

Women and Leadership

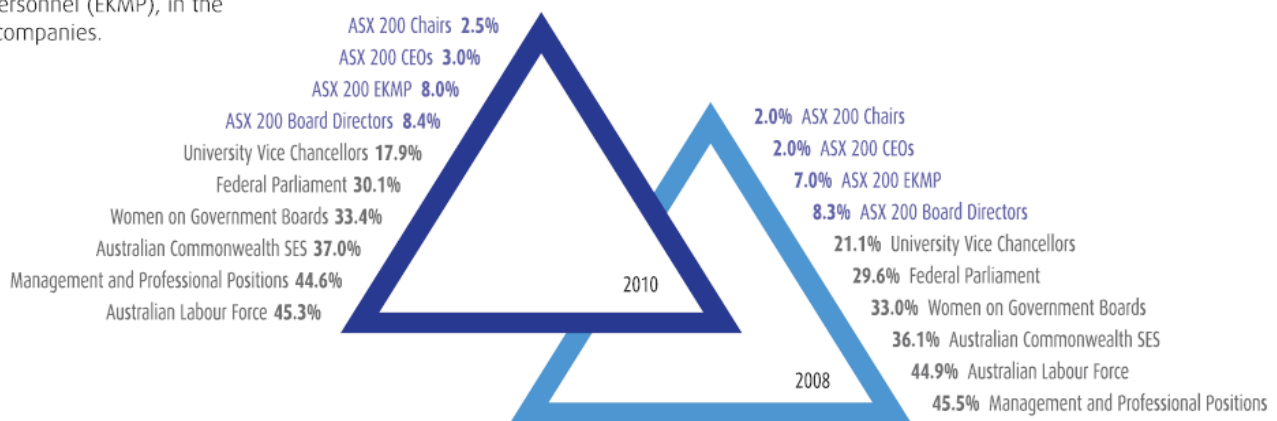
Company Board Positions

Despite women's increased participation in public life and the public sphere they remain under-represented in senior management positions.

- The 2010 EOWA census of women on boards and in executive positions shows women remain underrepresented at the most senior levels and the rate of change is exceedingly slow. In ASX 200 companies women hold just 2.5% of board chair positions and comprise only 8.4% of board director positions. Of even more concern is that women hold only 4.1% of the line manager roles that are considered to be the pipeline positions to key executive appointments including that of chief executive officer.¹
 - Longitudinal analysis of data by the EOWA shows that there has been no significant changes in Australian Boards that will lead to increases in the number of women holding board positions.²
 - EOWA's analysis of the rate of change between 2008 and 2010 exemplifies a slow rate of progress.
- The representation of women on Australian corporate boards in 2010 regarded as "tokenism".³

Australian Census of Women in Leadership 2010 and 2008 compares the number of women in various positions including ASX 200 Board Directors and Executive Key Personnel (EKMP), in the ASX 200 companies.

Figure 1 Census Pyramids: The status of women in the workplace 2008 and 2010



Source: EOWA Australian Census of Women in Leadership 2010 and 2008

- There is some evidence to suggest some change since the 2010 Census. Data collected by the Australian Institute for Company Directors for 2011 indicates that
 - 12.5% of directors in the ASX 200 are women.
 - 33 women have been appointed to ASX 200 boards in 2011 (compared with 59 in total in 2010).
 - Women represent 30% of all new appointments to ASX 200 boards in 2011, compared with 25% in 2010.
 - Yet, 72 ASX 200 companies do not have a woman on their board.⁴

- Starting on 1 January 2011, the Australian Securities Exchange, following changes to its Corporate Governance Principles and Recommendations, requires companies to disclose what they are doing to increase diversity on their boards and if they don't have anything in place to explain why not. Non-compliance can result in a breach of the ASX listing rules.
 - Mentoring schemes have been established by the Australian Institute of Company Directors (aimed to increase the number of women on boards) and the Business Council of Australia (aimed to identify talented women and open up pathways for them to reach the top of the corporate ladder into the boardroom).
- Diversity has been found to not be a high priority at most companies as evidenced by great variability in the number of gender diversity policies of companies as surveyed by McKinsey⁵.
- Further, whether gender diversity is challenged by economic conditions is a matter of some complexity, a conclusion drawn by McKinsey in their international survey of views of gender diversity post the global financial crisis.⁶

Public Sector

- Women hold one in three of seats on Australian government boards.⁷
- 37.1% of Senior Executive Service Managers in the Australian Public Service are women (in 2010), a position that can be contrasted to 2001 where the figure stood at 26.2%.⁸

Political Positions

- In our Federal parliament, despite having a female Prime Minister, there has been a drop in the number of women politicians in the House of Representatives with women comprising just under 25% (n=37) of members compared to 28% (n= 41) in the previous parliament. Women fare better in the Senate where they now hold just under 40% of seats (30 /76) seats compared to 35% of seats (27/76) in the previous parliament. Across the federal parliament as a whole 28.3% of representatives are women. This level of representation is superior to that evident in 1981 where there were only six women in the Senate and none in the House of Representatives.⁹
- Women comprise 20% of the federal Ministry. At a state government level this figure stands at 26%.¹⁰
 - In the 2010 federal election women candidates were less likely to be in safe seats and more likely to be in or defending marginal seats.
 - Tony Smith notes party pre-selection remains the crucial factor in parliament's gender balance – or imbalance'.¹¹
- In state and territory governments the number of female parliamentarians ranges from a 41.2% in the Australian Capital Territory to 27.4% in New South Wales
- Across all federal, state and territory parliaments women comprise 35.9% of all elected representatives.¹²

Judicial positions

- Women presently comprise three out of the seven positions on the High Court of Australia which is the highest court in the Australian judicial system (Justice Susan Crennan AC, Justice Susan Kiefel AC, Justice Virginia Bell). There have been only 42 Justices since the

High Court was established in 1903, including the current members of the Court. Justice Mary Gaudron was the first women appointed to the High Court in 1987.

- In 2011 women comprise 28.9% of all Commonwealth judges and magistrates, up from 21.6% in 2002.¹³

Pay disparity

- The current gender wage gap is around 18% overall. It has been close to this level for the past decade and is most pronounced after the age of 35 years (EOWA).
 - EOWA's survey of the top 200 companies listed on the ASX showed that female CEOs earned just 67% of the salaries of their male counterparts.
 - women's salary for chief financial and chief operating officer was on average 50% lower than their male counterparts (House of Representatives Standing Committee on Employment and Workplace Relations 2009).
 - It has been estimated that sixty per cent of the disparity comes down simply to "being a woman".¹⁴
 - A report in 2009 by KPMG for the Diversity Council Australia found that a large component of the wage gap could be attributed to sex discrimination.¹⁵

International practices

Case study – Norway introduced legislation on gender-based quotas (40%) on the boards of companies in the private sector.¹⁶ Prior to the legislation, 23% of the leading companies had female board members and just over 6% of board positions were held by women. The target is for 40% of all boardroom positions in companies listed on the Oslo stock exchange to be held by women. This was achieved

In many countries in Europe, the number of women on company boards is increasing as a result of a number of factors: the introduction of Corporate Governance Codes together with discussion of equal access legislation and increase media scrutiny.¹⁷

- In 2010, Iceland introduced legislation to promote gender equality on the boards of publically owned companies with 50 or more employees. Boards of more than 3 must consist of at least 40 per cent of each gender by September 1st 2013. The introduction of the law followed a period of voluntary action by companies but this was insufficient to redress the current gender imbalance.¹⁸
- Finland has also introduced legislation requiring listed companies to have one woman on the board.¹⁹

Although women's representation at senior executive level is low, particularly in the private sector, a number of women have achieved high office. Their stories are highlighted in the profiles attached.

Constraints

Is it the case that women are still confronted by a glass ceiling while men are more likely to be conveyed into senior positions by a glass escalator?

There is significant resistance to target the recruitment, or targets. Such strategies face hostility over issues of merit and 'unfair advantage'.

Women who break through the barrier are confronted also by significant scrutiny of their performance. They secure less positive evaluations, even when performing similar roles. Moreover the leadership positions that women occupy are likely to be less promising than those of their male counterparts. Constraints remain scepticism by male managers about the effectiveness of women leaders.²⁰

Complexity around work types or family types. Wood and Newton observe that Hakim's implication that career focused women need not be a target for family friendly or fertility policies appear to be founded on unsound notions of types of women and how they are shaped and created. Arguably women in management do not necessarily want to prioritise or chose career at the expense of family relationships. The constraint here is a combination of work culture or gendered traditions of domestic labour or both. A further constraint is that the residual assumption is that women will leave their roles in order to have children; this fosters either/or choices - women undertaking roles in management relinquishing the opportunity to have children or relinquishing their career in order to become mothers. These choice s are made arguably both consciously or unconsciously but are shaped role conflict and the acceptance of this dichotomy.²¹



Her Excellency Ms Quentin Bryce AC

Governor-General of the Commonwealth of Australia²²

BA. LLB (Qld). Hon LLD (Macquarie). Hon DLitt (Charles Sturt). Hon DUniv (Griffith). Hon DU (QUT). Hon LLD (Qld). Hon DUniv (JCU). Doctor of Laws (honoris causa) (Syd).

Quentin Bryce was born in Brisbane in 1942 and spent her early years in Ilfracombe, a small town in Central Western Queensland. In 1965, she graduated with the degrees of Bachelor of Arts and Bachelor of Laws from The University of Queensland and, in the same year, was admitted to the Queensland Bar. She has since enjoyed a rich and distinguished career as an academic, lawyer, community and human rights advocate, senior public officer, university college principal, and vice-regal representative in Queensland, and now Australia.

Ms Bryce's former roles – some, among firsts for women in this country – include:

- Lecturer and Tutor in Law, The University of Queensland, 1968-1983
- Convenor, National Women's Advisory Council, 1982-1984
- Inaugural Director, Queensland Women's Information Service, Office of the Status of Women, Department of Prime Minister and Cabinet, 1984-1987
- Director, Human Rights and Equal Opportunity Commission, Queensland, 1987-1988
- Federal Sex Discrimination Commissioner, Human Rights and Equal Opportunity Commission, 1988-1993
- Founding Chair and CEO, National Childcare Accreditation Council, 1993-1996
- Principal and CEO, The Women's College, University of Sydney, 1997-2003
- Governor of Queensland, 2003-2008.

Quentin Bryce's contribution to advancing human rights and equality, the rights of women and children, and the welfare of the family was recognised in her appointment as an Officer of the Order of Australia in 1988 and a Companion of the Order of Australia in 2003. Ms Bryce was awarded an Honorary Doctorate of Laws by Macquarie University (New South Wales) in 1998, an Honorary Doctorate of Letters by Charles Sturt University (New South Wales) in 2002, and an Honorary Doctorate of Laws by The University of Queensland in 2006. She was conferred with the degrees of Honorary Doctor of the University by Griffith University (Queensland) in 2003, Queensland University of Technology in 2004 and an Honorary Doctorate from James Cook University in 2008.

In her civic role as Governor of Queensland, Ms Bryce continued her work with women, families and young people while extending her influence across the State's broad and diverse spectrum, including the rural, regional, aged, indigenous, migrant, and disability sectors.

On 5 September 2008 Quentin Bryce was sworn in as Australia's twenty-fifth Governor-General. As the first woman to take up the office, she remains a pioneer in contemporary Australian society, and yet one who brings more than forty years of experience in reform, community building and leadership to the role.



**Gail Kelly, Managing Director and Chief Executive Officer
Westpac**

Dip. Ed, BA, MBA, DBus (Charles Sturt University)

Gail was appointed Managing Director and Chief Executive Officer of Westpac on 1 February 2008. Immediately prior to this, she served as Chief Executive Officer and Managing Director of St. George Bank Limited for five and a half years. During this period, St. George doubled its assets and net profit after tax. Between October 1997 and December 2001, Gail was employed at the Commonwealth Bank as General Manager, Strategic Marketing, and later became Head of Customer Service and a member of the bank's Executive Committee.

Gail began her career at Nedcor Bank, one of the largest banks in South Africa, where she held various General Manager positions, including HR, cards and personal banking. Gail is currently a Director of Melbourne Business School Limited and member of the Financial Services Advisory Council.

In 2008, Forbes magazine ranked Gail Kelly, CEO of Westpac Bank, the 11th most powerful woman in the world while she raised four children (including triplets).

Kelly says there is one reason alone that she has been able to do what she has done. "It is Allan. He is a most fantastic husband, fantastic support, clearly a professional in his own right ... very generous, very hard working, great sense of humour, just a lovely person."

Following her migration from South Africa in 1997 Kelly joined the Commonwealth Bank initially as as general manager of strategic marketing before quickly joining CEO David Murray's key executive team.

Kelly observes that she has lots of energy. "My whole model is based around gathering the best people you can around you and creating an environment where people can do their best work, and creating a team and powering a team that has fun, and a team that likes working together, and a team that delivers. I'm not driven by money, ego, power or any of those things. I like to achieve - I like to achieve quality outcomes."

But there are some personal traits that have especially fitted Kelly for success. For instance, she is a quick reader. "I don't sleep a whole lot - four hours a night - I'm very quick as well. I'm not talking about intellectually quick. Everything I do is quick. I'm fairly impatient. There's some element of stress in that, but you also just get things done. "I don't waste time. I move. I finish things. I don't try and do things to the nth degree. I know what's important and what's not. I've really learned that. That's a judgement I've learned, what really matters."

Kelly believes personal contact is the key to successful banking. "There's a very simple strategy that we're running here that really says if you seek to engage people, people are willing, people are positive," she says. Kelly values "people who like people, people who care, people who are energetic, people who want to try, people who aren't cynical, who aren't arrogant, who aren't self-serving".



Sally L Macdonald

Chief Executive Officer (CEO) and Managing Director of Oroton Group

Sally Macdonald became Chief Executive of Oroton Group on 25 September 2006 having previously consulted to the group. Sally has over 10 years experience as a management consultant with the Boston Consulting Group and also worked in buying and store operations at Banana Republic (a division of The Gap Inc) in San Francisco. Sally holds a Bachelor of Commerce from the University of Melbourne and an MBA from Harvard Business School. She is accredited with turning Oroton from a \$9.4 million loss in 2005-06 to a \$9.8 million profit the following year.

Ms Macdonald took the helm at Oroton from Ross Lane in 2006 at the age of 36 after being called in as a consultant to help the company fix its declining earnings after a string of dud acquisitions.

Ms Macdonald's decision to sell off under-performing businesses Marcs, Morrissey and ALDO paid off, with the new owners of Morrissey last year closing the brand's four standalone stores in Sydney and Melbourne. The indefatigable mother of three - when quizzed about the challenge of the Oroton turnaround - said the industry's next challenge was online.

She launched Oroton's online offering in late 2006 and it has booked double-digit growth each year since. "There will always be that touch-and-feel customer, but I think it (the convenience of online) just means there's a bigger onus on retailers to have a more exciting store experience," she said. "It's giving retailers another facet to think about it."²³

Today, Oroton sells a wide range of products for men and women across bags and small leather accessories jewellery, ties, umbrellas, knitwear, lingerie, men's underwear and shoes. Oroton is sold in Oroton boutiques across Singapore, Malaysia, Australia and New Zealand and in selected boutique and department stores worldwide and online.



Sue Morphet

Chief Executive Officer, Executive Director, Pacific Brands

Sue is one of Australia's leading executive women. She has driven the transformation of Pacific Brands from the time she was appointed Chief Executive Officer in January 2008.

Pacific Brands is Australia's leading marketer of everyday essential brands. An ASX-150 company, Pacific Brands is best known for some of its leading brands which include Berlei, Bonds, Clark's, Hard Yakka, Hush Puppies, Holeproof, Sheridan and Tontine. It has a workforce of over 9,000 and generates close to \$2 billion in sales annually.

Prior to her appointment as CEO in 2008, Sue was Group General Manager for Underwear & Hosiery at Pacific Brands, the largest operating group within the business. She joined Pacific Brands in 1996 as General Manager of Tontine – the first female GM within the business – before taking on the role of General Manager of Bonds in 1999. Her strengths are in marketing and brands, and under her leadership, the team at Bonds relaunched the icon brand, more than doubling sales. Bonds is now one of the Top 10 most recognised brands in Australia.

Sue's working life commenced in school teaching before moving to run a number of family businesses. From there she worked in marketing roles within a number of large food and fashion companies.



SHELLEY REYS

Shelley Reys, an Indigenous woman of the Djiribul people, is known as an Indigenous specialist and strategist with a reputation for collaboration.²⁴

Managing Director of Arrilla - Indigenous Consultants and Services, an Indigenous owned and managed private firm in its 19th year. It provides services and products that help create change, by enabling sound partnerships between Indigenous Australians and the wider community by providing more effective ways of working together, incorporating Indigenous practices into mainstream business and government environs.

Reys' current positions include: -

- Director of Reconciliation Australia, the national reconciliation foundation whose core objective is to remove the 17-year life expectancy gap between an Indigenous child and a non-Indigenous child.
- Vice-Chairman and Director of The National Australia Day Council which appoints the national Australian of the Year, Young Australian of the Year, Senior Australian of the Year and Local Hero of the Year. The organisation is responsible also for a national launch designed to offer meaning and focus for Australia Day celebrations across the nation.
- Managing Director of Indigenous Film Services, a film, video and multimedia resource and production service. While offering Indigenous presenters and crew, this organisation produces content ranging from mainstream to Indigenous specific.
- Professional Adviser to a range of organisations and identities. This includes several state/commonwealth government agencies, the private sector and individuals such as entertainment entrepreneur, Harry M Miller
- Director 2005 – 2008 (Vice-Chairman 2005 – 2007) of The Fred Hollows Foundation, the world health organisation leading the agenda in unnecessary blindness.



Fernwood's Founder and Chairman Diana Williams, was awarded Telstra Businesswoman of the Year for 2005. This award was complemented by Fernwood's appearance in BRW's Fastest Growing Companies for many consecutive years and other tributes to the success of the franchise system, nationally and in local communities everywhere around Australia.

Since launching in 1989, Fernwood has become synonymous with Australian women's health and fitness. In 2008 Fernwood was named joint winner of BRW's Most Successful Private Business under \$100m and has regularly appeared in their top 10 fastest growing private companies. Today, with national reach, Fernwood is the largest organisation of its kind in Australia with 89 per cent unprompted recall of its brand name, over 20 years experience, more than 68,000 members and 2,200 employees.

The main challenge that Williams described was to overcoming the objections of having a single sex business. Williams distinguished Fernwood from its competitors "by being different and in front of the market. If you do something well, others will copy so we have to keep changing and improving". The qualities that she describes she looks for in a franchise operator is customer rapport. "Everyday our Franchisees are communicating with members and staff and so people skills and a great attitude are vital to their success".²⁵

The reason that she decided to set up a woman only gym was that there weren't many women working up a sweat alongside the men who populated the weight equipment area.

"I could see the need for women to exercise with weights and not just go to the aerobics. But to do what a lot of the men were doing in gyms—work out with the weights equipment and use all the facilities." Williams approached local gym owner John Clow, with the idea of opening a women's gym. Williams and Clow knew they had a potentially profitable business idea, but couldn't obtain financing for the project. Williams said: "Banks and financial advisers, everybody said stay clear of the fitness industry, so we had a lot of trouble at the start getting any finance. That was not an option for us, that was because of the legacy left by the chains that went broke a few years earlier."

But so strong was their belief in what was a new concept in the fitness industry at the time, Williams and Clow decided to push ahead with the project anyway. The first Fernwood Women's Health Club opened in Bendigo in 1989 and made the move to larger premises in Bendigo. In 1993, decision was made to franchise the business. Williams explains, "When we had just one gym it was very cash positive. But when I went into franchising, of course I needed more money to grow than the one gym could provide." "It was overwhelming at times. You'd spend all of your time trying to figure out how you were going to keep going. How you were going to find the money to pay the wages? Where you were going to find the money to pay the creditors?"

In 2005, Williams established the Fernwood Foundation, a charitable not-for-profit organization that aims to foster greater self-reliance in women who are experience difficult life circumstances. Three percent of Fernwood's profits fund the Foundation's activities.

Attachments

Equal Opportunity in the Workplace Agency *EOWA 2010 Census Key Findings Report*, downloaded from

http://www.eowa.gov.au/Information_Centres/Resource_Centre/EOWA_Publications/EOWA_Census/2010_Census/EOWA%202010%20Census%20Key%20Findings%20Report.pdf

Equal Opportunity in the Workplace Agency *gender in the boardroom: executive summary*, downloaded from

[http://www.eowa.gov.au/Information_Centres/Resource_Centre/EOWA_Publications/EOWA_Census/2008_Census/AGender_in_the_Boardroom_Report/\(A\)Gender_in_the_Boardroom_Exec_Sum.pdf](http://www.eowa.gov.au/Information_Centres/Resource_Centre/EOWA_Publications/EOWA_Census/2008_Census/AGender_in_the_Boardroom_Report/(A)Gender_in_the_Boardroom_Exec_Sum.pdf)

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- ² Equal Opportunity for Women in the Workplace Agency (2010), *Gender Workplace statistics at a glance*, http://www.eowa.gov.au/Information_Centres/Resource_Centre/EOWA_Publications/Gender_stats_at_a_glance.pdf.
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<http://www.atn.edu.au/wexdev/news/Moving%20beyond%20tokenism%2017%20October%20Final.pdf>
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- ⁷ Department of Families, Housing, Community Services and Indigenous Affairs, *Ensuring Women's Equal Place in Society*, Fact Sheet 5, July 2010 downloaded from http://www.fahcsia.gov.au/sa/women/pubs/general/factsheet_women_issues/Pages/facts5.aspx.
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- ⁹ Department of Families, Housing, Community Services and Indigenous Affairs, *Ensuring Women's Equal Place in Society*, Fact Sheet 5, July 2010 downloaded from http://www.fahcsia.gov.au/sa/women/pubs/general/factsheet_women_issues/Pages/facts5.aspx; ABS, *Gender Indicators Australia*, Cat 4125.0 (July 2011). Canberra: Australian Bureau of Statistics.
- ¹⁰ ABS, *Gender Indicators Australia*, Cat 4125.0 (July 2011). Canberra: Australian Bureau of Statistics.
- ¹¹ <http://inside.org.au/the-forty-third-parliament-how%E2%80%99s-it-hanging/>.
- ¹² Department of Families, Housing, Community Services and Indigenous Affairs, *Ensuring Women's Equal Place in Society*, Fact Sheet 6, July 2010 downloaded from http://www.fahcsia.gov.au/sa/women/pubs/general/factsheet_women_issues/Pages/facts6.aspx
- ¹³ ABS, *Gender Indicators Australia*, Cat 4125.0 (July 2011). Canberra: Australian Bureau of Statistics.
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- ²³ Donkin, R. (2010), Architect of Orotan Turnaround reveals secrets, *The Western Australian*, 9 June 2010.
- ²⁴ Serious Women's Business Conference Program 2008, <http://www.swb.com.au/docs/SWB%20Program%202008%20V1.pdf>.

²⁵ Fernwood, Refreshing the brand: An interview with Fernwood's founder Diana Williams, <http://www.fernwoodfitness.com.au/what-s-new/news/refreshing-the-brand--an-interview-with-fernwood%E2%80%99s/> [accessed 30 August 2011].