



**ESTABLISHMENT OF
ARMENIAN WOMEN ON
THE BOARD OF DIRECTORS NETWORK
SURVEY REPORT**



INTRODUCTION

Board's ability to provide strategic leadership of a company, respond to growing business challenges, and interact with a wide range of shareholders and other stakeholders partially depends on its composition, which should enable the board to achieve a diversity and balance of knowledge, skills, and experience.

Networks are a valuable resource for ensuring board diversity and balance. They provide an opportunity to develop the capabilities of both companies and individuals, and to expand their potential. Business relations are built on that basis. One can meet such experienced individuals within the network, who have already overcome problems faced by other network members, or find a source of new ideas, knowledge and inspiration, as well as discover a new strategic partner, a new client or even a new employee.

Rochelle Campbell, chair of the Nominating Committee of the National Association of Corporate Directors, states that more than 60% of board members have reached their positions through personal and professional networks.

Networking is also essential to encourage and promote women's representation on boards of directors.

STUDYING THE EXPERIENCE OF NETWORKS ADVOCATING FOR WOMEN REPRESENTATION ON BOARDS AND MANAGEMENT

International experience is rich in various companies encouraging and providing networking among board members (e.g. National Association of Corporate Directors in the U.S., Corporate Board Member Network, national Institutes of Directors, etc.), which also aim to strengthen diversity of boards and management teams, including gender diversity.

It should be noted that in international practice there are quite a lot of networks advocating for women engaged in entrepreneurship, as well as companies whose mission is to promote gender diversity and balance in the workforce.

Appreciating the role of both the first-mentioned companies and networks and the second-mentioned ones in women's progress, this research has focused only on examining the experience of companies and networks with a mission to help progressing women within boards of directors and management. Among them are:

- ◆ **Women Corporate Directors (WCD)**. the world's largest membership organization and community of women corporate board directors. WCD serves on more than 8,500 public and private boards around the world and supports its thousands of global members in connecting with peers and advancing visionary corporate governance practice. WCD inspires and educates women board members and raises the bar for board service in public and large private companies globally. Over more

than 20 years of its activity, WCD has played a significant role in women inclusion on boards of directors and in ensuring the inclusiveness of companies' performance.

- ◆ **50/50 Women on Boards.** shares a mutual desire to ignite meaningful change across all corporate leadership levels and bring attention to the business imperative of diverse boards.

In 2010 the Company was launched as 2020 Women on Boards, now accepting the 50/50 challenge. The Company is committed to advancing women to corporate boards through education, advocacy and collaboration with corporations and action groups.

Reaching and exceeding its initial triumphant goal of 20% women directors by 2020, the Company started a new campaign for ensuring gender balance and diversity on corporate boards of the Russell 3000 Index companies.

According to the Company, better decisions are made by boards where women and men from diverse backgrounds work together in balanced proportion.

In order to have positive changes the Company asks to be transparent by providing reliable diversity statistics and reporting at all levels, especially the leadership and board levels.

According to the Company, women representation on boards can be promoted through the following players and advices

Advices to corporations	Advices to male allies	Advices to women
Create flexible work environments to retain women	Actively promote women progress to leadership positions	Advocate for yourself. Be confident in articulating your accomplishments and value
Look for the discriminations, that discourage women to advance in their careers	Share best practices and your commitment to diversity and gender balance	Advocate for, and mentor, other women
Foster and sponsor career pathing of women earlier in their careers through continuing education and mentorship programs	Give women credit for their work and listen to their recommendations	Volunteer to increase your networks and visibility
Actively support organizations, that strategically accelerate women	Recruit women to lead high-profile projects	Ask for challenging and high-profile assignments

Get involved with professional associations or networks to identify board member candidates	Assign women responsible tasks and evaluate their performance	Invest in yourself
Measure the results, and transparently report on the company's workforce and board diversity progress	Advocate for women within your company and to your networks	Become mentors, role models, advocates for change

- ◆ **Women on Boards** was founded in 2006 as a league of extraordinary women. The Network unites 30,000 women. Men are also represented among the Network participants. The Network is cross-sectoral. It operates in Australia, and is also represented in the United Kingdom. The Network cooperates with companies and recruitment agencies.

The Network's mission is to support women on their board and leadership journey.

The Network's vision is to have gender balance and cultural diversity within board and leadership roles.

WOB is a courageous and independent team supporting women, and operates from a basis of reciprocity, trust and respect.

The Network offers the following membership options:

- Basic member (free to register),
- Full member,
- Premium member, which allows to join in both the UK and Australia networks,
- Directors' Circle, which is for non-executive board members only.

Advantages of membership for individuals include

- Access to full details of all board & committee positions on Vacancy Board,
- Consulting support when applying for board roles,
- Discounts on paid WOB events & workshops,
- Access to professional information and resources

Companies can also join the Network.

- ◆ **The Women on Boards Network.** is an initiative aimed at promoting and encouraging women into Board leadership in Kenya. The Network unites women from diverse fields and ranks, regardless of their experience.

The initiative is all about:

- ensuring that the next generation of board members is more diverse and better balanced from a gender perspective,
- put the talents of women to work to improve the effectiveness of corporate boards now and in the future.

The Network is targeting women from the following four categories:

- Women at the top management level whose next logical career step is to become a Board Member. This is implemented through mentoring and training.
- Women currently serving as Board Members. Women from this category are recommended to develop and sharpen their skills, as well as to act as role models to mentor the next generation women leaders.
- Women newly appointed as Board Members. Women from this category are being trained and prepared for their tasks ahead, so for them to understand and appreciate their personal attributes and biases.
- Women whose terms on boards have expired: to keep abreast with developments in Corporate Governance so as to remain Board ready, to mentor and encourage the next generation of corporate women leaders:

The Network's vision is to encourage and accelerate diversity on Boards by ensuring that there is a pool of Board ready women, and to provide a networking platform for sharing experiences, mentoring, coaching and training.

The Network's mission is to promote gender balance on Boards by nurturing, inspiring and developing women leaders.

- ◆ **European Women on Boards (EWOB).** is a non-profit Brussels-based organisation whose aim is to increase gender diversity in C-Suite and Board roles throughout Europe. Organizations with a similar mission from a number of European countries (Belgium, Italy, Finland, the Czech Republic, the Netherlands, etc.) operate under the auspices of the Organization.

EWOB supports the EU commission's directive that introduces a binding objective of at least 40% of board members of each gender by 2026. EWOB works together with national associations for advancement of women, strengthens the leadership capabilities and cross border network of senior women throughout Europe, conducts unique critical research, measuring and monitoring gender diversity at decision-making level in Europe.

- ◆ **LeadWomen Sdn Bhd.** was established in 2011 with a mission to increase women representation in senior leadership and on the boards of corporate Malaysia. The Company's performance is aligned to the UN Sustainable goal 5.5, which is to ensure

women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.

The Company works to advocate for women's interests on boards, implements training and development programmes.

The Company was appointed as the Malaysian partner for the UN Women's Empowerment Principles Activator Programme in 2020.

The Company implements the Global Women on Boards programme, which is designed to equip new, aspiring and existing women directors with the required competencies, knowledge and safe network platforms to enable them to create unique value and innovation for boards.

KEY SURVEY RESULTS

The Corporate Governance Center conducted a survey called "Establishment of the Armenian Women on the Board of Directors Network" and formed it to identify expediency of establishment and formation, mission and key goals, as well as main directions for development, possible status and approaches to leadership of the Armenian Women on Boards Network (the Network).

The survey sample was formed from the main stakeholders of the Corporate Governance Center, including the participants of the Business Integrity Club and "Armenian Women on the Board of Directors" training. 45 people took part in the survey. The survey was conducted through a semi-structured questionnaire in the period from June 6 to June 26, 2022.

Overwhelming majority of the respondents (91%) expressed their conviction about the expediency of forming the Armenian Women on the Board of Directors Network.

Again, the overwhelming majority of the respondents (96%) agreed with the proposed formulation of the Network's mission, which boil down to its essence:

The mission of the Network is to promote good governance in Armenia by spreading a culture of diversity and inclusion in the governance system of companies.

None of the survey participants voted against the proposed formulation. Consequently, the survey did not identify any alternative option for the Network's mission.

Table 1. Main goals of the Network (n=45)

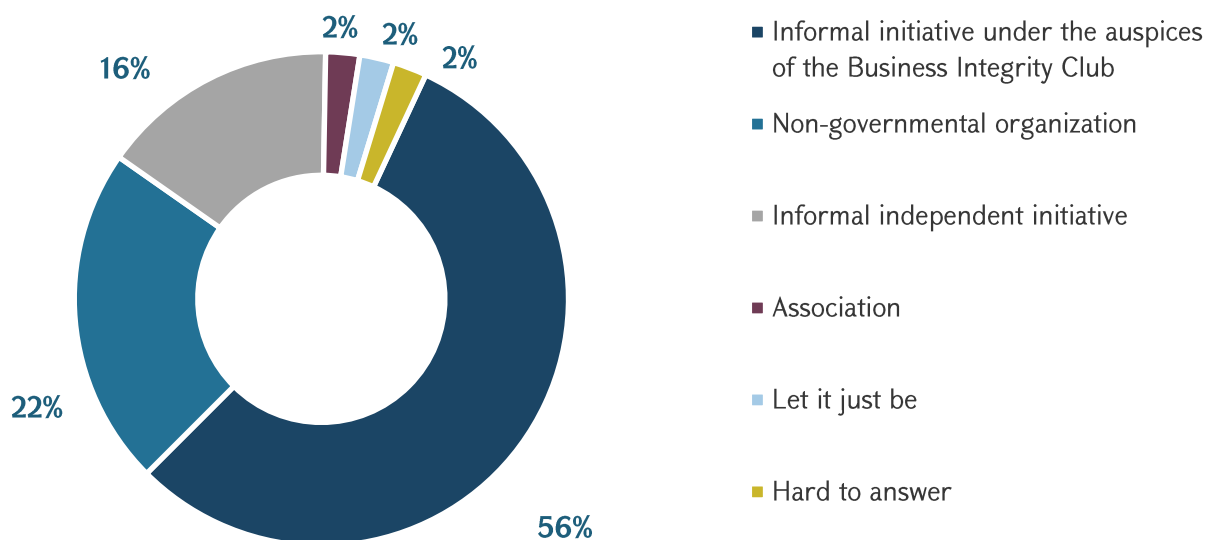
Develop the capacity of Armenian women to act on boards and management level on an ongoing basis	84%
Promote the visibility and recognition in the business environment of the women acting on boards and/or executive teams of companies or the ones with relevant potential	82%
Create a selection of talented Armenian women who are interested, are willing and are able to take on responsibilities of acting as Board members and/or Executive Team members of companies	73%
Promote opportunities to exchange experiences and establish business relationships between the Network participants	62%
Act as a bridge between the “selected women” and the Armenian companies	38%

As can be seen from Table 1, the respondents emphasized all the proposed options of the Network’s goals, but they were mostly excited about the goals aimed at developing the capacity of women to act on boards and management level (84%), promoting visibility and ensuring corporate recognition (82%).

Regarding the status of the Network, 72% of the respondents believed that the Network should act as an informal initiative in the next three years, with 56% for acting under the auspices of the Business Integrity Club, and 16% for acting as an independent informal initiative. At the same time, 22% of the respondents found that the Network should have a status of a public organization (Chart 1).

Taking into account that the mission of the Business Integrity Club is in line with the proposed mission of the Network, and both initiatives are aimed at promoting good governance principles, including diversity and inclusion in Armenian business practices, it is more logical for the Network to operate under the auspices of the Business Integrity Club over the coming three years.

CHART 1. Network status over the next three years (n=45)



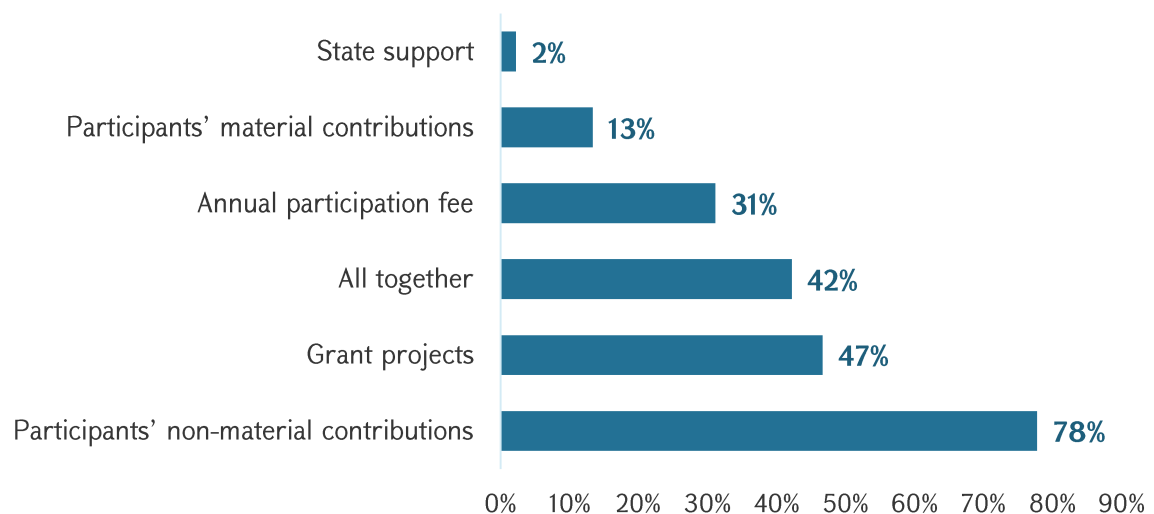
It follows from Table 2 that the respondents highlighted the capacity building of the Network participants, including through mentoring (78%), continuation of “Women on the Board of Directors” training (73%), events strengthening ties of the Network participants (69%) as primary directions for the Network activities. Interestingly, the respondents gave the lowest vote for advocacy and protection of interests (22%). However, taking into account the low level of women representation on boards of Armenian companies and rather ambiguous attitude of the business community towards the issue, advocacy and protection of interests can become one of the priority directions for the Network activity.

Table 2. Main directions for the Network activities (n=45)

Capacity building, including mentoring	78%
“Women on the Board of Directors” training	73%
Events to strengthen the connections of the Network participants	69%
Development and strengthening of international and local relations	62%
Awareness-raising events	53%
Advocacy and protection of interests	22%

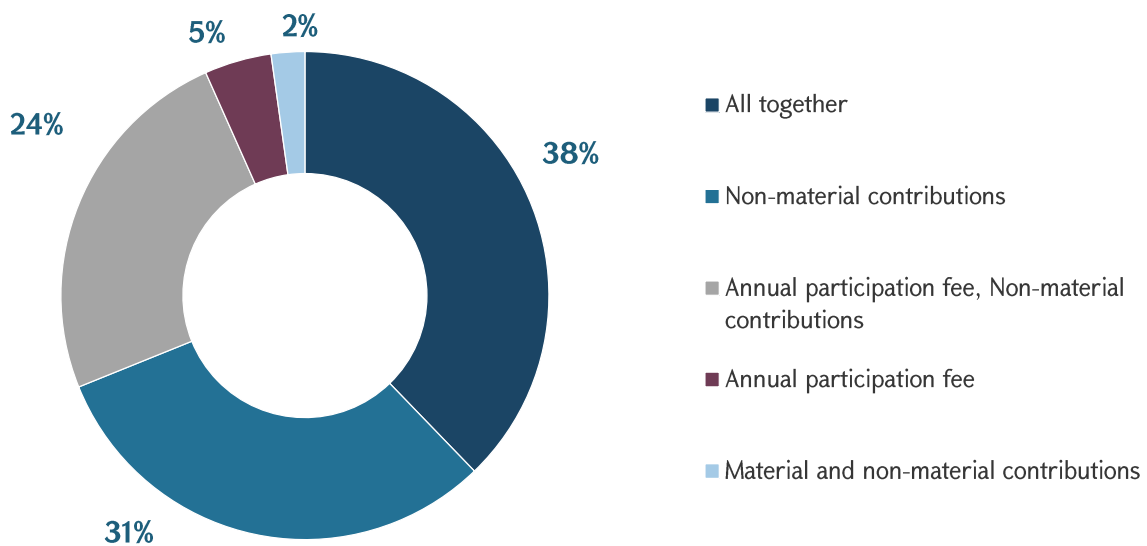
More than 3/4 of the respondents highlighted the non-material contributions of the participants as a source of funding for the Network activities, which conventionally includes the intellectual contributions of the Network participants, e.g. acting as a trainer, speaker, researcher within the framework of the Network events, promoting the Network through advertising, providing new connections, etc. 42% of the respondents chose all the sources of funding. As for the annual Network participation fee, approximately 1/3 of the respondents voted for (Chart 2).

CHART 2. Main sources of funding for the Network (n=45)



Considering the respondents as potential participants of the Network, they were asked to indicate most preferred ways of supporting the Network by themselves. As can be seen from Chart 3, the “All together” option received comparatively more votes, which the respondents expressed their unconditional support for the Network with, as this choice envisages all the support options both material and non-material. The other option of support that received more votes is non-material contributions, followed by a combination of participation fee and non-material contributions.

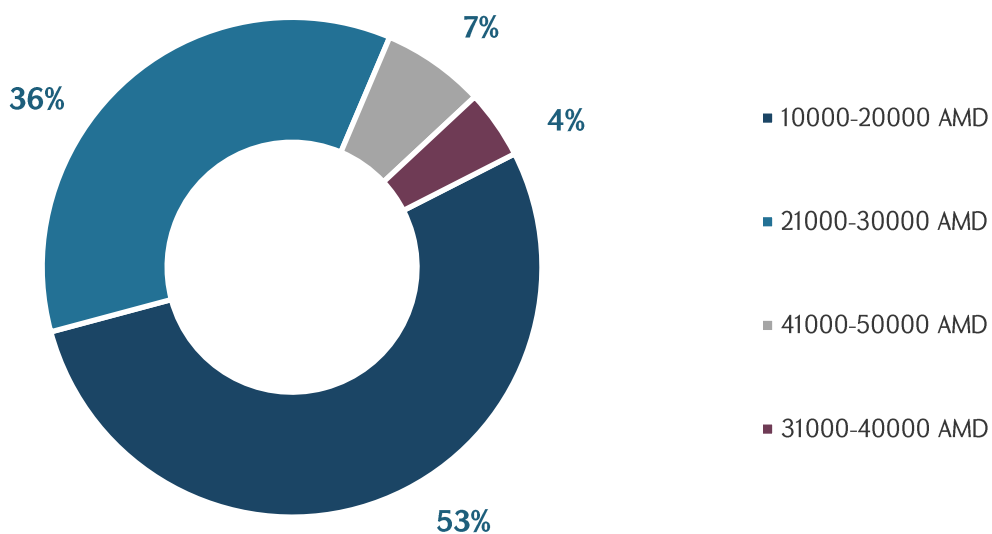
CHART 3. Main ways of supporting the Network by the survey respondents (n=45)



Taking into account that the participation fee as a mechanism of financial support found its place among the respondents' answers both separately and in combination with other options, therefore the respondents' perceptions regarding its size are also interesting.

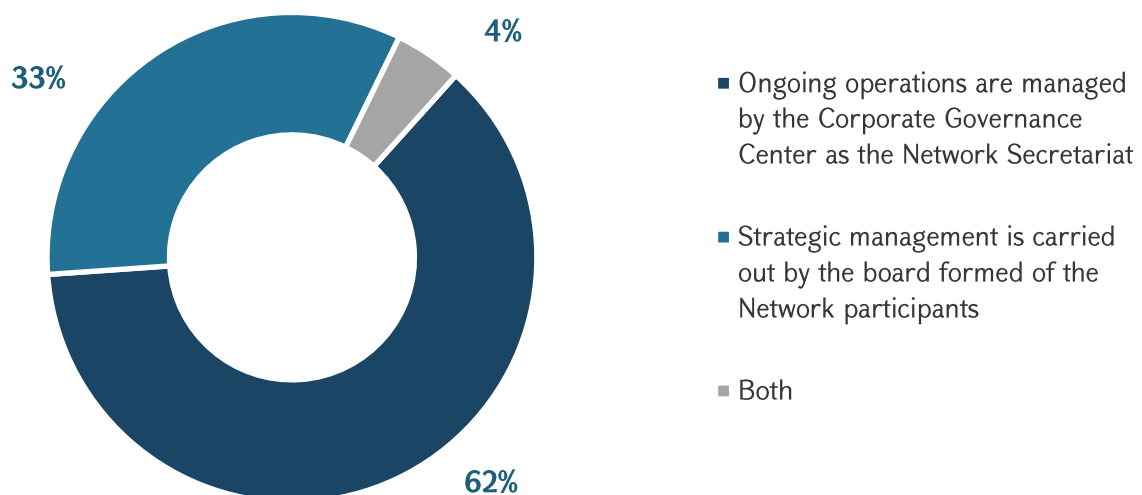
As can be seen from Chart 4, more than half of the respondents chose the minimum range of participation fee, and only 7% of the respondents chose the maximum one. In addition, 21000-30000 range was also acceptable for 36% of the respondents.

CHART 4. Possible ranges of annual participation fee for the Network (n=45)



As for leading the Network, according to 62% of the respondents, the current leadership of the Network should be undertaken by the Corporate Governance Center as the Network Secretariat, and 33% stated that the strategic management of the Network should be carried out by a Board formed of the Network participants (Chart 5). It should be noted that the options chosen by the respondents do not contradict each other, and with a clear definition of competences in the Network leadership system, they can be jointly applied. Taking into account that approximately 3/4 of the respondents attributed the status of an informal initiative to the Network, the Board can be formed as an advisory board from the more active participants of the Network.

CHART 5. Network leadership (n=45)



MAIN OUTCOMES

Network Mission: based on study of international experience and survey results, as well as the conviction that diversity is a key pillar of good corporate governance practice:

The mission of the Network is to promote good governance in Armenia by spreading a culture of diversity and inclusion in the governance system of companies.

Network Goals:

1. Develop the capacity of Armenian women to act on boards and management level on an ongoing basis,
2. Promote their visibility and recognition in the business environment,
3. Create a selection of talented Armenian women who are interested, are willing and are able to take on responsibilities of acting as Board members and/or Executive Team members of companies,
4. Promote opportunities to exchange experiences and establish business relationships between the Network participants.

Main Directions of the Network Activities:

1. Capacity building and awareness-raising,
2. Development and strengthening of international and local relations,
3. Advocacy and protection of interests.

Network Status: to grant the Network a status of an informal initiative over the next three years, emphasizing the realization of its mission and goals. Take steps towards its legal status along with strengthening the Network and recognizing the results of its activity. According to RA legislation, a possible option for legal status is a non-governmental organization. At the same time, taking into account that the missions of the Network and the Business Integrity Club are in line with each other, and the latter also has a status of an informal initiative, consider organizing the Network activities under the auspices and values of the Club. In addition, it will also ensure the diversity of the Network.

Main Network Targets:

- Women entrepreneurs,
- Female members represented among the senior management team,
- Female board members,
- Women in the early stages of their careers for succession planning.

Develop Participation Rules for the Network, which will specify the selection criteria for the Network participants.

Options for Participation in the Network: It is not planned to implement any differentiation among the Network participants over the next three years. Only one status will be valid – an individual participant of the Network.

Volunteers in the Network: Volunteering will be encouraged in the Network. For individuals in the early stages of their careers, volunteering will compensate the annual participation fee for being a part of the Network.

Network Funding: matching possible sources of funding, including donations and endowments.

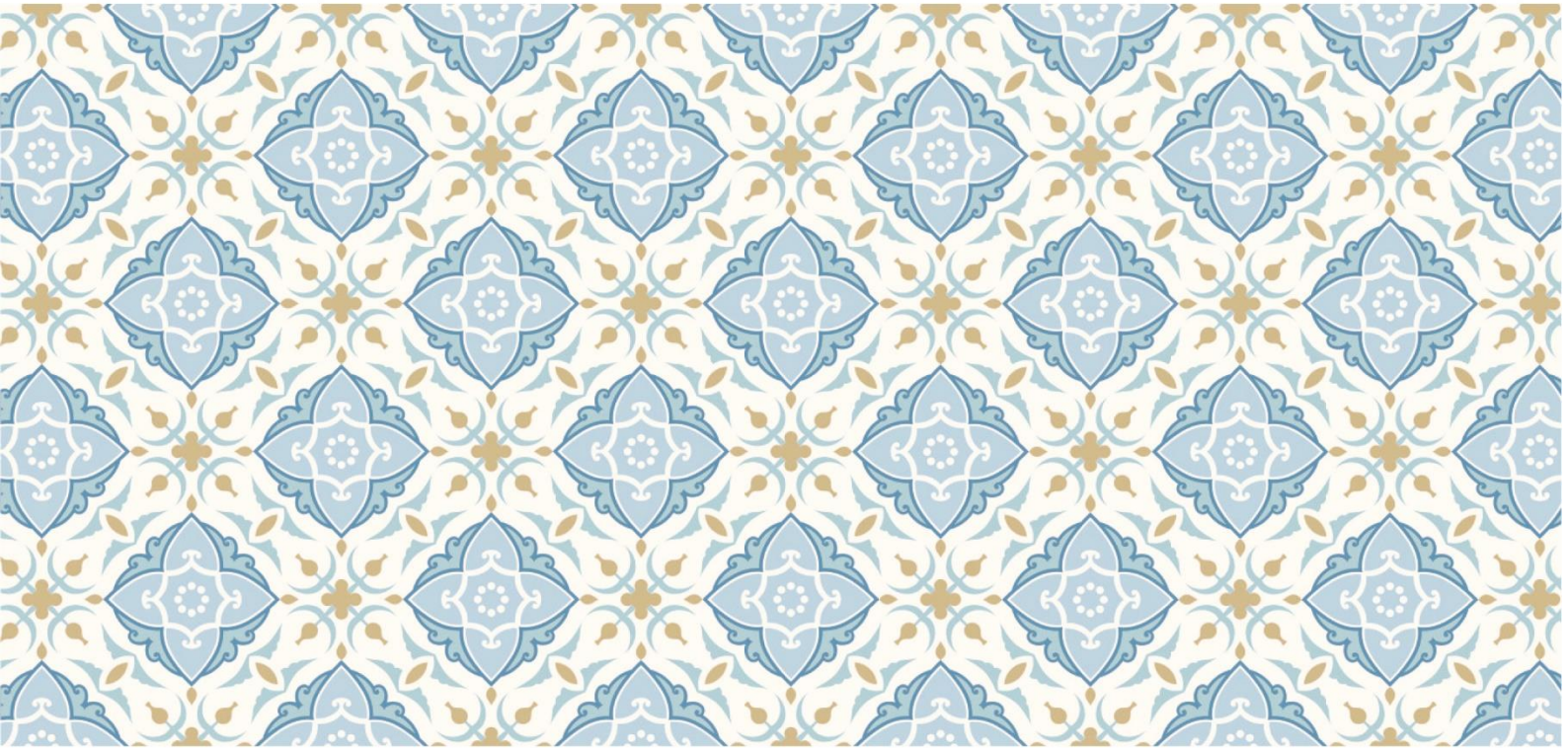
Annual fee for participating in the Network: the maximum threshold of the minimum range – 20000 AMD.

Network Leadership: Ongoing operations will be led by the Corporate Governance Center as the Network Secretariat; strategic management is carried out by an advisory board formed of the Network's most active participants.



Corporate
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20
YEARS



Corporate Governance Center, 2022



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