

SPEECH

'The Worm Has Turned ... Women in Leadership 2010'

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Katie Lahey
Chief Executive
Business Council of Australia

Business
Council of
Australia



Thank you Audrey and thanks to your team for organising today's function and inviting me to speak on a subject that's close to my heart.

I'm particularly pleased to speak about women's leadership to a group of human resources professionals who work each day to help people of different genders, ages, professional and personal backgrounds to realise their potential.

When Audrey asked me some months ago to give her a title for my speech, I was very much engaged at the time with the BCA's new mentoring project for women executives, the "C Suite" project, which I'll say more about a little later. I was pleased and encouraged by the response we were getting, both externally from the media and other organisations, but also internally from our membership.

So I hit on the title: The Worm Has Turned.

A bit brave, wasn't I ... ?!

It certainly sounds like a big call to be making given how long the leadership gender gap has been a problem in Australia and how far we have to go to fix it. But I am prepared to make that call and hopefully, I won't be proved wrong.

As I say, we are still a long way off having the numbers of women we should in leadership positions in this country.

In the corporate sector, which is my main focus, less than 11 per cent of senior executive positions in ASX 200 companies are held by women and just 2 per cent of CEO roles. Given the lack of a pipeline, it's hardly surprising that only 10 per cent of board directors and 2 per cent of chairs are female.

So there's not much to cheer about in the numbers.

But where there has been a noticeable change in the last six to 12 months is in the way people in different sectors are both acknowledging there's a problem, and signing up to address it.

Let me now talk about this changing environment.

Alongside the BCA's "C Suite" project, the Australian Institute of Company Directors has adopted a range of new measures this year to promote the value of board diversity and, in particular, a bigger pool of women available for board positions.

And the ASX has expanded its Corporate Governance Principles to require each listed company – on an "if not, why not?" basis – to adopt and disclose a diversity policy that includes measurable objectives relating to gender.

These are two big developments and they are a sign, I believe, that this time we're going to see real change. Not overnight, but over time

And where aspects of the problem are relatively easier to fix, we are already starting to see results. Take the recent increase of female director appointments to ASX200 companies - more than 20 per cent so far for 2010, compared with 5 per cent in 2009.

My optimism about the environment for change is reinforced by the kind of leadership I see out there, role models demonstrating what can be done and why. And the fact that Australia has a both a female head of state in Quentin Bryce and a female Prime Minister, at least until Saturday, is definitely part of that.

I see standout examples of women leaders in the corporate sector (such as Gail Kelly, Catriona Noble, Ann Sherry, Catherine Tanna and Ann Pickard).

And I see standout examples of male leaders who really get it, and who are driving major structural changes in their own companies to make it far more likely for women to succeed them in the future.

Men like Michael Luscombe at Woolworths who created the environment for real leadership transformation. Twenty-seven per cent of Michael's leadership team are women, an 11 per cent increase on the rate five years ago.

Michael has facilitated women's career development and progression by creating an inclusive environment that appreciates difference. He openly recognises that women and men offer different perspectives and says this provides undeniable business benefits.

To remove barriers to women's full participation, Woolworths has introduced structured mentoring and networking opportunities, the option of part-time and job-share roles, flexible reintegration after parental leave and support during this leave.

Michael says gender equity just makes sense. He says, and I quote: "It would be silly for the future of this company if we didn't ensure that ... both parts of the gender divide are part of "the business".

What extends Michael's influence beyond Woolworths is his preparedness to encourage other CEOs to see the good sense of what he's doing. A point I often make is that things will only really change when men are talking to men about the value of having more women at the top.

This may seem an obvious point but it only really hit me last year when BCA male members were urging other BCA members to take the issue seriously. It was far more powerful than women urging men to sit up and take notice!

All these observations, seen alongside one another – the different initiatives, the role models and the heightened attention being given to the issue – lead me to say that the worm has turned.

That is certainly true if I reflect on changes I've seen over my professional life.

So why are we seeing this changed environment now?

Perhaps, as Michael Luscombe's views suggest, the global financial crisis has resulted in a more reflective corporate sector, more open to community expectations and more mindful that it has to do everything it can to shore up its advantages. That includes supporting talented women, as well as men, to realise their leadership potential.

I see this very clearly in the attitudes of BCA members.

When I look at the membership today, even compared to what it was when I started as the CEO nine years ago, Australia's top CEOs are more diverse. They're younger, they have high achieving wives and partners, and they want their daughters to have the same opportunities in life as their sons.

They value their BCA membership for all sorts of reasons, but a very important reason is that it gives them an avenue to contribute to the national interest, to demonstrate leadership beyond their day jobs through our Indigenous program, for example, and through projects like the "C Suite".

Now let me tell you more about the "C Suite" project.

For all the reasons I've mentioned, I sensed the time was right a few months ago to canvass the idea of a mentoring program for the BCA.

And I'd have to say the response from members exceeded my wildest expectations. Starting as a small, 12-month pilot project, I was beating members away with a stick who wanted to be involved.

So, let me explain the name for those of you who are not familiar with the term. "C Suite" is business slang for the most senior executives whose titles tend to start with C – as in, CEO, CFO and COO – and who also tend to occupy the comfy corner suites.

The "C Suite" Project involves BCA members in personally mentoring high-achieving women employed by other BCA member companies.

The idea is that this kind of one-on-one mentoring by people at the top will open up pathways for talented women to rise up the corporate ladder.

While there is a lot of attention paid to the low numbers of women on boards, the reality is that there's no pipeline of women through senior levels of Australian business to reach the lofty level of the boardroom.

I've spoken to a lot of people since the "C Suite" launch and the same questions come up about whether the current wave of interest in gender equity is any different to the waves we've all seen before, to little effect. And whether quotas are the only way to get real change.

Most BCA members strongly believe that imposed quotas would be counterproductive.

My own answer on quotas is "maybe". But I would far prefer to see the changes being made by the business community itself. And my sense is, having felt a good deal of frustration about this in the past, is that we're onto something now. But if progress isn't sustained then let's discuss quotas.

So what does a project like "C Suite" add to the mix?

The fact is that mentoring is always two-way – both the mentees and the mentors learn and grow from the experience. BCA members gaining more of a sense of the talented women in their own companies is part of that.

Importantly it helps women break into networks that haven't been available to them – networks that grow easily for men. For men it's easy to socialise around sport or their clubs or their cars, men's hobbies, their schooldays. Often they have the extra time to socialise and are understandably more comfortable in mentoring other men.

"C Suite" offers some women a chance to break into that networking circle.

Only time will tell whether "C Suite" and the other initiatives I've mentioned today will deliver.

Yes, I'm hopeful. My sense truly is that the worm has turned.

But we do need to keep the scope of the task in perspective.

We need to see all the good intentions actually translate into action and results.

And that's a job for all of us.

Thank you.