

Gender imbalance Business leaders back new guidelines

Measures to move women into top roles

Claire Stewart

Some business leaders have backed guidelines for improving gender balance in Australian companies, saying the reporting initiative is not about additional red tape but about pushing needed cultural change.

"Companies that aspire to be well regarded must not procrastinate on this issue," HSBC Australia chairman Graham Bradley said.

"I do not believe enough is being done by enough Australian businesses to advance women into leadership positions. It is a cultural mindset change that we are looking to achieve."

Developed in conjunction with Women on Boards and Company Secretaries Australia, the guidelines are meant to help companies collect and analyse data on their gender balance and assess how it compares against measurable targets set by the ASX

Corporate Governance Council in 2010. "I have always found that the old adage 'what is measured is done' applies in most corporate circumstances," Mr Bradley said at the launch on Wednesday, which included guests such as Australian Securities and Investments Commission outgoing deputy chair Belinda Gibson.

"More... focused reporting by companies on their progress towards gender equality will, I believe, make a material difference," he said.

Figures published in the 2012 Census show just 12 female chief executives in the top-500 companies in Australia; about 120 of the ASX 200 lack women in key management positions. The statistics also showed a glacial pace of change in the percentage of women in those positions compared with men, up to 10 per cent last year from 8 per cent in 2010.

"That's an increase of [1 percentage

Leading by example

European countries with quotas for women on boards

	Quota	Companies affected	Sanctions	Passage date	Compliance date
France	40% women board directors (if fewer than 8 directors, the difference between genders cannot be greater than 2)	Publicly traded or non-listed companies that have > 500 employees or revenue > €50m	Fees will not be paid to directors in companies not in compliance	Jan 2011	Jan 2017 (an interim quota of 20% must be reached by Jan 2014)
Italy	33% of the gender less represented	Publicly traded	4-month period to rectify, before fines are levied (starting at €20,000); then an additional 3-months to comply before elected members lose their office.	Jun 2011	Not specified
Austria	30% women board directors	State-owned enterprises	n/a	Mar 2011	2018 (an interim quota of 25% must be reached by 2013)
Belgium	33% women board directors	Publicly traded companies and state-owned enterprises	If the board has fewer of the gender less represented than the quota requires, any new appointment or reappointment of the majority gender is void. If the situation remains after a year, all benefits and compensations for board members are suspended until compliance is achieved.	Sep 2011	Varies, based on company type and fiscal year start. State-owned enterprises: 2011-12; publicly traded companies: 2017-18; small publicly traded companies: 2019-20.
Norway	40% women board directors	Publicly traded companies and state-owned enterprises	Possible refusal of registration, fine or dissolution	Dec 2003	2006 (state-owned enterprises); 2008 (publicly traded companies)

SOURCE: UK HOUSE OF LORDS REPORT NOV 2012

point] per year over the past two years, and at this rate it will take 30 years to reach a 40 per cent target," Mr Bradley said.

Chartered Secretaries Australia policy director Judith Fox said the pay discrepancies found even at graduate levels of the workforce, on top of family care requirements, meant women were rarely able to catch male peers in terms of salary, superannuation or hierarchy.

"Without flexible working arrangements to help women balance their

caring responsibilities, and without buy-in from the chief executive down, women are dropping out of the promotion cycle," Ms Fox said on Tuesday. "Any savvy board can... make improving gender balance a part of the CEO's [key performance indicators], with their bonus tied to outcomes. Doing nothing is not an option," she said.

Wednesday's launch followed the release of a study from Executive Women Australia this week, which shows that two thirds of women believe the failure to legislate on

executive gender targets or mandatory board quotas has pushed Australia backwards in the gender diversity stakes.

"Many [women] believe we are now a considerable distance behind a range of European countries that are seeing quality results through deliberate top-tier gender initiatives, many of which include mandatory board quotas," EWA executive director Tara Cheesman said.

► Corporate woman p61