



Think Ahead

ACCA

Women in Finance:
**Beyond the
numbers**

Middle East

About ACCA

ACCA (the Association of Chartered Certified Accountants) is the global body for professional accountants. It offers business- relevant, first-choice qualifications to people of application, ability and ambition around the world who seek a rewarding career in accountancy, finance and management.

ACCA supports its 188,000 members and 480,000 students in 181 countries, helping them to develop successful careers in accounting and business, with the skills required by employers. ACCA works through a network of 95 offices and centres and more than 7,110 Approved Employers worldwide, who provide high standards of employee learning and development. Through its public interest remit, ACCA promotes appropriate regulation of accounting and conducts relevant research to ensure accountancy continues to grow in reputation and influence.

Founded in 1904, ACCA has consistently held unique core values: opportunity, diversity, innovation, integrity and accountability. It believes that accountants bring value to economies in all stages of development and seek to develop capacity in the profession and encourage the adoption of global standards. ACCA's core values are aligned to the needs of employers in all sectors and it ensures that, through its range of qualifications, it prepares accountants for business.

ACCA seeks to open up the profession to people of all backgrounds and remove artificial barriers, innovating its qualifications and delivery to meet the diverse needs of trainee professionals and their employers. In June 2016 ACCA formed a strategic alliance with Chartered Accountants Australia and New Zealand (CA ANZ). The alliance represents the voice of 788,000 members and future professional accountants around the world, who share the commitment to uphold the highest ethical, professional and technical standards.

More information is available at: www.accaglobal.com/middle-east/en.html



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The data in this report has been drawn from both primary and secondary research which has involved discussions, research undertaken at our women in finance forum, desk based research and third party research as quoted throughout. All statistics quoted were correct at the time of publishing this report and we would like to thank our contributors for their ongoing support.

Acknowledgment:



Cynthia Corby, Partner at Deloitte Middle East

Cynthia Corby is an Audit Partner in the Dubai office and DME Construction Industry Leader. She is a South African Chartered Accountant and a Fellow of the Association of Certified Chartered Accountants (United Kingdom) and has over 20 years of professional experience. She has worked extensively with the major construction companies in the UAE and Middle East Region, and has significant advisory experience on corporate transactions, including acquisition, due diligence and group re-organisations. Cynthia is the founder and regular author in Deloitte's annual publication GCC Powers of Construction, which gives an expert view on the firm's assessment and outlook for the industry. She is also the Chair for the Middle East ACCA Women in Finance Forum.

On behalf of ACCA Middle East, we thank Cynthia for her ongoing support and for the invaluable contribution to this insight report.

Foreword

Lindsay Degouve de Nuncques
Head of ACCA, Middle East



As the region goes through a period of change with an increased emphasis on diversification, fiscal reform and enhanced regulation which further attracts investor interest from key markets, it further places the Middle East region on the global map. Whilst adopting international standards and working principles with a number of large international corporates operating from the region, it is imperative that businesses, particularly in the private sector place a significant emphasis on attracting, retaining and developing women to further promote a diverse ecosystem.

Globally, the topic of women in business still continues to be a key talking point with the number of women entering senior decision making roles still lagging behind. Although significant development has been made to harness female economic empowerment, elements such as the gender pay gap still continue to be a key global challenge; with recent OECD figures highlighting that women are still paid \$83 for every \$100 when comparing this with their male counterparts¹. Regionally, local labour laws and employment legislation across the GCC govern equal pay to further promote gender parity, with Saudi Arabia's labour law for example clearly forbidding a gender pay gap as also mentioned in article 32 of the UAE Labour Law.

Despite this, only five percent of Fortune 500 companies are led by female CEOs, with women holding fewer than 18 percent of board seats within those companies² and representing only 2 percent of

board positions in the GCC³, highlighting that this not only continues to be a regional issue, but a significant global issue too.

In spite of the numerous research studies which further fortify the case for change in promoting the pathway of women into senior decision making roles, the pace of change still seems to be significantly slow. At the current rate of change, the workplace in developed nations could reach gender equality in 50 years and in 65 years in developing nations, underlining the immense level of change that is still required⁴.

At such a slow pace of change, it is important that the finance function of the future plays a strategic role in supporting and endorsing female leadership. The world is changing at a rapid rate due to globalisation, technological movement and generational shift, therefore it is imperative that we look beyond the numbers, quotas and truly embrace a diverse workforce to safeguard the future of finance, women and society for generations to come.

Women represent
only 2 percent of
board positions in
the GCC.

1. <https://www.oecd.org/gender/data/genderwagegap.htm>

2. <http://www.wbur.org/radioboston/2014/06/10/mass-gap-boards>

3. McKinsey & Company, GCC Women in Leadership – from the first to the norm

4. Narrowing the gap report by Accenture

Women in business

Regional landscape

According to statistics shared during the 2016 Global Women's Forum held in Dubai earlier this year, GCC's female labour force participation stands at 47 per cent in the UAE, 51 per cent in Qatar, 44 per cent in Kuwait, 29 per cent in Oman and 20 per cent in Saudi Arabia which are remarkable numbers⁵. However, despite this we are still seeing a lack of representation when looking at decision making roles particularly within the private sector which is lagging behind in comparison to the public sector.

Women account for only 17 per cent of all executive roles in the UAE and 7 per cent in Qatar. Across the region only 13 per cent of women are CEOs versus a 21 per cent similar share in all developing countries⁶ with a low of 7 per cent representing presidents of the board, highlighting the significant gap that is currently present when looking at the top.

There is no debate, that promoting women in senior decision making roles directly impacts profitability and aids growth, with recent research highlighting that as much as \$12 trillion could be added, or 11 per cent, in annual 2025 GDP by promoting women into leadership positions. In a 'full potential' scenario in which women play an identical role in labour markets to that of men, as much as \$28 trillion, or 26 percent, could be added to global annual GDP by 2025⁷ given the differing attributes and skills they bring.

Regionally, Qatar is leading the way having recently ranked 119th in the 2016 Gender Gap Report led by the World Economic Forum, followed by the UAE at 123rd. The Emirates hopes to become one of world's top 25 countries for gender equality by 2021, with initiatives such as the Gender Balance Council and Dubai Women's Establishment working to promote gender parity across the country.

However, despite this and the rising number of women entering the workplace across the region, we are still not seeing as much material action in respect of women entering decision making roles within the private sector. It is imperative that we look beyond the numbers and address the issue of long term progressive growth for women who are supported to enter leadership positions across sectors and further endorse diversity as a nation.

Women account for only 17 per cent of all executive roles in the UAE and 7 per cent in Qatar.

"Although finance is deemed to be a male dominated profession at the senior level, I believe women don't need encouragement to climb to the top. What they need are more opportunities within the workplace to do so and therefore it is imperative that businesses encourage and support this change."

Kamillia AlMarashi
Assistant Vice President -
Portfolio Management,
Investment Corporation of Dubai





Regional ranking 2016

World Economic Forum: Gender Gap Index⁸

119	Qatar
123	United Arab Emirates
128	Kuwait
131	Bahrain
132	Egypt
133	Oman
134	Jordan
135	Lebanon
139	Iran
141	Saudi Arabia
142	Syria
144	Yemen

5. Global Women's Forum highlights, *The National*

6. Women in business and management: gaining momentum in the Middle East and North Africa report, International Labor Organisation 2016.

7. McKinsey: How advancing women's equality can add 12 trillion to global growth

8. World Economic Forum: The Global Gender Gap Report 2016

Women in finance

Beyond the numbers

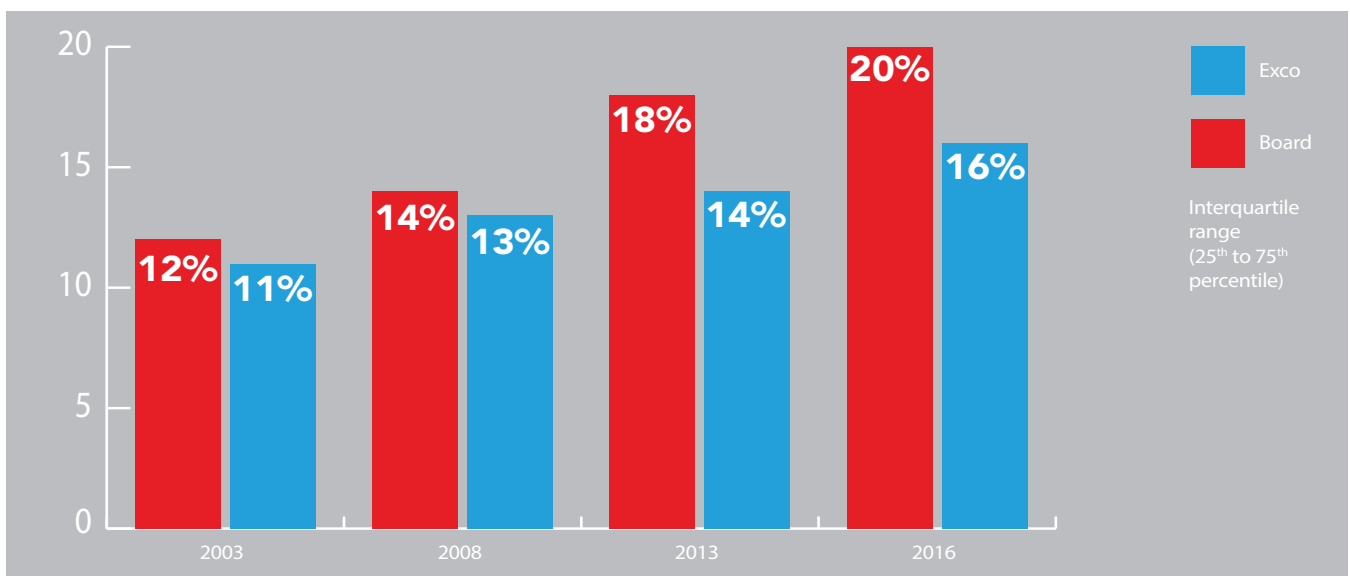
The lack of representation is also reflective when looking at the finance function and senior female finance leaders. In developed nations such as the US, less than 10 per cent of all U.S. fund managers are women; women exclusively run approximately 2 per cent of the industry's assets and open-end funds. By contrast, men exclusively run 74 per cent of the industry's assets and 78 per cent of funds, with mixed-gender teams accounting for the balance⁹.

Of further concern was the recent Gender Gap report findings by the World Economic Forum which found "that progress towards parity in the key economic pillar has slowed dramatically with the gap – which stands at 59 per cent – now larger than at any point since 2008"¹⁰.


This lack of global representation is reflected in the region too – with women in finance within the Middle East still representing a minority. Women within the region traditionally make up roles within government, education, healthcare and social work with a minority entering financial services. In Bahrain, women represent almost half of those employed within healthcare and social work¹¹, with very few women leading as CEOs, CFOs, Finance Directors and Finance Controllers as illustrated earlier.

A recent study found that electing a female CEO within the sector has a direct correlation on the recruitment of women on the executive committee (Ex Co)¹² as it sends a strong internal message within the organisation which further supports this change, this change can be championed by the CFO too, thus highlighting how the finance function can support in leading such change.

The progress to parity has slowed dramatically according to the World Economic Forum with the gap at 59 per cent - the largest since 2008.



Percentage of board and Ex Co members in major financial services organisations who are women¹²



“The inclusion of women within finance is imperative to safeguard future growth in the region. We have seen a number of evidential reports confirming how gender parity results in better financial performance, therefore the region needs to embrace this change now to further support future growth and diversity.”

Cynthia Corby

*Partner, Deloitte Middle East and
Chair of the ACCA Women in Finance Forum*

9. Bloomberg: *Where are the women in finance?*

10. World Economic Forum: *Gender Gap report 2016: Equality sliding backwards*

11. *Women in business and management: gaining momentum in the Middle East and North Africa report*, International Labour Organisation 2016.

12. *Women in Financial Services 2016*: Oliver Wyman study

The finance function was said to play an important role in crafting the business case for diversity with 43 per cent of respondents strongly agreeing (and 39 per cent partly agreeing).

The finance function and industry is key across the region, as it moves from playing a once transactional role to a more strategic imperative. The finance function and leaders of the future will be fundamental in respect of voicing and endorsing diversity, as they become much more centrally aligned to the business and the CEO.

Diversity is becoming a key strategic priority for most CEOs in the region

We researched finance professionals to gain their perspective on women in finance and the notion of diversity within the region. Our research found that 46 per cent of finance professionals believe that achieving gender diversity at senior executive levels is becoming a key strategic business priority for most CEOs, which further endorses future change. However, on the contrary 38 per cent partly disagreed and believe this isn't yet the case, with more needing to be done to change the tone from the top to promote an inclusive and diverse workplace which promotes females (figure 1).

The finance function plays a key role in promoting gender parity

The finance function was said to play an important role in crafting the business case for diversity with 43 per cent of respondents strongly agreeing (and 39 per cent partly agreeing as shown in figure 2). This presents a significant opportunity for finance professionals to drive and promote change within their organisations, given numerous research studies have illustrated the direct impact a diverse workplace and leadership has on the bottom line and overall financial performance. This is led by diverse points of view which provide different perspectives and ultimately drive more balanced business decisions.

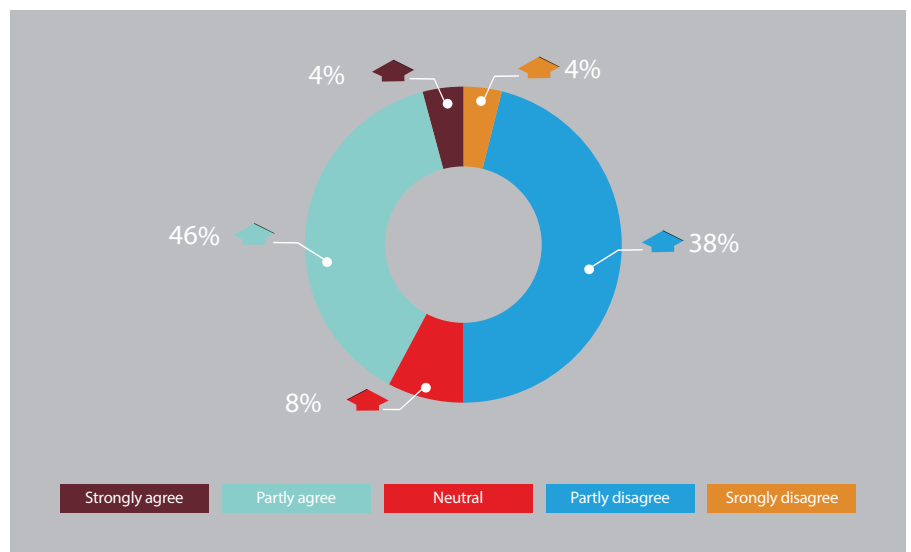


Figure 1: Achieving gender diversity at senior executive levels is becoming a key strategic business priority for most CEOs.

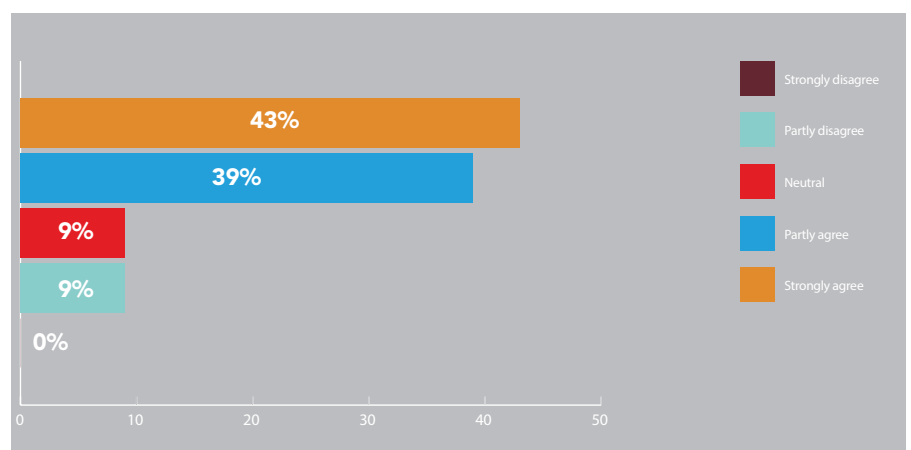


Figure 2: The finance function can play an important role in crafting the business case for diversity.

"Although there is an increase in the number of young women pursuing a career in finance; there are barely any senior female leaders in finance in the region who they can look up to for inspiration. This can be a big influencer in their decision to opt out half-way through their finance career. There aren't enough support groups in the region that can provide access to senior female mentors. It is also critical that organisations promote gender diversity at the managerial and board level; to ensure there is sufficient incentive for women to stay in the workforce".

Deepa Chandrashekar

*Financial Controller,
Qatar General Insurance & Reinsurance Co*

The tone from the top plays a critical role

The tone from the top was deemed instrumental in changing internal perceptions and promoting women in business with 100 per cent of our respondents unsurprisingly agreeing that the tone from the top plays a critical role in achieving gender equality at senior levels within the organisation (figure 3). Within the GCC, the UAE Cabinet issued a ruling in 2012 that obliged all state owned corporations to include at least one female board member with 78 per cent of our respondents agreeing that target quotas are necessary (figure 4) to create the impetus. However, quotas alone should not be the only measurement driving change at the top with senior leaders required to look beyond the numbers when promoting and developing women to take senior decision making roles.

100 per cent of our respondents agree that the tone from the top plays a critical role.

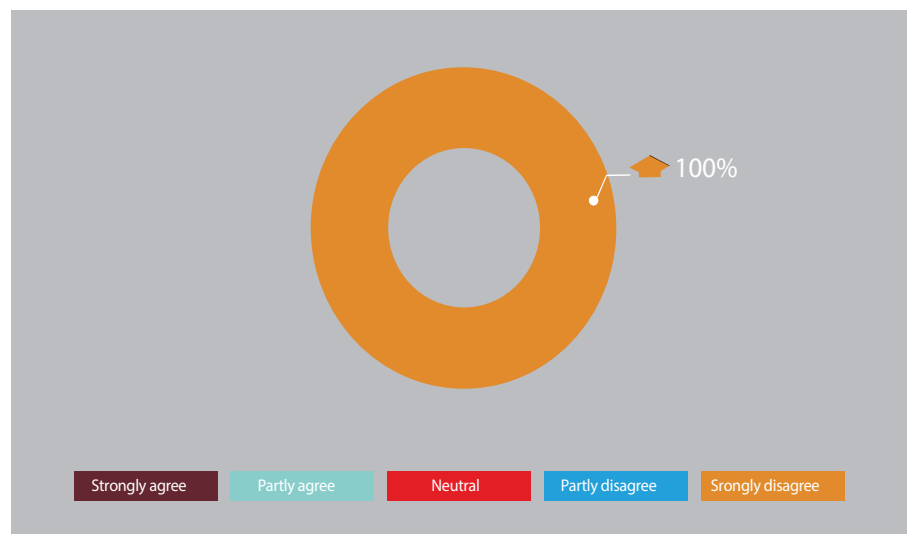


Figure 3: The tone at the top plays a critical role in achieving gender equality at senior levels within an organisation.

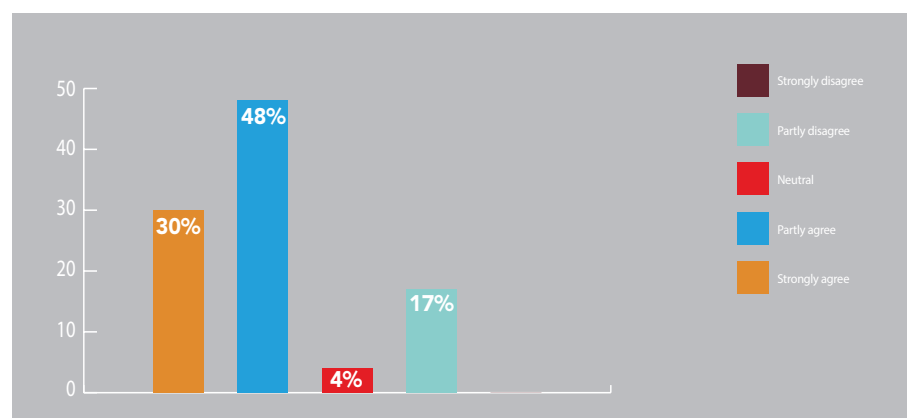


Figure 4: Target quotas are necessary to achieve a balance of women at executive levels and on boards to create the required impetus.

“The UAE leadership strongly supports women and empowerment in the workplace through various initiatives to increase gender parity. According to the general manager of Emirates Institute for Banking and Financial Studies, women represent 72 per cent of UAE nationals in the banking sector, and approximately 43 per cent of the workforce. However, in the finance sector (particularly banking), they still only represent 12 per cent of senior management positions. Therefore, it is essential that society, businesses and women themselves continue to push boundaries and enter decision making roles within finance to further promote parity.”

Jazla Hamad
Assistant Audit Manager,
Deloitte Middle East

Negative gender biases still deemed prevalent across the region

The benefits of having a diverse workplace have been researched and reported extensively, however despite this 48 per cent of our respondents partly agreed that negative gender biases are still prevalent across most organisations across the region (figure 5). The negative connotations attached to the promotion of women across the region are deemed somewhat limiting giving the rapid economic development and change that the region is currently going through.

Despite these biases, 30 per cent of our respondents partly agree that organisations are identifying high potential women and offering them leadership training and development which is key for long term sustainability, succession planning and diversity. On the contrary, 41 per cent stated they disagree that organisations are doing enough in the area of learning and development

(figure 6) and thus are failing to map out female talent who have the potential to lead, resulting in missed opportunity and negating potential future leaders.

The current regional landscape in relation to women leaders within the public sector is improving, however as illustrated and found in our research, businesses and leaders within the private sector are still lagging behind with significant improvement needed (both globally and locally). Attractive working solutions need to be created to retain women who reach mid-management roles in the workplace. They currently face challenges at this point in their career with starting a family and still trying to nurture their careers. Alternative working options will allow them to stay in the workplace and progress and as millennials enter the workplace and shape the workplace of the future, the time to change has never been more pertinent than now.

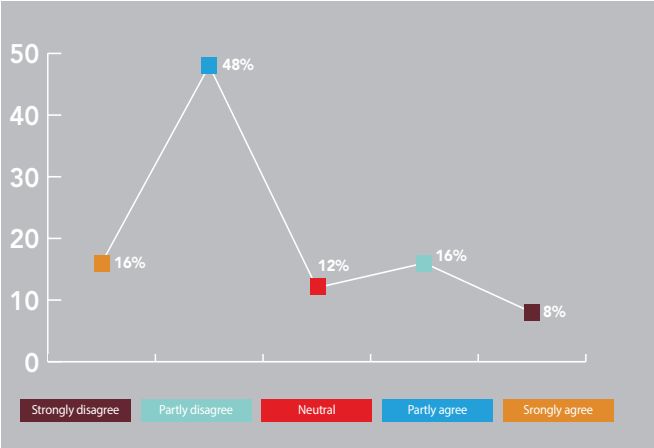


Figure 5: Negative gender bias is prevalent within most organisations across the GCC.

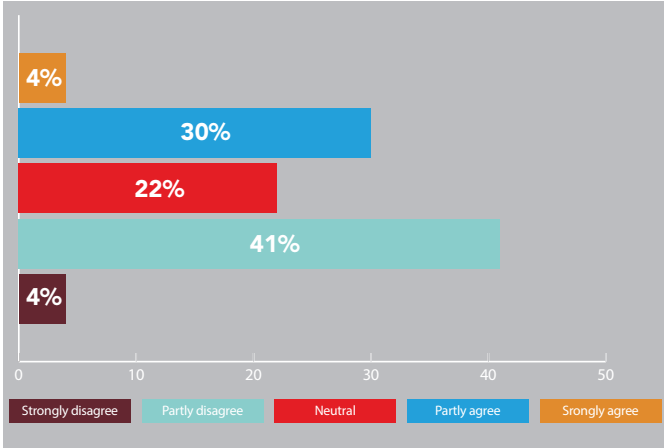


Figure 6: Most organisations are identifying high potential women and offering them leadership training and development.



Looking ahead

With the retirement of 'Baby Boomers' as well as some older members of 'Generation X', managing talent is no longer 'business as usual'. Generation Next, those aged 16–36 years, are entering the workplace in increasing numbers; indeed, in the US one in three workers is now classified as a millennial¹³. Their aspirations, career strategies, sector preferences, learning preferences – to name just a few – cannot be ignored in the finance profession, or indeed in any profession.

The region has one of the youngest populations in the world with the median age in the UAE at 30.3 and 27.2 in Saudi Arabia¹⁴. Therefore, they will continue to shape the future of women in finance in the region – with more females pursuing qualifications in the region than males, this translation

of knowledge should transpire to more organisational change and thus see more females being promoted to senior decision making roles. Although this change isn't expected to happen tomorrow, progressive steps are being taken to ensure the future doesn't remain the same – specifically regionally, with the public sector driving key change programmes, which should transpire into the private sector of the future.

In a survey conducted by the Pearl Initiative in collaboration with the UN Global Compact and the Sharjah Business Women Council, 62 per cent of women aspire to a management role in the next seven years while 86 per cent think that education has been vital for their career progression¹⁵. This change was further reflected

in our research (figure 7) with 32 per cent stating they strongly agree and 44 per cent agreeing that in five years, the region will see a significant increase in the numbers of women in executive and board level roles.

With this regional sentiment and the rise of the millennial generation entering and creating the workplace of the future, we do envisage seeing positive regional change. With ACCA being the first UK accountancy body to admit a woman in 1909, we have long been championing the significant value that gender parity can drive both within the profession and regionally too, it is therefore imperative that the private sector also leads this change to ensure future generations can continue to leverage the benefits of not only a diverse globalised world, but workplace too.

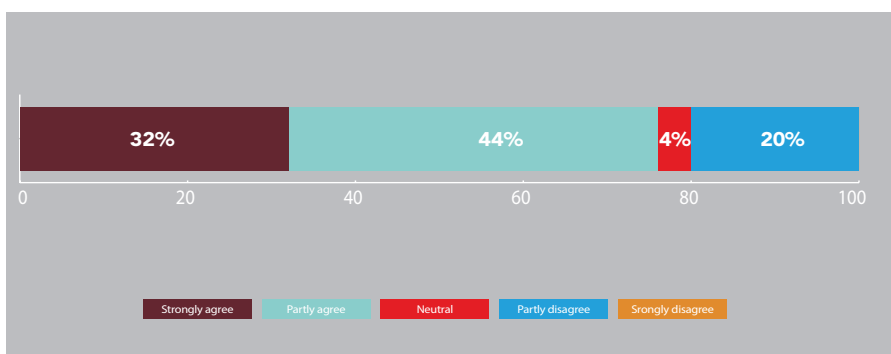
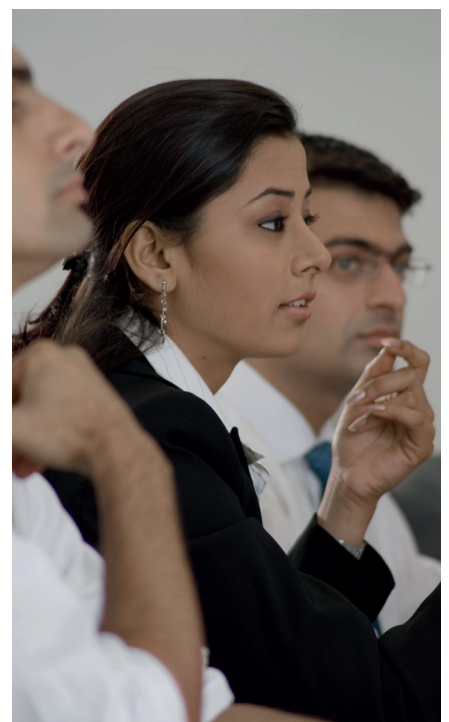


Figure 7: In 5 years time, we will see a significant increase in the number of women in executive and board roles in the GCC.



13. Millennials surpass Generation X as the largest generation in U.S. labour force, Pew Research 2015

14. CIA World factbook 2016

15. Pearl Initiative report: Women's careers in the GCC

