the boardroom can be detrimental to business growth prospects.

Succession planning and the introduction of young dynamic leaders within a family owned business needs to consider female family members as potential primary decision makers and or stakeholders, ensuring positive influence of women extends into management and strategic decision making which shapes the direction of the business. Mixed gender boards are thought to show better attention to audit and risk oversight and control.

A recent survey conducted by Grant Thornton International titled 'International Business Report – women in business' highlighted the importance of women in the boardroom, over 48% of companies supported the introduction of quotas for the number of women on executive boards of large listed companies, whilst 24% of companies had plans to promote or recruit females into senior positions. These statistics alone show the rising importance of females in the boardroom. Women have made progress in the wider workforce over recent years, since 1970 the proportion of women in the mature market workforce has risen from 48% to 64%. However, whilst male and female graduates are recruited in almost equal numbers by businesses, the proportion of women in top jobs around the world is very low. Just 3% of Fortune 500 CEO's are women, 14.9% of corporate board members in FTSE 100 companies are female, 10% of 2,775 directors are female and 40% have all-male boards. Globally, fewer than one in ten businesses are led by women, indicating that it is even

harder for a woman to reach the very top of the business world. 9% of businesses have a female CEO, although this number varies around the world.

THE RISING CHANGE

Some family owned businesses are still dominated by the founding members, usually men who manage their firms along traditional and male dominated lines. It is important to embrace the change, in technology, globalization and in the role which women are playing in the work force today. Hisham says; “Females are repositioning themselves, and are proving how a future leader can embrace change and drive a business forward in an innovative manner, we only need to review the successful business start-ups by women in recent years across the UAE to prove that the dynamics are changing”.

OUR COMMITMENT TO THE DEVELOPMENT OF WOMEN IN BUSINESS

Grant Thornton UAE encourages and supports its own female employees to be a part of the Women's International Leadership Link network which is developed and managed by Grant Thornton International to support, encourage and promote females within the workplace.

We work with a number of senior females who represent the private and public sector and encourage the contribution and commitment which they bring to the board; we are equally as keen to expand this network and are always looking for dynamic leaders to share their own experiences. At Grant Thornton we promote a culture of inclusion and empower our people irrespective of grade or gender.

To quote His Highness Sheikh Mohammed bin Rashid Al Maktoum; “Women have proved themselves in many workplaces and we want them to have a strong presence in decision making positions”. Hisham says; “The inevitable change in dynamics will lead to the makeup of the boardroom in 10 years' time being much more balanced, inclusive and constructive”.

Grant Thornton is one of the leading accountancy and advisory firms in the UAE, with a presence spanning over 45 years. The firm specialises in providing assurance and advisory services to growth oriented, entrepreneurial companies.