

SPEAKING NOTES

AICD LUNCH

Anna McPhee, EOWA Director, 31 AUGUST 2006

The Equal Opportunity for Women in the Workplace Agency, and Census partners ANZ Banking Group and Macquarie University are delighted by the interest that today's speakers and EOWA Census of Women in Leadership results have generated.

A lot of work has gone into the production of the 2006 Census and I would like to take this opportunity to acknowledge the Research team at Macquarie University and the staff of EOWA, particularly Kristy Felice and Maya Hunt.

INTRODUCTION

In 2006 the Census was included in the Australian Bureau of Statistics *Measures of Australia's Progress* (MAP), a publication providing a more comprehensive view of the nation's progress beyond traditional economic indicators. It's inclusion reinforces the importance of continuing to measure women's participation in corporate leadership, because what gets measured gets managed.

The 2006 EOWA Australian Census of Women in Leadership marks the advancement of women into corporate leadership positions.

The Census results show however that the incremental advancement is slow, glacial even, and despite some hope, overall disappointing.

The Sydney Opera House Opera Theatre with a seating capacity of 1500 holds approximately the same number of total seats in ASX200 boardrooms. Female Directors wouldn't even fill the first five rows.

In the ASX200 there are a total of 1487 board seats and 1856 executive management positions and women hold just 189 and 222 of those seats respectively.

Women remain largely excluded from positions which have significant influence over Australia's business direction, economy, public policy and the community generally.

BOARD DIRECTORS

We have seen no increase in the percentage of organisations which have at least one female board director and we have seen very little increase in the number of women on boards. However we have seen significant increase in the number of boards with two or more women.

It is encouraging to see that where there are women on boards, there are somewhat more of them. These companies are dispelling the myth of tokenism, appointing on merit and delivering diverse leadership to drive performance.

Seventeen or 85% of the top 20 companies by market capitalisation have at least one woman on the board, which is higher than the 50% for all 200 companies. Ten of the top 20 companies by market cap have two women on the board: at 50% this far exceeds 13.5% overall.

The 2006 Census dispels the often used excuse that the reason there are not more women on boards is because they can't find any skilled women. Whilst the total number of board seats increased only marginally, turnover was high. Between 2003 and 2004, eighteen new women joined the ranks of ASX200 Board Directors and between 2004 and 2006 another seventeen. This suggests that the population of 'board-experienced' women is larger than the population of current female ASX 200 board members.

EXECUTIVE MANAGERS

Turnover or perhaps churn is also evident in the 2006 Census at the Executive Management level. Fewer than half of the same individual women are recorded in both the 2004 and 2006 census. This churn highlights that many women are being pushed down the 'corporate off ramps' by inhospitable corporate culture and fewer opportunities.

Many more are pushed before they reach senior executive ranks. In 2006, only 12% of executive positions were held by women. The marginal increase is based on a small increase in the number in Executive Manager positions and a decline in the size of the overall pool of executive managers.

Whilst we are far from the tipping point, we have seen a significant increase in organisations with 25% or more of the executive team being female, rising to 18.0% in 2006 from 13.7% in 2004.

Once again where the women have been allowed to demonstrate their ability and value and act as role-models for other women, more women have been appointed on merit.

Unfortunately there was no increase in the appointment of female CEOs to ASX200 organisations, with just six companies (3.0%) led by women. However, a pipeline to the top jobs is continuing to form. Line management experience – roles with responsibility for profit-and-loss or direct client service – is widely considered necessary to advance to the highest level. In 2006, women hold 7.4% of the line roles, an increase from 5.0% in 2002 when just two CEOs were female.

INTERNATIONAL COMPARISON

Australia's female representation in corporate leadership continues to lag behind internationally. Women in the US, for example, reached Australia's current level of board representation back in 1994.

CONCLUSION

If organisations are to remain competitive and ride out the talent war, organisational change is necessary to slow the churn, increasing retention and attraction.

The low utilisation of the board ready pipeline and the only recently formed executive management pipeline shows that Australia's "she'll be right mate" attitude won't bring about change.

Remember the Opera House Opera Theatre. My question is what is the difference between filling the seats at the Opera House and filling the seats of Australian Boardrooms. While Opera may only be the taste of a few, the box office does provide a transparent process to gain access to a seat at anytime by anybody. Many of Australia's boardrooms on the other hand are closed to those with the ability to contribute equally to business success and sustainability.