



# CEDA's Top 10 Speeches Women in Leadership 2010–2015

The most influential and interesting speeches from CEDA's Women in Leadership event series from 2010 to 2015

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### **About this publication**

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### **About CEDA**

CEDA – the Committee for Economic Development of Australia – is a national, independent, member-based organisation providing thought leadership and policy perspectives on the economic and social issues affecting Australia.

We achieve this through a rigorous and evidence-based research agenda, and forums and events that deliver lively debate and critical perspectives.

CEDA's membership includes 700 of Australia's leading businesses and organisations, and leaders from a wide cross-section of industries and academia. It allows us to reach major decision makers across the private and public sectors.

CEDA is an independent not-for-profit organisation, founded in 1960 by leading Australian economist Sir Douglas Copland. Our funding comes from membership fees, events and sponsorship.

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committee for economic development of australia

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## Introduction

### Professor the Hon. Stephen Martin

Chief Executive, CEDA

During the last five years, CEDA has held more than 60 events across Australia seeking to engender discussion about Women in Leadership. More than 224 presentations were delivered at these events and more than 12,000 people attended.

These have complemented CEDA's research in 2011 and 2013 with the publications *Women in Leadership: Looking below the surface* and *Women in Leadership: Understanding the gender gap* respectively.

Despite this and the work of many other organisations and individuals, progress on improving workplace gender equality and increasing the number of women in leadership positions has been slow.

Selecting the top 10 speeches for this publication has been difficult as there were so many quality themes voiced with passion and commitment over the past five years. Those that have been included provide a snapshot of these topics and discussions, and represent a range of perspectives.

Importantly, they also touch on some of the topics CEDA has found through its research projects to be significant barriers to women assuming leadership roles across society, including, in no particular order:

- Affordability and accessibility of childcare;
- Cultural impediments;
- Lack of role models;
- Unconscious bias;
- The 'boys club' culture in some workplaces and often at senior levels;
- Lack of workplace flexibility;
- Lack of women in some fields such as STEM (science, technology, engineering and mathematics);
- Reinforcement of gender roles in the media;
- The lack of compatibility between school and business hours; and
- Low uptake of parental leave by men.

Putting together this publication has provided an opportunity for CEDA to reflect on why progress has been slow and if any progress has been made in the last five years.

What we have discovered is that during the last five years there has been action both by individual companies and government to increase representation of women at senior levels.

In fact, some of the speeches included in this publication have been selected because they provide great examples of how both public and private sector organisations have gone about creating real change.

Perhaps the most pivotal turning point during the last five years has been the determined leadership of Elizabeth Broderick, the Sex Discrimination Commissioner. Ms Broderick mobilised some of Australia's most influential and diverse male CEOs and created the Male Champions for Change. This group aims to use their individual and collective influence and commitment to ensure the issue of women's representation in leadership is elevated on the national business agenda. We have never before had this kind of commitment from corporate Australia.

Equally, the advocacy work of the Workplace Gender Equality Agency (WGEA) has also been instrumental in providing tools, information, education and research to businesses.

Notwithstanding, increasing women's participation in the workforce and in particular in leadership roles is not an easy issue to resolve.

There is not one single solution. In addition to dealing with obvious shortfalls such as a lack of affordable childcare and workplace flexibility, it is an issue also hampered by conscious and unconscious bias towards gender stereotypes and cultural norms.

Pleasingly one of the key areas where we have seen progress during the last five years is in the discussions at CEDA events.

While the issues and data remain largely the same, the conversation and discussion has markedly shifted. We've moved from having to make the case for why gender equality in the workforce is an issue and why it makes economic and social sense to make a change, to much broader acceptance that this is an issue and on to how to find solutions.

The second pleasing thing that has evolved during this series is the recognition that this is more than simply a women's issue, with men increasingly attending and participating in the CEDA *Women in Leadership* series events.

Hopefully these underlying changes, while not the rapid progress we would have hoped for, will help pave the way for much more significant progress during the next five years.

Until significant progress is made to reduce the gender gap in leadership positions and in our workforce more broadly, CEDA will continue to drive discussion on this topic.

It is with this in mind that we have asked one of Australia's most senior female executives and President of Chief Executive Women (CEW), Diane Smith-Gander, to provide her thoughts on the Top 10 issues that continue to hold back gender equality in the workplace.

In conclusion I would like to thank the many people who have supported and contributed to this series, either as sponsors, speakers or participants in discussions. In particular, I would like to note the contribution of Dr Hannah Piterman and Geoff Allen AM, CEDA's former National Chairman, who were instrumental in starting and driving this series.

One day in the not too distant future I hope CEDA can cease its work on this issue because significant progress will have been made.

I also hope that future generations will be able to reflect on this collection of speeches with surprise that gender equality was ever such an issue in the workplace. But until then, I hope you find this collection of speeches a useful resource to reflect on the issues and how they may be tackled.



# What are the 10 most significant barriers to women's equality in the workforce?

Diane Smith-Gander

President, Chief Executive Women (CEW);  
Chairman, Transfield Services;  
non-executive director, Wesfarmers

Chief Executive Women (CEW) represents more than 300 of Australia's most senior women leaders, whose shared vision is women leaders enabling women leaders. CEW believes women in Australia are economically disadvantaged.

There is a much lower incentive for women (compared with men) to participate in work at all and particularly to aspire to leadership positions.

This is driven by 10 key barriers that fit under three broad headings:



### Poor economic value proposition

1. Lack of affordable, flexible, high quality and tax deductible childcare (and, increasingly, elder care).
2. Absence of pay equity (including for flexible and part-time work, which can lead to women being paid less but still working out of paid hours to get the job done).
3. Lack of input into political decisions that shape the economy (such as the poor design of retirement saving systems, leading to inequitable outcomes for women).

### Poor social value proposition

4. Cultural norms about gender-based caring roles.
5. Cultural norms about what it is appropriate for women to aspire to study and achieve, for example STEM subjects and trade skills.
6. Lack of access to role models and networks within limiting educational, political, workplace and aspirational environments.
7. Poor regard for the tangible benefits of having a diverse workforce within an inclusive workplace.

### Lack of sustained, active commitment from the top of organisations to achieving gender equity, including through sponsorship of women into operational, finance and business leadership roles

8. Lack of flexibility in work design and practices.
9. Bias around what constitutes merit, what are valued skills and roles and around women's style 'differences'.
10. Biased recruitment and promotion processes that result in different and often higher hurdles for women than for their male counterparts.



# Women in Leadership: Progress and challenges

The Hon. Dame Quentin Bryce AD CVO

Then Governor-General of the Commonwealth of Australia

This speech launched CEDA's 2010 Women in Leadership series and marked the beginning of more than 60 Women in Leadership events from 2010 to 2015.

In this speech, Quentin Bryce lays out the statistical evidence of discrimination against women in the workplace and the advantages to improving gender equity in an organisation.

Quentin Bryce's speech explores the challenges facing Australian women in the workplace in 2010, challenges that, five years later, have not been overcome.

I am thrilled to join you here in Sydney today for the launch of the 2010 CEDA Women in Leadership series.

Last week, I was only a bend in the bay away at the Powerhouse – I always get a buzz going there – talking to this year's Stellar Scholars, 12 young women in New South Wales public schools, excelling in their secondary science studies, and keen to challenge the old stereotype that our new Nobel Laureate, Professor Elizabeth Blackburn, talks about: *that nice girls don't do science*. I told them that the world needs them; that, with women filling more than 50 per cent of science lecture halls at our universities, Australians can feel reassured at the prospect of having men *and women*, together, tackling the myriad scientific challenges ahead.

It seems serendipitous that, a week later, I'm around the corner talking about how we can make sure that happens not only in science but across all disciplines and sectors in Australian society.

I sincerely thank CEDA for your outstanding contribution and leadership in debates like these over the last 50 years:

- The rigour, expertise and independence you bring to your research and analysis;
- Your prominent role in the discussion and generation of ideas;
- Your influence in the development of public policy and best practice; and
- Your capacity to keep questioning and reinvigorating the task according to our changing economic and social demands.

This year's Women in Leadership series is timely. I think we've reached a point where women – and certainly many men too – are asking: “what progress have we *actually* made towards ensuring women's equal participation in society, particularly in leadership and key decision-making roles, in parliament, government, the judiciary, corporations, the professions, and the business and community sectors?”

There is a sense out there – or perhaps, a hopeful sense – that women are at last beginning to enter the senior ranks in steadier streams.

Rightly so, the women who *do* occupy senior roles attract media attention. It's not always fair and balanced. I'm sure we'd all like to hear and see less about outfits, and more about outcomes. The coverage nevertheless gets us all talking, which is a very good thing. Though the risk is that spotlighting a few with the intensity and saturation that the modern media makes sure of can leave us assuming that there are a lot more women in these roles than figures can verify.



Thanks to our Equal Opportunity for Women in the Workplace Agency (EOWA)<sup>1</sup>, our Australian Human Rights Commission and the Australian Bureau of Statistics, those figures are solid and comprehensive, and an important tool for measuring and monitoring women's progress.

What the figures tell us is that our perceptions may not be entirely aligned with the facts. For instance, in your (Women in Leadership) series brochure, you quote that in 2008 only 10.7 per cent of executive management roles in ASX 200 companies were held by women, signalling a downward trend of 1.3 per cent from two years earlier.

Further, EOWA data revealed that women represent:

- Eight per cent of listed company board seats;
- Seven per cent of key management personnel; and
- Twenty-nine per cent of line and middle managers.

Yet 50.9 per cent of professionals, 70 per cent of the part-time workforce, 35 per cent of the full-time workforce and 45.7 per cent of Australia's total workforce are women. They sit at the narrow edge of the gender pay gap, which is anything from 17 to nearly 35 per cent of total average weekly earnings. And the issue of statute-based maternity leave remains unresolved.

There are of course volumes of statistics for every aspect of women's participation and remuneration. Some are more encouraging than others. But the overall message is that we have a considerable way to go before we achieve genuine equality of access and opportunity for women and men in leading and influential roles in private and public Australia.

So, I see a frustration among people at the contradiction between what is portrayed and what in fact is. This frustration is heightened by evidence here and throughout the developed and developing world that:

- Women – once *in* leadership roles – are highly effective;
- They perform at least on a par with their male counterparts; and
- The diversity they bring tangibly adds to productivity and success.

The White House Project<sup>2</sup> is the United States' (US) non-partisan not-for-profit organisation that works on advancing women's leadership in all communities and sectors. Their report, launched in November last year, benchmarking women's leadership, contains consistent parallels to the things I've mentioned and counters others, and it has some instructive insights too.

I'd like to share with you some of the author's observations under the heading, *Why the time is now*:

- Diversity in our leaders not only promotes fairness, but delivers a strong financial advantage;
- Research has shown that when women are present in significant numbers the bottom line improves, from financial profits to quality and the scope of decision-making.

They quote a study by Catalyst<sup>3</sup>, another top US organisation, almost as long-running as CEDA, founded to help women into the workforce:

- Fortune 500 companies with high percentages of women officers experienced on average a 35 per cent higher return on equity and a 34 per cent higher total return to shareholders than did those with low percentages of women corporate officers;
- They also point to a growing body of research demonstrating that women's risk-smart leadership is perfectly suited to what their nation needs to get on to the right track; and
- Between 70 and 90 per cent of Americans are comfortable with women as leaders in all sectors from academia and business, to media and the military.

These are powerful tools for bringing about positive change for women and for our communities, economies and democracies. It is crucial we ensure that the work you and other organisations do quantifying, assessing and benchmarking women's participation and progress remains at the centre of debate and policy. Not only does it keep the issues alive, it keeps us honest.

We have a good handle on the facts and rationale for change. We know we should and can do better. There are reform models we can draw on from across the globe. But I think we lack honesty in our own words and behaviours – what we say and do every day about women's participation in society. It is what we each do in our own lives and families and workplaces that ultimately determines the critical mass that moves us towards or away from change.

Throughout my life, and now perhaps more than ever because of the role I'm in, women of all ages, mothers, daughters, grandmothers, ask me: "How did you do it?" It's a sort of question in code. No one needs to say: "Do what?" Any woman who has tried to combine work with the responsibilities of children and family and community knows and feels the struggle far more lucidly than she can put into words.

Women ask me, they ask one another, they avidly read and listen to other women's stories hoping to find that tiny pearl they thought they'd missed – the pearl that will make the difference between chaos and calm, failure and success.

I offer many snippets from less-than-perfect mothering:

- How important grandparents are in our lives and our children's lives;
- The deep bonds of friendship and support formed during child-rearing years that go on for a lifetime;
- The understanding, the encouragement of friends and professional colleagues;
- How we must look after ourselves because if we're okay, our families will be too;
- How we can't have it all at once;
- How awful the tag and the life of a superwoman is; and
- How much I have always gained from watching other women do it, including young women now in a new world.

These aren't pearls, just survival strategies learnt the hard way. They've worked for me enough of the time and so I've held onto them. But inherent and unspoken in my exchanges with women is the presumption that the responsibility for doing what has to be done to combine women's paid work with raising children and nurturing families still rests largely with women. Women still feel that they must make all of these things happen. And if they can't, they have failed.

The EOWA reports that:

- More than half of women say their partner does less of the unpaid domestic and caring work at home;
- Nearly a third say that if their partners did more, they would be more likely to work more hours in paid employment; and
- About half of women feel that part-time work, and flexible start and finish times, should be made more accessible to women and men in their workplace.

I've always been convinced of the potency of role models in women's lives. My own life is rich with them and richer *for* them.

Today, there are examples everywhere of women who have broken the mould and the ceiling, each with a story we can carry into our own lives. Indeed, this room is abounding with them. Role models are in a position to gather and lead out the critical mass. Different times call for different leaders.

*Now*, I believe we need to bring about a shift: a shift in the burden of the responsibility I spoke of earlier, from women, to women *and men*, shared equally and respectfully, in the home, in the workplace, in the boardroom, in our companies and parliaments, and communities, at every level.

And we need role models – women *and men* – who can model the success of doing it differently and better:

- Men and women sharing family responsibilities;
- Workplaces that are genuinely committed to flexibility;
- Employees who embrace flexible work practices because they actually work for them, and they feel supported at every step along the way;
- Corporations that are prepared to mine and reveal hard data that demonstrates the link between improved market position and gender equality.

The question should no longer be:

- How did you do it; but
- How did you do it differently and better?

This is, I suggest, the new conversation starter.

Many thanks for inviting me here today. I wish you the very best in your Women in Leadership series. And I can assure you that advancing women serves us all.



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**Endnotes**

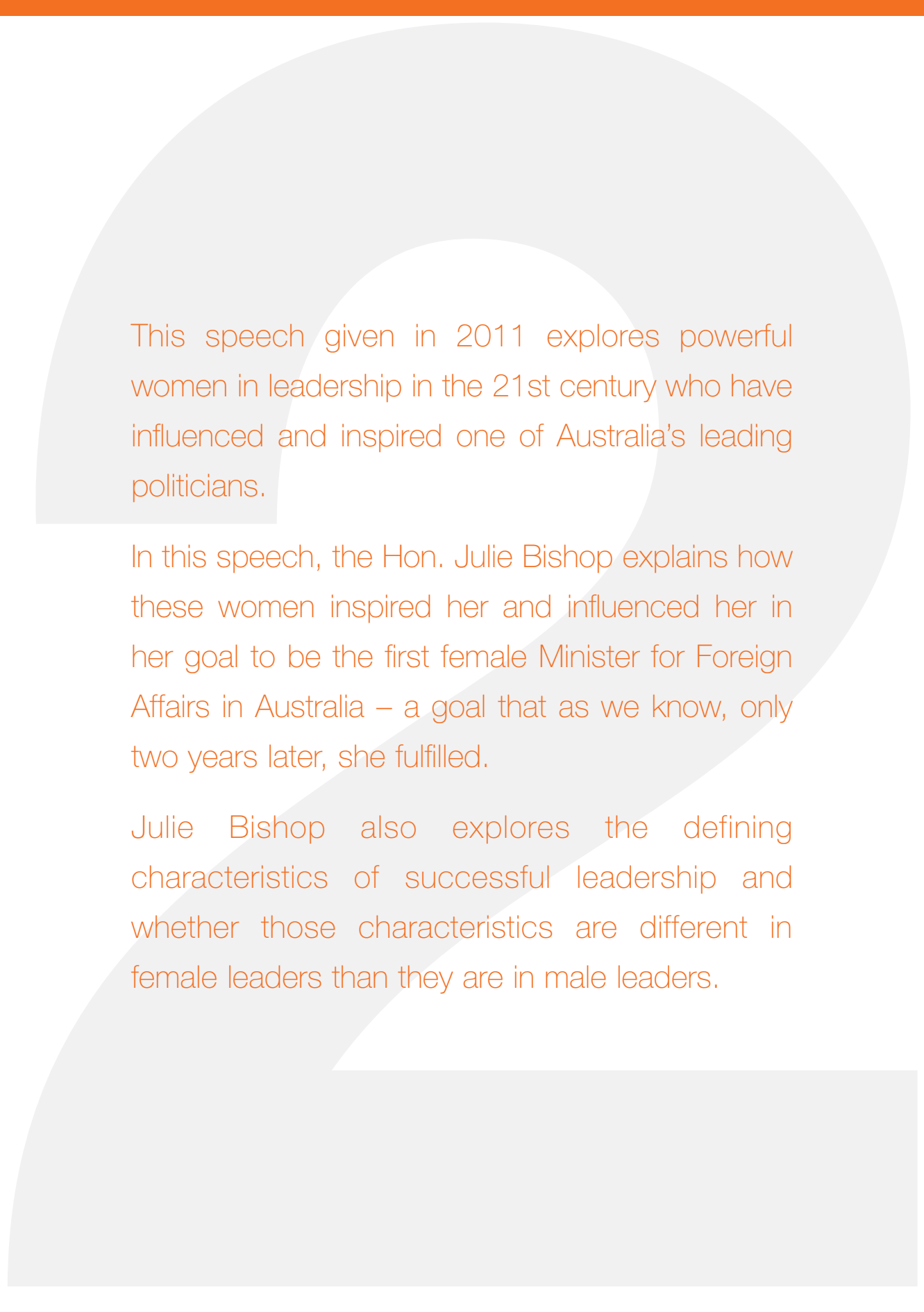
- 1 Called the Workplace Gender Equality Agency since 2012.
- 2 The White House Project closed in 2013.
- 3 See [www.catalyst.org](http://www.catalyst.org)



## The role of female leaders in the 21st century

The Hon. Julie Bishop

Minister for Foreign Affairs, then Deputy Leader of the Opposition  
and Shadow Minister for Foreign Affairs and Trade



This speech given in 2011 explores powerful women in leadership in the 21st century who have influenced and inspired one of Australia's leading politicians.

In this speech, the Hon. Julie Bishop explains how these women inspired her and influenced her in her goal to be the first female Minister for Foreign Affairs in Australia – a goal that as we know, only two years later, she fulfilled.

Julie Bishop also explores the defining characteristics of successful leadership and whether those characteristics are different in female leaders than they are in male leaders.

Last week there was a photograph in the international media that spoke volumes about power and influence, who wields it and how.

The photograph captured the meeting between Hillary Clinton and Aung San Suu Kyi in Rangoon depicting the beginnings of a new relationship between the United States (US) and Burma after a 50-year freeze.

These two women simply ooze power and influence. Both are champions for freedom, democracy and human rights, yet their circumstances could not be more different – the overt power of Hillary Clinton as the Secretary of State with all the resources and clout of the world's only super power and mega democracy in the US, and the covert power of Aung San Suu Kyi who has been fighting for freedom and democracy in Burma's repressive regime while under house arrest for the best part of the last 20 years.

While their circumstances could not be more different, both women in their own way wield enormous influence and have inspired many to their respective cause.

I had the good fortune to meet Aung San Suu Kyi in Rangoon in 1995 before I went into politics and it was shortly after she was released from her first period of detention. The meeting, which lasted about an hour, remains one of the most important memories in my life, for her selfless example and commitment to the people of Burma at great personal cost was so inspiring.

It was simply exhilarating to hear her speak, as the Opposition Leader in Burma, of her battle against the military regime at the time – a battle that was recognised with the award of a Nobel Peace Prize as one of the most lonely and courageous acts of leadership in recent times.

Leadership is an intoxicating subject. Many words have been written and spoken about leadership and its defining characteristics. Are leaders born or made? Is leadership an innate ability inherent in a small number of people? Or can anyone rise to the challenge of leadership under the right circumstances?

Into this complex field of study comes the issue of female leadership. Is it in fact different from male leadership, and if so, what are those defining characteristics? There is always of course a danger in stereotyping people whether it is based on their ethnic or cultural backgrounds, or their gender. However, there is a body of research backed up by evidence – mostly empirical – that indicates that women are different and women do take a different approach to leadership than men do.

Back in 1996 I undertook an MBA-style short course at Harvard Business School, the Advanced Management Program – a three-month intensive course on management and leadership – and among our prescribed reading was work by US researcher Dan Goleman on the topic of ‘emotional intelligence’ (EQ). I brought his book home with me and dipped into it again the other day.

According to Goleman, consider yourself to have a high EQ if you have:

1. The ability to be self-aware and know one’s strengths and weaknesses;
2. The ability to manage oneself, in terms of maintaining high levels of motivation and avoiding negativity;
3. Awareness of other people and their strengths, weaknesses and moods;
4. The ability to manage interpersonal relationships to promote teamwork, harmony and collaboration while limiting conflict.

That, to me, sums up the skills that I have observed in many women in leadership roles – in business, in communities, in politics, in families.

Research by the United Kingdom Chartered Management Institute predicts that management traits generally described as ‘female’ will be increasingly sought after by companies over the next decade.

US researcher Carol Kinsey Goman wrote in the *Washington Post* recently that:

“...the 21st century is seeing the combination of new employees, new technologies and new global business realities add up to one word: collaboration. New workers are demanding it, advances in technology are enabling it...”

“These new business realities usher in the need for a new leadership model, one that replaces command and control, with transparency and inclusion. This will increasingly highlight the value of a more feminine approach.”<sup>1</sup>

Goman describes women’s leadership style as more participative, more likely to share information and power, strong relational skills that make them seem empathetic to their staff and – with apologies to the males in the room – she finds that the opposite is generally the case with male leaders.

As Goman concluded:

“The most successful leaders of the future will take the time and effort necessary to make people feel safe and valued. They’ll emphasise team cohesiveness while encouraging candid and constructive conflict, they’ll set clear expectations while

recognising what each team member contributes, they'll share the credit and the rewards. And most of all they'll foster true networked collaboration through a leadership style that projects openness, inclusiveness and respect. Any leader can do that. Female leaders just already do it more naturally."

I don't want to overstate the female leader characteristics because there are as many individual styles as there are leaders but I think there are certain attitudes and behaviours that are more prevalent in women than in men.

I won't go into the 'men as hunters, women as gatherers' type of argument, but I believe that as more women around the world take on leadership positions – in their communities, in their countries, across continents – the impact of female leadership will be profound. As profound, I suggest, as the impact of increased female participation in the workforce.

According to McKinsey's report, *Women Matter*, the gross domestic product (GDP) of the US is now about 25 per cent higher over the last four decades because of the women who have entered the labour force in that time.

Research by Goldman Sachs suggests that if the remaining gap between male and female employment rates were eliminated, it could boost GDP in the US by a further nine per cent. Eliminate the gap in the Eurozone and it would be a GDP increase of 13 per cent, and for Japan it will be a whopping 16 per cent increase.

So there has been a considerable body of research that finds a strong correlation between women in management positions in companies and corporate success in the marketplace of those companies. There is now a business case for women in senior positions.

And let's face it, including women in leadership teams adds a diversity of attitudes, outlooks and experience. And greater diversity, I've always found, means the team is more likely to come up with new ideas, more creative approaches, and more flexible thinking and responses to challenges.

My current goal in life – and I think we all should set goals from time to time – is to become the next Foreign Minister of Australia. If I am able to achieve that, I will become the first female in this country to hold that role. Once that barrier is broken, I expect and hope that other women will aspire to that position.

This is a theory I have: We have broken the glass ceiling with female premiers in a number of states, with female governors, a female Governor-General, and of course our first female Prime Minister. And because those women have broken through that glass ceiling, my theory, is that many more will follow.



While it would be a first for Australia to be a female Foreign Minister, in the field of international relations I have many outstanding role models as a number of countries have had a number of female leaders. I have looked particularly to the US, which has been represented by three outstanding women serving as Secretary of State – the equivalent of Foreign Minister here in Australia.

I look to these three as inspiration and have taken careful note of their leadership styles when it comes to dealing with the highly complex and challenging world of international relations. Two are from the Democrat side of politics, one from the Republican.

The first woman to hold the high office in the US was Madeleine Albright after receiving unanimous support from the US Senate when she was sworn in.

Albright was an unusual choice. She was born in Czechoslovakia in 1937 into the world of foreign affairs as her father Josef worked in the foreign service of his country. But in 1948, after a communist revolution, her father was sentenced to death. Her family was granted political asylum in the US when Albright was just 11 years old. So that was her welcome to the world of international relations.

Albright excelled academically; she gained qualifications in political science and international relations. Her working career involved stints on political campaigns in the 1970s and 1980s, and she was appointed senior foreign policy adviser to Bill Clinton for his first presidential campaign in 1992. Clinton later appointing her Ambassador to the United Nations.

But everything I have read about Madeleine Albright shows that she used her formidable networking skills to balance the three main groups in her sphere of influence – the United Nations of representatives from other countries in the US, the President and his staff, and the US public.

One of her first missions overseas as Secretary of State was to engage in Middle East peace negotiations and that included meetings with then Israeli Prime Minister Benjamin Netanyahu.

As they say, the more things change the more they stay the same. The current Secretary of State is often engaged in Middle East peace negotiations with the now Israeli Prime Minister Benjamin Netanyahu.

Albright took the courageous decision to visit North Korea in 2000. And I don't say it was brave because of fears for her personal safety, but because no other Secretary of State had visited North Korea, and we can muse whether it was her female leadership characteristics that led her to make the decision to try to extend the hand of friendship to North Korea.

While I have suggested that women bring particular abilities to leadership, I think actually getting the North Korean regime to cooperate as a responsible global citizen was still a step that was too far even for Madeleine Albright.

But it is to her great credit that Albright left office in 2001 admired as much as when she assumed the position in 1997. She managed to exert the influence and power of the US without unnecessarily alienating others, and I would argue that her obvious high emotional intelligence was a key factor in her success.

In line with my theory that once a woman has broken through the glass ceiling, the first pioneer is followed by others, it was only a few years later that the second woman to be appointed as US Secretary of State was sworn in, on 28 January 2005.

Condoleezza Rice had been President George Bush's national security adviser from his inauguration in 2001 during a particularly tumultuous period in US and global events.

She was the first woman to hold that position of national security adviser and one can only imagine the stress and pressure on the role of national security adviser during and after the September 11 terrorist attacks on New York and Washington.

Reportedly, the Bush White House was staffed by a number of very dominant male advisers to the President, and Condoleezza Rice clashed repeatedly with them on a number of key decisions as the conflicts in Iraq and Afghanistan were being planned and executed.

Dr Rice was then appointed Secretary of State in 2005, the first African American woman. I had the pleasure and honour of meeting her in 2006, and I have long admired Dr Rice for her calm demeanour and her grace. Sure she was a woman but she was an African American woman. She had grown up in Alabama in the 1960s at a time when segregation, a form of apartheid, was still in place.

She credits her parents for instilling the confidence in her that while growing up and being subjected to segregation laws that, for example, prevented her from say buying a hamburger in a café that was reserved for white people, she could still, and did, aspire to one of the highest offices in the land.

It is amazing how often women credit the support of others for their success, and I think that is a key element of successful leadership.



One of Rice's colleagues once described her leadership style in the following terms: "I would say she is firm, which is maybe a nicer word for tough, and that is because she does her homework and she knows her position."

One factor that made Dr Rice such a powerful Secretary of State is that she developed a close and enduring bond with the President and that was widely recognised within and outside the White House. No one had any doubt that when she spoke, it was with the authority of the President.

To me, that means that it was her ability to maintain a close working relationship with her superior, in this case the President, that underpinned her authority. I think there is a lesson in that. She was neither threatened nor intimidated and she used the relationship to build her own position of influence and independence.

A hallmark of her tenure was her relentless campaign to ease tensions created by the invasions of Iraq and Afghanistan.

Condoleezza Rice was followed by the incumbent Hillary Clinton, the former First Lady of the US. As we know, Hillary showed enormous strength of character during her husband's second term as President, when he faced impeachment after giving misleading testimony in relation to his very public affair with Monica Lewinsky. Just think what she must have been going through.

Bill Clinton had been a towering figure in US politics as a hugely popular President. So when Hillary Clinton sought the Democratic nomination for the Presidency in 2008, she began the contest as the overwhelming favourite but she was up against Barack Obama.

It was a fierce and occasionally bitter contest between the two, yet at the end of it Obama nominated Clinton to be his Secretary of State.

Clearly, Hillary Clinton was able to maintain a working relationship with what had been a bitter presidential rival, and despite the very strong contest, she did not alienate her opponents.

During her swearing in process, Clinton addressed the powerful US Senate Foreign Relations Committee, where she said:

"... foreign policy must be based on a marriage of principles and pragmatism, not rigid ideology. On facts and evidence, not emotion or prejudice. Our security, our vitality, and our ability to lead in today's world oblige us to recognise the overwhelming fact of our interdependence.

“... We must use what has been called ‘smart power’: the full range of tools at our disposal — diplomatic, economic, military, political, legal, and cultural — picking the right tool, or combination of tools, for each situation.

“... With smart power, diplomacy will be the vanguard of foreign policy. This is not a radical idea. The ancient Roman poet Terence, who was born a slave and rose to become one of the great voices of his time, declared that ‘in every endeavour, the seemingly course for wise men is to try persuasion first.’ The same truth binds wise women as well.

That Hillary Clinton chose a quote like that I think speaks to her emotional intelligence – that women try persuasion first – and that has given me quite an insight into her leadership style. She is proving a significant asset for the US as she travels the world as the number one diplomat.

And I have had the privilege of also meeting Secretary of State Clinton and discussing with her one of her passions, and that is the status of women worldwide. She argues that the status of women in a country is linked to that country’s economic fate. She has many examples to back up her thesis.

She has long argued that female participation in economies boosts the GDP, the competitiveness and the productivity of nations. She has been a champion of women’s rights as human rights. That she makes the economic case as well as the moral case for women’s rights speaks again of her emotional intelligence.

As Foreign Minister of Australia, I would seek to use the influence that comes with being Australia’s representative overseas, to help women in developing countries, to empower women particularly in our region and to build networks among the women leaders in our region so that we can work together to improve their communities and their societies through greater participation of women in every facet of their societies.

As Hillary’s husband Bill once said: “Women perform 66 per cent of the world’s work, produce 50 per cent of the food, yet earn only 10 per cent of the income, and own one per cent of the property.”

Next week I will be travelling to the Pacific – to the Solomon Islands, Micronesia, Tuvalu and Samoa – to continue building networks with women in those nations, nations where some of them have not had a female member of parliament at all in their history.

And I hope to encourage women to take on these challenges, to stand up and be counted, and take on a leadership role whether it be in their village, in their community or in their parliaments, just as Aung San Suu Kyi and others encouraged me to dedicate whatever energies and efforts I could muster to the betterment of my country by becoming a politician.

It is a challenge that still gets me out of bed every morning to get on with what political life has to offer each day with as much enthusiasm as I did when I first entered federal politics.

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#### Endnotes

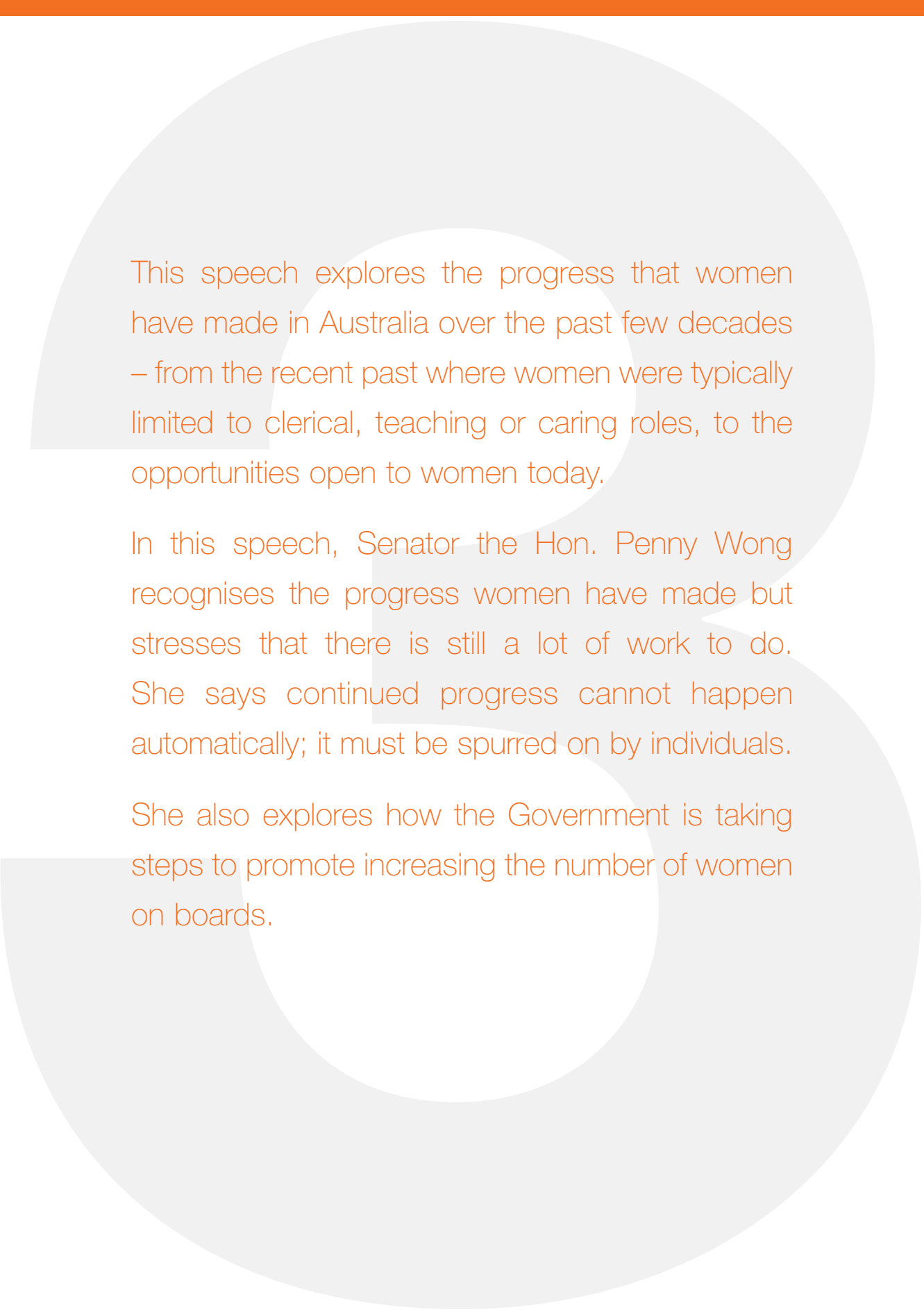
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## Closing the gap

Senator the Hon. Penny Wong

Senator for South Australia and Leader of the Opposition in the Senate,  
then Minister for Finance and Deregulation



This speech explores the progress that women have made in Australia over the past few decades – from the recent past where women were typically limited to clerical, teaching or caring roles, to the opportunities open to women today.

In this speech, Senator the Hon. Penny Wong recognises the progress women have made but stresses that there is still a lot of work to do. She says continued progress cannot happen automatically; it must be spurred on by individuals.

She also explores how the Government is taking steps to promote increasing the number of women on boards.

As Finance Minister, my role is often seen as a dry one: watching government spending closely, keeping the Budget on track, saying no to other ministers, and chasing efficiencies.

Yes, it's true that those things are a large part of my job, but one of the privileges of being the Minister for Finance is that you work at the centre of government, and this means the opportunity to influence and implement change in how government functions. In this context, one of my priorities has been to look at the ways in which government as an institution can help improve the gender balance in Australia's boardrooms.

It's very clear – whether it's in the private sector or in the government – that there is still a lot of work to do to ensure boardrooms better reflect the diversity of our community. This is not simply an issue of representation. It is an issue of ability. If we're not fully using the capacity and talents of over half of the population, then we're holding ourselves back.

Julie Collins, as Minister for the Status of Women, my colleague, is doing great work to advance equality for women in both the private and public sectors. On this issue, government can demonstrate real leadership. By improving diversity on government boards, we can effect positive change on boards across all sectors.

Before I get on to that specific issue, I want to start my remarks today by discussing briefly the broader issue of gender equality and the imperative for change.

Like many, I start from the proposition that there should be equality in all aspects of our lives. Whether it's on the basis of race, gender, ethnicity or any other attribute, we should be striving for a society where all people are judged on their abilities alone. This has long guided my approach to public life, and in fact, it's been a guiding principle in all aspects of my life.

The principle of equality is fundamental to who we are; it is part of our collective philosophical foundations. It has been one of the most enduring forces in our community. But it is not only about the community, it is about individuals. It is about individual aspirations, about enabling every citizen to realise their full potential.

So, when we speak of equality – whether in terms of representation around the boardroom table or the achievement of equal pay – it is not simply a matter of fairness, although it is that too. Equality is more than trying to get an equal share. It's actually about the nature of our democracy. It's about enabling every citizen to achieve – and to have every opportunity to achieve – according to their capacity. It is about ensuring that no individual is constrained because of their gender, their racial or cultural background, or their sexuality.

Just as the individual benefits from equality, so too does our society as a whole. Sadly, this is one aspect in the case for equality that is often overlooked. We all benefit if achievement is based on capacity because that is when the best person gets the job.

In Australia, we have certainly seen significant change over what has been a relatively short time span.

If I look at my mother's generation: their prospects for employment were typically limited to clerical, teaching or caring roles, and women were expected to retire from the public service when they got married.

Indeed, if I think back to the expectations this society had of my mum and her four sisters growing up in the 1950s, they were so distant to the aspirations that I was lucky enough to have when I was young. I don't know how many of you are *Mad Men* fans, but if you watch an episode of the *Mad Men* series (as good as it is), you can't help but be struck by the unremitting sexism of the time it portrays.

Thankfully, the steps we've taken, and that have been taken around the world since the post-war era, have seen Australia become a different country; a more equal country.

Of course, there is still more to do and the change is incremental, which is to be expected. Each generation is informed and shaped by the generations that preceded it. As each generation moves closer to an equal society than the one before them, improvement is made.

Today, you see a female Prime Minister and a female Governor-General. There are three female Justices on the High Court and two state governors are women. Increasingly in business, women are holding positions of influence, and we have women in leadership roles in the fields of law, medicine and science.

But the fact that all of these are still noteworthy probably means we still have work to do. Because actually, they should be unsurprising.

My hope – and I believe this view would be shared by everyone here – is that the steps our generation has taken will mean that my daughter and her generation, and all the women that follow, will have an even greater opportunity to succeed on the basis of their abilities.

But we must remember that the momentum for change is not automatic. Just because we have witnessed change from my mother's generation to mine, does not mean progress will continue for the next. It must be spurred on by committed individuals. We cannot rest on our laurels and assume that time alone will see equality occur. It always requires constant attention to not only make progress, but also to ensure that the progress made is not unwound.

As a Labor Government, we understand that real equality requires redressing many factors of disadvantage. In large part, our focus is on measures to improve women's economic security.

Despite making up 45 per cent of the taxpaying workforce, on all measures of economic standing, women tend to be left behind. We still tend to earn less than our male counterparts, and due to time out of the workforce for those who choose to have a family, often retire with substantially less superannuation.

We've gone some way to addressing these inequalities. Our reform to triple the tax-free threshold will see over 350,000 Australian women no longer pay any tax. And for the 2.1 million women who earn less than \$37,000, they'll no longer have to pay tax on their superannuation contributions, boosting their financial position after employment.

What does this all mean? It means fewer barriers and more opportunities for women at all stages of their lives. It means economic security and the freedom to pursue new careers and move cities to seek new employment. It is also why our Government supports women's participation, which is highlighted through our investments in skills development and supported by accessible and affordable child care. Our reforms to child care have seen spending double, with the Government now contributing close to \$4.5 billion this year. And we're very proud to have finally introduced the first paid parental leave scheme in Australia, which is already benefiting over 150,000 parents across the country.

When I first graduated from law school I can remember people then talking about the importance of paid parental leave. It certainly took a long time after that to achieve it nationally.





The introduction of the *Fair Work Act*<sup>1</sup> has also led to the historic pay equity claim in the social and community services sector, recognising for the first time that equal work should actually get equal pay, and the introduction of the Equal Opportunity for Women in the Workplace Amendment Bill 2012 would also drive changes in workplaces across the country through increased transparency and accountability.

The Government has also committed to a target for women to make up at least 40 per cent of positions on Australian government boards by 2015 – something I will come back to shortly.

These reforms will continue our progress to a more equal society. They are the steps being taken to continue to achieve the goal of equality.

Within the broader spectrum of advancing the status of women, improving the presence of women in Australia's boardrooms is an area of particular interest to me. Unfortunately, the arguments for equality have not sufficiently influenced the makeup of our boardrooms. Currently, just 14.4 per cent of board positions in the ASX top 200 companies are held by women. Of course, we should not discount the fact that this is a solid improvement from the 8.4 per cent in 2010, but clearly what the figures show is that something is still hindering the involvement of women on boards.

Increasingly, the economic imperative of board diversity is influencing decision-makers. And, while we should not give up on arguments based in equality, perhaps the economic arguments may be more influential. For example, a recent study by Credit Suisse directly addressed the question of whether gender diversity in corporate management improves performance. The report found that over the six-year time series they analysed, companies with at least some female board representation outperformed those with no women in terms of share price. Large firms with greater than US\$10 billion market capitalisation that had female board members outperformed those without female board members by 26 per cent over six years. For smaller firms, the differential was 17 per cent. While the causality behind these findings is no doubt going to be contested, the results, I think, speak for themselves.

It seems that the business and investor community is noticing, as the report found a clear trend towards greater female board representation internationally. In 2010, the ASX released changes to its Corporate Governance Principles and Recommendations that introduced recommendations relating to diversity.

A report released a couple of weeks ago by the ASX found that the majority of entities within the sample reported had established diversity policies that generally stretch well beyond gender. Furthermore, more than half of the entities that had a diversity policy reported measurable objectives for achieving gender diversity. These are positive results, and indicate a genuine shift in the thinking of corporate Australia, which is welcome.

Business leaders are similarly taking the initiative, with groups like the Male Champions of Change advocating for change. And more business leaders are taking a leadership role in improving gender diversity, but the size of the challenge still means that all sectors need to do their part. To that end, I see a role for government to complement and supplement the work of the corporate sector.

As I mentioned earlier, the Government has in place a target of 40 per cent of government board positions to be held by women by 2015, and we are on track to achieve this. But even in government, we face difficulties identifying candidates. Often the same candidates are put forward time and time again. This is not to say they aren't well qualified for these roles – of course they are – but we often struggle to identify the many more talented women we know are out there. In part, this is a function of historical disadvantage and also past practices.

When I became Minister for Finance I recall being presented with an all-male shortlist for a board appointment, to which I responded that if we couldn't even find a suitably qualified woman to shortlist, let alone appoint, then we probably had some work to do.

That is why today I am announcing that the Government will establish a Women on Boards Network to form better connections between Government and potential candidates. This network – which will be supported by the Department of Finance and Deregulation and the Office for Women – will identify potential candidates for government board positions with a key focus of the network being the appointment of women to their first board. Indeed, one of the obstacles confronted by women across all sectors is that prior board experience is often required for appointments.

One of my male ministerial colleagues told me that he had improved the gender balance of shortlisted candidates by removing past board experience as an essential criterion. But even when it is not part of the selection criteria, it can often be implicit in the selection process. With women holding so few board positions across the country, this practice amounts to a structural

impediment. That is why the early focus of the Women on Boards Network will be quite explicitly on getting women on their first board, to give them the start and the experience.

I believe this network will be a springboard for women into board positions. We will see an increased number of women with board experience, and so expand the pool of candidates for corporate Australia to draw on in their own appointment processes. And I hope that, over time, women who start their board careers in government will go on to successful careers in business, and that they become the future leaders of change.

I will soon be writing to business leaders, stakeholders, advocate groups and peak bodies seeking their involvement in the network – and I look forward to working with them and we'll formally launch the network later this year.

I want to stress that what I want to see is an iterative and evolving process because what we need is the network to be able to change over time to respond to the needs of candidates and of government, and to build on the work that has already been done in the private sector.

When I began my remarks today, I outlined the importance I place personally on achieving equality.

It has been a constant in my life and it will remain so. In the sweep of time, progress between my mother's generation and my daughter's will be profound, but this type of change takes time. It always takes longer than it should. But it also takes perseverance. There is a role for all of us to play here – for today's business leaders and tomorrow's. There is a role for government and business leaders and for everyone here today, and for women across Australia. Because we should never forget that the changes we make will shape the opportunities of future generations.

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#### Endnotes

1 *Fair Work Act 2009* (Cth)



## Are we there yet?

Elizabeth Broderick

Sex Discrimination Commissioner,  
Australian Human Rights Commission

This speech answers the question in regards to women's leadership: Are we there yet? Elizabeth Broderick looks at some examples of the evidence that we are *not* there yet.

The major discussion point is the treatment of women across the Australian Defence Force that spurred a review by the Australian Human Rights Commission and subsequent *Report on the Review into the Treatment of Women in the Australian Defence Force* tabled in the Australian Parliament on 22 August 2012.

The report contained 21 recommendations. In this speech, Elizabeth Broderick discusses one of the major recommendations: targets.

I think your (CEDA's) decision to develop a series of lunches to explore the issues of women's leadership has been such an important decision because it has assisted us in keeping this issue on Australia's national agenda – and that's for over three years now. So I want to thank CEDA for keeping this conversation going, because one thing we know – and we just had to look last week at some of the comments that are made not just here in Australia but in the United States (US), that unless we keep pushing forwards, hard-fought gains will start to slip backwards. Equality is never assured and I think we're reminded of that every single day.

My term was due to finish actually next week, and when I sat down and reflected on whether or not I would extend my term, I asked myself the question, "What other job takes you from 200 metres under the sea in a submarine, to the United Nations (UN) in New York, to go beyond the wire in the forward operating bases in Uruzgan Province in Afghanistan, to the White House, the World Bank and the Pentagon all in the same month", and I have to say there's not many of them so you've got me for another two years.<sup>1</sup>

A tremendous privilege of this role is that I meet so many inspiring individuals every day as I travel this country, individuals committed to using whatever influence they have to create a more equal world. Whether you're working to progress the rights of refugee and migrant women, whether it's about sex workers, defence force personnel, women of faith, board directors, women at senior executive level, women with disabilities or Aboriginal women. If you take no other message out of today, it is for each of us to use our spears of influence however small or large to create change, to build an Australia where equality is absolutely at the foundation.

Today is my chance to answer the question: women's leadership, are we there yet? Based on the data, it would have to be a pretty short lunch I'd have to say, so you better eat up quickly. The answer is clearly no, we're not there yet. That's something that we can all safely agree on today.



Yes we have made some good progress, and when I think three years ago we were well behind where we are now and particularly if you look at the women on board's agenda, we've moved from around 8.2 per cent in 2010 through to 14.5 per cent as at 16 August 2012. So that's almost double, it's a significant increase particularly given we'd moved 0.2 per cent in the previous decade.

Is it good enough? And I think the thing that depresses me even in seeing that statistic is the trend line. It shows that in 2011 – and this is looking at women on ASX 200 boards – 28 per cent of all new board appointments were women. In 2012, that has dropped back to 25 per cent. So mathematically, even following a cycle where every board's position is replenished, at this rate we can never have more than 25 per cent of women on ASX 200 boards if we progress at the same rate. So the message is that we need to step up the changes that Lynn (Kraus, Ernst & Young Managing Partner) talked about, we really need to amp it up and particularly when we look at the progress of women at senior executive level.

Today, I thought, given the work that I've been doing a lot over the last few months, I thought I'd spend a few minutes having a look at the question "are we there yet" in relation to women's leadership in the Australian Defence Force (ADF).

You may be aware that last week I released our report into the treatment of women across the ADF and it was tabled in the Parliament on Wednesday. I was told last week: "Commissioner, you're the greatest threat to Australia's national and military security ever". I felt like saying "move over Julian Assange, here I come". Fortunately, the CDF – the Chief of the Defence Force (General David Hurley) – doesn't think so because he accepted all the recommendations in the report, as did the Government and the Opposition.

It has been over the last 12 months an enormous privilege to engage with a distinct nature of an organisation like the ADF. Because it demands commitment and personal risk well beyond the things that any of us in this room are called on to do every day. It's a workplace in which the reality of posting cycles, of operations and deployment, together with a highly developed career structure and constant public scrutiny make this experience unique.

So for me it was such a rare thing to gain an insight into the day-to-day life of defence force members, to hear in their own words their ferocious commitment to service, their determination to perform at their best for the security and wellbeing of the nation. Those of you who follow some of the issue in defence may well know that our review was sparked by the improper sexualised

treatment of ADF women, particularly the Skype incident, which occurred in the Australian Defence Force Academy. But our review had a much broader imperative: we had to examine the underlying structures and cultures that contributed to this form of marginalisation while also looking at the failure of the ADF to keep place and pace with workforces across Australia.

The things that we saw there have many similarities to the constraints and the barriers that we see across civilian organisations, the barriers that impede women's progression up into leadership levels. But during our review, I visited around 40 military bases across Australia including naval, air force and army bases, training colleges, and recruit schools. I observed exercises and demonstrations, spent time underwater in submarines and above in frigates. I've been in helicopters, C-130 tanks and armoured vehicles, and visited six bases in deployed environments including Afghanistan, and spoken with thousands of members of the ADF. Meanwhile, we also surveyed over 6000 ADF personnel and today we have the first comparative prevalent data between women in the ADF relating to sexual harassment and women in Australian workplaces.

Really, the big story there – although everyone likes to focus on the ADF – is that the prevalent data is the same. One in four women will be, or have been, sexually harassed in the ADF in the last five years and one in five women across Australia have also been sexually harassed in their workplace in the last five years.

Our access to talk to people and hear their experience in the ADF was extensive, and we have so many stories – many of them positive, some ambivalent, some highly distressing. But as I said, while the ADF might seem like an unlikely comparison, it is one of the nation's largest employers and it faces challenges that I'm sure you'll find distinctly familiar.

So let me give you a few facts in relation to the ADF:

- Fact 1: The ADF has only achieved a two per cent increase in the recruitment of women over the last two decades. That is at a time when over a million new women – as new market entrants – have come into the Australian workforce. Women represent only five per cent of officers at the most senior level.
- Fact 2: The ADF is also comprised of 80 per cent of men who speak English at home. Yet men who speak English at home represent less than 40 per cent of the Australian population. So like many organisations, they haven't capitalised on Australia's demographic shift.





- Fact 3: Many people leave for reasons that are within the control of the ADF, including lack of flexible work arrangements. And that turnover has a cost. It costs between \$580,000 and \$680,000 when someone leaves the ADF.
- Fact 4: Modern warfare requires new and different abilities. A lot of the jobs that we see in male-dominated industries including mining and construction, are not jobs that require only manual skills or physical strength – they require technological skills, complex problem-solving and many other diverse skills that are found equally in both men and women.
- Final fact: Sexual harassment and abuse exists in our defence force today. It ruins lives, it divides teams and it damages operational effectiveness.

So these are some of the facts that really create the compelling case for change.

In our report we made a number of recommendations. I'm not going to go into them today, but I just wanted to single out two things that I think have similarity to what we talk about when we talk about the case for change for women's leadership and what we have to do better.

One of the aspects I'd like to talk about is how we can make the case for change personal. There's so much data and I see the research come across my desk every day. If people engaged in the data, why wouldn't we be seeing more women at leadership level? And I think it's insufficient to have cognitive engagement; we need to engage both the head and the heart as leaders if we are going to really have a steep change in this area. So I wanted to talk about making the case for change personal, and I want to spend a couple of minutes about targets – the introduction of temporary special measures – because at the end of the day, that's probably been one of the most successful interventions that's happened in corporate life in Australia regarding women's leadership. That's the ASX corporate governance reform.

As you well know, the ADF is one of the most reviewed organisations in Australia; it's been the subject of multiple reviews and relentless media scrutiny. So just delivering a compelling report was never going to be enough. Over the year it became obvious to me that unless we could make the case for change personal, the level of engagement would not be sufficient to drive a really significant reform agenda that we've delivered. But how could we do this?

By its nature, the ADF is a workplace that involves inherent risks. The fact is, experiencing sexual assault, sexual harassment, sexual misconduct, should never be one of those risks.

Throughout the review, not only did we speak to people in focus groups but we spoke to them individually and we spoke to them confidentially. We heard many stories, as I said, many were positive, but I have to say we also heard stories that were deeply distressing. Personal narratives are powerful, particularly when they're heard by change-makers within organisations. They can be a catalyst for change. While the stories were important for me to hear and my team to hear for the review so that we could understand what needed to change, they were even more important to engage the hearts and minds of the leadership of the ADF. I had to make the case for change personal, and if I could do that it meant that when the review was completed, there would be a higher level of engagement.

So one of the strategies that we adopted was to involve the most senior level across the organisation, what they call the chiefs of the services. We were aided by magnificent women with compelling stories. And I arranged for each of the chiefs of the service – the Chief of Air Force, the Chief of Army, the Chief of Navy – to spend time standing in the shoes of the most vulnerable. Really, to look into the eyes of the individual who love the ADF as much as they did, but for whom service had come at an unacceptable personal cost.

So I flew women in from all over Australia, many with their mothers, so that the Chiefs could hear – not from me but from these individuals who love the ADF – what extreme exclusion feels like, what it's like to be on exercise for two months when no one speaks to you. What it feels like to be sexually assaulted by your instructor; how you react when your next in your chain of command, the very person you go to for advice, violates you. The Chiefs listened deeply, they heard the pain of mothers – mothers who'd encouraged their daughters into the service, mothers who had believed that the enemy lay outside the ADF not within – and these sessions were some of the most defining moments of the review.

When I look back on the work that we did over the last 14 months, I have to say that this is some of the work that I'm most proud of. The work that reinforced that when you engage the head and the heart, that's when transformational change in organisations happens.



So yes, our terms of reference do require us to go back in and look at the implementation of our recommendations within 12 months. But it has been so heartening to observe the progress that's been made following initiation of new forms of engagement throughout the review.

I just now want to say a few words about targets because I actually think targets and metrics are so important to stepping up our engagement around women in leadership. I mean, we all know you can't be what you can't see, so just as it's critical to increase the number of women in any organisation, it's also critical to increase them in leadership positions.

To go back to the ADF as an example, women are severely under-represented in all leadership positions across the ADF. The trickle-up strategy will not work – this is a strategy by which women will just naturally filter to the top and that will address the stark imbalance. So what we did in the ADF – and I think it's something that the male champions of change have done really well – and that is the use of metrics, the use of a target.

That's a highly contentious issue in a military environment, particularly among women. Women are highly resistant to any form of initiative being directed solely at them because they view identical not differential treatment as the pathway to delivering equality. Part of a reason for that is that when you are treated preferentially, the chance is that there will be a backlash that inevitably trails that treatment. We heard statements such as “Well the biggest mistake you could ever make would be to give special treatment to women”. Look, identical treatment works if a level playing field exists. The fact is, men and women are different, smart organisations are recognising that and applying that information and knowledge back into the business processes and systems that exist in the organisation. There's no question, and the research is absolutely clear on this, identical treatment will lead to greater inequality where existing policies and practices are assumed to be neutral, but are actually deeply rooted in a male norm. So these are the areas in the ADF where we actually recommended that a target be inserted.

Targets do not undermine merit. As one senior ADF leader told me, she said “Quotas and merits are not mutually exclusive ideas; we all need to get over it. The reality is that every woman that goes to a short list at a promotion board has merit anyway”. And as the male champions of change say, they say nothing changes without a metric.

So I want to just finish now by saying a few words about the Male Champions of Change because we're fortunate today to have two members of that group who are going to talk to us after lunch. You may be aware that about two years ago I established the Male Champions of Change group. It was becoming increasingly clear that if we were to create change for women, particularly in paid work, we would need to work not just with women, but we needed to work with those who had the power, who controlled the resources – financial and human – in workplaces, and that is men. The research is clear: It's men taking the message of gender equality to other men that will help break what I like to call the 'cycle of absence' – namely that we have very few women at senior level.

The Male Champions comprise CEOs, chairpersons, heads of some of Australia's most influential organisations. So we now have a group of 24. They include the head of the Prime Minister and Cabinet Ian Watt, the Head of Treasury Martin Parkinson, heads of Telstra, Woolworths, Goldman Sachs, the head of the Army, the heads of the Commonwealth Bank, ANZ, Rio Tinto, just to name a few.

These men see gender diversity as both a human rights issue but also a business imperative. They use their collective influence to progress equality at an organisational level, but also to stand up and be key advocates on the issue of women's leadership across not just Australia but also globally. In fact one of the Male Champions is travelling with me to Washington next week; we have another going to Rio next month and a third going off to New York. So they are very active in this conversation, presenting at conferences and events, and continuing to advocate for gender equality.

Some of you may have seen the research that was released last year, which was an open letter written to every business leader about why women's leadership was important and they were really reflecting on their own experience in increasing the representation of women.<sup>2</sup> I'm please to say over 100,000 copies of that letter have been distributed to date. So I don't take the time, energy and focus of this group lightly. I know their aspirations are high. They are looking for bold and innovative ideas to make progress and this year they're ramping up their efforts.

This year, the group of 24 have divided into three self-directed action groups with eight in each group, each with the intention of supporting each other to drive change not just within their organisations but across Australia. They are meeting more regularly and they've decided this year to explore three streams:



- The first stream is the role of the leader: Where do leaders who are doing this well actually spend their time?
- The second one is game changers: What are the off-the-wall ideas that we've never tried before, we've discarded because we've said that's too crazy an idea? What are those ideas that we could bring back that we could start to put in place a monitored experiment and see whether we can create change?
- Number three is to look at flexibility and to really find out what it is that can build flexibility into the DNA of organisations including in the built environment, and the Diversity Council Australia (DCA) model of flexibility is one of the models being used.

I'm very excited about it because I think this time next year, sitting up on this stage, we will have 24 men who have run monitored experiments across different organisations about what might be possible. Because if we expect a different result by doing exactly the same thing, that will never happen. What we need is new ideas, new bold and innovative ideas, and I'm hoping that's what will be delivered one year from now.

So all these things said, I don't view the Male Champions of Change as the only or the most important champions of change in this area, after all – let's face it – women have been pursuing gender equality for quite some time now. Current effective strategies initiated by women as well as by mixed groups are equally important. But perhaps unsurprisingly, the establishment of the Male Champions was and has been met with some degree of scepticism, some concerns that it might be construed as corporate knights in shining armour galloping paternalistically into territory that women have occupied for years. Now I have no idea of course how the Male Champions view themselves, perhaps some do have a penchant for bravado in their spare time, but as their convenor I'm interested in results, and I see this group as a really significant group in that one of the many strings to our collective bow. As one of the members explained, he said the rules of work have been invented by men for men. This is why I believe that men, particularly those most influential in their respective industries, must be part of any endeavour to reshape the rules.

I want to conclude now by just saying that to cement the future of any workplace – whether it's the ADF, whether it's corporate Australia – leaders need to identify and discard those organisational elements that may be holding the organisation back. And it's often the simplest of changes in both principle and practice that have the potential to make a difference.

Cameron Clyne at the NAB recently observed in our research last year, he said, “when you think about it, having more women in leadership is far more under our control than most other business objectives we set for ourselves. This is not beyond our intellectual capability to solve. Excuses are just that.” So I invite all of you, male and female, to dispense with the excuses. As leaders in your organisation, you can propel momentum, you can make a visible commitment, you can drive the mindset shift from which the benefits will flow, and I know many of you have been doing it for a long time. Certainly, Rosa Kantor, who’s a prominent US academic, she first described the critical mass of women necessary to achieve change in an organisation. She observed that “leaders are more powerful role models when they learn than when they teach”. The Male Champions have found this; the ADF is finding this too. Many women throughout Australia’s business community have known this for years.

So let’s shift the goal posts then, let’s not be satisfied with a modest increase or even Kantor’s critical mass. Let’s model real ambition; not just for the sake of those women who aspire to or occupy seniority, but for the organisations they will lead.

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### Endnotes

- 1 Elizabeth Broderick's term as Sex Discrimination Commissioner has now been extended to September 2015.
- 2 Australian Human Rights Commission 2011, *Our experiences in elevating the representation of women in leadership – A letter from business leaders*, available at:  
[www.humanrights.gov.au/publications/our-experiences-elevating-representation-women-leadership-letter-business-leaders-2011](http://www.humanrights.gov.au/publications/our-experiences-elevating-representation-women-leadership-letter-business-leaders-2011)



## Women in Leadership: A human rights perspective

Professor Gillian Triggs

President, Australian Human Rights Commission



This speech delivers an alternative perspective to the issue of women in leadership by exploring human rights law and its importance for developing gender equality in the workplace.

In this speech, Gillian Triggs discusses her role as leader of the Australian Human Rights Commission (AHRC) and the issues facing the AHRC, particularly related to asylum seekers and immigration detention.

She also criticises both sides of politics for failing to pass and implement the Human Rights and Anti-Discrimination Bill, and calls for stronger political leadership in the development and implementation of human rights law.

It is a very great honour for me to have been invited by the Committee (for Economic Development of Australia) to speak to you today to discuss an area that doesn't directly have anything to do with economic development, but which I think indirectly ensures economic development, and that is of course, human rights.

It is wonderful to be here with so many friends and colleagues, and to be in this marvellous city of Brisbane. Before I came here I visited the Anti-Discrimination Commission here in Brisbane, and I was very interested to learn that Queensland has really been the leader in developing domestic human rights law here in Australia. It was really setting the standard for best practice for more than a decade until Tasmania took over, and is now the leading state in terms of developing law. That's one area I do want to talk about.

But before we do, I thought we might reflect just a little on the life of Baroness Thatcher, whose state funeral has just been held in London. We're prompted then to consider the role of women in leadership in public life in the 21st century.

Margaret Thatcher was well known for her pithy aphorisms. She's renowned for comments such as: "If you want something said, ask a man; if you want something done, ask a woman."

She polarised responses on political issues, philosophies and economic policies, but never because she was a woman. She was never a victim and she never considered herself one. When asked what it was like to be a woman Prime Minister she famously remarked that she had no idea because she'd never been a man.

Love her or hate her, Margaret Thatcher appeared to be supremely confident and in control with no self-doubts, anxieties or complexities about being one of the most powerful political leaders of the 20th century.

What can we learn from her life and leadership? Some of you will be thinking that perhaps Baroness Thatcher was actually a poor role model in that a life lived without self-reflection or doubt is not a life worth living. I'd suggest that leadership for its own sake is not the point. Rather, we should make the right decisions, legally, morally and ethically, with humane consideration for the effects on others.

Coming up on the plane today was really a rather depressing exercise. Reading the newspapers, item after another demonstrated a point that my colleague, Sex Discrimination Commissioner Elizabeth Broderick, is well aware of. That is that we have made glacial progress in advancing women on boards or in senior management.

The seventh annual *World Economic Forum Global Gender Gap Report* puts Australia as having slipped 10 places, from 15 in 2006 to 25 in 2012. The reasons for this ranking are due to lack of wage equality and political empowerment. Based on these figures, we seem at least to have plateaued.

I'm not going to spend time on these statistics or figures because I think you know it all extremely well. However, what I would like to do is explore what all this means in the context of human rights law and how somebody like me, who's been very honoured to be appointed to the position I have, is trying to use that leadership to achieve the outcomes that I think are important.

I have of course looked to some of these innumerable self-help books that are on the market at the moment. There is enormous interest in buying books that tell women how to become leaders. In preparing for this speech, I did a quick Google search on this very issue. A quick check on the internet just in the last few days shows a number of them, one a very important essay by Anne-Marie Slaughter, Dean of Public Administration and Law at Yale, who states that women can't have it all.

But in today's (*Australian Financial Review*), there's (Dr) Lisa O'Brien saying "yes, you can have it all but not all at once". Then we have these books about how remarkable women lead, and one that is very much my favourite, *Nice Girls Don't Get the Corner Office* by (Dr) Lois Frankel.<sup>1</sup> You might be interested in the fact that I do have the corner office. You can draw your own conclusions.

But a book that has created something of a furore is a book by Sheryl Sandberg called *Lean In: Women, Work, and the Will to Lead*.<sup>2</sup> She, for those of you who don't know, is the CEO of Facebook. She's listed as one of the 50 most powerful business women in the world, and her central thesis is that women should be more willing to sit at the table, take risks and take responsibilities. In short, women should get out more, be engaged and stop complaining.

I actually find these books rather depressing because they don't ever seem to reflect in any way at all my life or my professional career. But I do have one experience that I thought I might very briefly share with you. It does relate to Sandberg's argument that women should grab for leadership roles even

if we're only 60 per cent certain that we have the credentials for that step because, after all, that's what men do.

There are a lot of these sorts of glib, quick, snappy phrases in books that we can pick up for \$20 in the airport. However, recently I have had an experience that absolutely confirms what she says. Last year I was on the selection committee for the New South Wales Bar Association's proposals for the Chief Justice for the appointment of barristers to take silk.

In an unprecedented year (2012), of the 26 who were ultimately selected by the Chief Justice, 12 were women. In the past, only one or two in any one year would ever be given silk.

I found the process absolutely fascinating because the majority of those successful women were selected almost immediately with relative ease. The reason for this was that it was abundantly clear that they were of a sufficient seniority and experience, they were well regarded by their peers and judges, and it was clear that they were well and truly ready for the step up to silk. Indeed it's probable that some of those women would have been appointed earlier had they taken the step of applying sooner.

By contrast, and strong contrast, many of the men who applied were disappointing in their application because they were years too early.

So I drew the conclusion from this experience that, yes, women are not as willing to put themselves forward as men. Men are willing to take the risk of failing, they're willing to try again and they're willing to change rulings that aren't in their favour.

I do feel very strongly that you've got to step up, you've got to take the chance, you've got to take risks and you've got to make mistakes. And I thought if I may prevail on you just for a few minutes to talk a little bit about my pathway here, then I will move on to my primary topic, that is, to talk about the work of the Australian Human Rights Commission. I'll talk a little bit about how I've perceived the last nine months in trying to promote human rights in an election year.

Interestingly, one of the things that Sheryl Sandberg most particularly criticises women for is that, when asked about how they got a leadership position and why they are where they are, women often say, "oh, well I've been incredibly lucky".

I've been saying that for the last 40 years and it is actually true. I was a boat person. I came to Australia as a £10 Pommy migrant in 1958 through the Suez Canal. I saw the Suez Canal in those months after the invasion of the



canal, after it was nationalised by (Gamal Abdel) Nasser, invaded by France and the United Kingdom (UK).

While I was taken kicking and screaming out of the UK to migrate to Australia, the journey through the Suez Canal, through Ceylon as it then was, Fremantle and to Melbourne was an eye-opener. It was then that I realised there was a big world out there and that somewhere there was a place for me in it.

I found that place when I went to law school in Melbourne. In those days, in the early 60s, you did law. It was straight law; I didn't do a combined degree. So at age 18 I was sitting in lecture theatres and admitted as a barrister and solicitor at 21. I hadn't the slightest idea what I was doing.

In my last year of law I did international law. I wandered into the lectures of a man called Doc Bleiter who was a Polish Jew who'd come to Australia in 1938. He talked about the Covenant of the League of Nations. He'd been involved in drafting that covenant at the end of the World War I, the war to end all wars. He took us through the drafting of the covenant, he then talked about how the tanks rolled in from Italy into Abyssinia, or Ethiopia as it now is, and everybody knew in 1936 that World War II was coming. He also talked about the failure of the rule of law, about the failure of the covenant. Tears came down his cheeks, and I thought, "this is the subject for me, international law".

At that time, studying international law was only something you did if you were rather frivolous, as I definitely was at that time. I queered my copybook very badly by being Miss University. Nobody of course took me remotely seriously, so it has taken me 44 years to get back up there again.

But I have been lucky, and the subject grew around me, an academic background, a practice with Mallesons Stephen Jaques helping to establish their offices in Singapore and Jakarta, but mainly working in the commercial area in offshore oil and gas.

I had my first opportunity at leadership when I was asked to be the Director of the British Institute for International Law. That's when for the first time I had my own budget. I really believe in the importance of the financial ability for women to lead, and one of my favourite pieces of literature is Virginia Woolf's *A Room of One's Own*. You have to have those strengths and capacities, and the role with the British Institute for International Law provided me with experience and opportunities around decision-making, building a budget, building a team around it and starting to achieve your objectives. I was also able to do that as Dean at Sydney Law School and now with the Human Rights Commission.

Let's perhaps talk a little bit about the Commission. I've learnt a lot in the last nine months. What I have come to realise is that we are really in a very odd twilight zone in Australia with regards to human rights law. The reality is that Australia has been a global leader punching well above its weight throughout the world in negotiating the major treaties to which we're party: International Covenant on Civil and Political Rights; International Covenant on Economic, Social and Cultural Rights; Convention on the Rights of the Child; Convention against Torture; Convention to Eliminate All Forms of Discrimination Against Women; right up to the more recent times with the Rome Statute of the International Criminal Court.

The odd thing is that we have not implemented those treaty obligations in our domestic law, with three exceptions: race discrimination, sex discrimination and disability discrimination. These are some of the domestic legislation provisions that provide the underlying base for our work.

At the Commission, we have six commissioners:

- Elizabeth Broderick, I know you are familiar with as the Sex Discrimination Commissioner;
- Disability discrimination is Graeme Innes;
- Age discrimination we have Susan Ryan – the first woman to be appointed to a Labor Cabinet and a marvellous woman to work with;
- Mick Gooda from Rockhampton in fact, who is our Aboriginal and Torres Strait Islanders Commissioner;
- Australia's first National Children's Commissioner, Megan Mitchell, was appointed in February 2013; and
- Currently, I am also the Acting Race Discrimination Commissioner.

We have a very major function in complaints handling, and we handle about 17,000 inquiries and complaints a year, 19 per cent of which are sex discrimination, and most of those are in employment. So if you wanted to distil what we do in relation to sex, almost invariably employment discrimination. I think it's a very important function of the Commission because it provides access to justice for people who otherwise would not be using the courts, or if they were to go to court it would completely flood the courts. We do manage to conciliate more than half of the matters that we consider.

As President, I consider a broad range of issues in relation to human rights and fundamental freedoms in Australia. I do spend a great deal of my time on issues related to asylum seekers and immigration detention. I also intervene on behalf of the Commission in court cases and engage in public advocacy.

I've particularly enjoyed the opportunity to work at a national level. I thought I had a fairly big role when I was Dean of a law school. However, it has been such a privilege to work at the national level, travelling from an aged care facility two hours up a red dirt road from Katherine, then to Christmas Island or Tasmania. Developing my understanding of the complexity, richness, wealth and good will of much of Australia has been such an interesting part of my job.

I'd like to use my remaining time to discuss what it's like to be a leader in human rights law in an election year. It's been, as you will all know, a fairly hazardous and unpredictable business, and rather disappointing, but with mixed results.

Just a few weeks ago we saw an unprecedented public debate on the Human Rights and Anti-Discrimination Bill, which our new Attorney-General Mark Dreyfus has now withdrawn.

We've also seen four of the six media regulation bills withdrawn after ferocious and very public rejection by the media and by commentators.

In considering these reform initiatives, we've had one of the most robust discussions that I've ever heard in Australia on the rights to freedom of speech and freedom of religion.

Going back to a point I made before about the legal twilight zone that we're in, what this debate has highlighted is that we don't have any Australian domestic law on the right to freedom of speech or right to freedom of religion.

These are fundamental rights that depend on our courts, on our community culture and on our politicians' good will to implement. We rely on the courts, community and parliamentarians because we do not have a bill of rights or a legislative charter in the way that every comparable common law country in the world has.

As the public debate on the Human Rights and Anti-Discrimination Bill continued in the media, the number of asylum seekers arriving in Australia by boat exponentially increased. Since 13 August 2012 – a critical date as it was when the Government adopted the policy of no advantage – we've had over 15,000 unauthorised boat arrivals with many more arriving each month.

Under the Government's mandatory, and arguably arbitrary, detention policy, we now have over 1300 children in detention, closed detention behind wire. We have about 900 in open community detention and 30 or so detained in Manus Island.

The number of arrivals seems relatively trivial compared with the numbers that I saw in Jordan where I was a couple of months ago. In Jordan, they were dealing with 300,000 Syrian refugees pouring across their very porous borders. But the numbers nonetheless are very significant for Australia in the current political environment.

From a human rights perspective there are many legal issues raised by government policies in relation to refugees and asylum seekers. It is at least arguable and very probable that to detain people in closed detention who are seeking protection indefinitely is a breach, not only of international human rights standards, but of the very principles that King John was forced to agree to on the fields of Runnymede for the Magna Carta in 1215. We have now something like between 8000 and 9000 people in closed mandatory detention in Australia as I speak. They have not committed any offence, and they have no capacity to go to the courts to have the necessity for their detention challenged.

Another area that is numerically not so worrying but nonetheless troubling at an individual level is that 55 people have been assessed to be genuine refugees before the new policy started on 13 August 2012, but they have been assessed by Australian Security Intelligence Organisation (ASIO) as being a security risk. Now, ASIO may be entirely right, and the evidence that they are a security risk may be watertight, but the difficulty is that nobody can challenge these assessments. You can't go to the courts and say, "I've been assessed as a security risk but I'm a refugee, please determine or review whether or not the basis on which I am being detained is fair or not". Indeed, the 55 people detained mandatorily don't even know the reasons, or haven't until very recently known even the most broad-brush reasons for their detention.

The difficulty is that no other country will take a refugee with a negative security assessment, so there's no possibility of them being resettled, and of course they have no right of access to the courts. Recently, however – and this is a ray of light – the Australian Government has appointed a Federal Court judge, Margaret Stone, to conduct an independent review of ASIO's assessment and to give at least ballpark reasons for their detention. But the very sad reality for these people is that many have been in detention for close to four years.





A young woman in particular has had children, two children have been born in detention in Villawood, and many of these children have to attend school leaving closed detention to go out into the community during the day and back into closed detention at night.

Of course I haven't yet mentioned the Convention on the Rights of the Child. We are very concerned with offshore processing insofar as children and families are being taken to what appear to be quite inhumane facilities in Manus Island and Nauru. We are also concerned with the way in which offshore processing is being conducted in that it appears the Government is delegating its responsibilities to the governments of Nauru and Papua New Guinea. The Government must be reminded that it cannot avoid its international human rights obligations by transferring asylum seekers to third countries.

We're also concerned about the release of asylum seekers into the community on bridging visas. Those on bridging visas are prohibited from working, which seems to me not only contrary to refugee law but contrary to the very essence of being Australian. The opportunity to work is critical to the way in which we all form a part of the Australian community.

Against that rather dismal background, we have some important advances to human rights law, and one is the decision just a couple of months ago on a bipartisan basis for legislation to recognise Indigenous Australians in the Constitution. That is very unusual legislation and I think we all should be looking at it, but in a very short space of time it would be necessary for the Minister to report on the willingness of Australians to consider constitutional recognition of Indigenous Australians.

As previously mentioned, the Attorney-General has also appointed for the first time a Children's Commissioner at the national level. Children's commissioners have of course existed at the state level, including here in Queensland, but never at the federal level. We also have something that has really occurred under the radar but I think is a very important mechanism to advance human rights law in Australia: that is the establishment by the Government of a joint parliamentary committee chaired by Harry Jenkins, former Speaker of the House. This committee has the task of scrutinising all bills and existing legislation for compliance with international human rights law. This committee is already proving very successful, detailed and conscientious in its work.

I'd like in the last couple of minutes, just to highlight the difficulties, by way of illustration, of trying to play a leadership role in relation to the Human Rights and the Anti-Discrimination Bill. Now that Bill, you'll remember, was introduced

by Prime Minister Julia Gillard and Attorney-General Nicola Roxon as a consolidation bill, and indeed it was. What the Government was doing was pulling together all the bits of legislation – sex, disability, race and age, as well as a few other provisions – and putting them in one coherent piece of legislation. We at the Human Rights Commission strongly supported it because it makes the law clearer, making it easier for employers and so on. You'll remember that our Prime Minister used this language to promote the Bill. But what went wrong?

Well, what went so severely wrong was that this Bill did a lot more than consolidate existing legislation. It was actually a profoundly important piece of reform legislation, because what it did was extend anti-discrimination laws that you already have on the books in Queensland, and they have had in Tasmania as well, on sexual orientation, religion, industrial history, social origin and so on. But the furore was created because suddenly laws that we understood in the context of race, sex and disability are now being applied to a new area of 'protected attributes'.

The context in which much of this took place was in the area of racial vilification, and you'll remember that the Government in the draft exposure Bill included the language from the *Racial Discrimination Act*<sup>3</sup> of insulting and offending, so that if someone insults, offends, intimidates or humiliates somebody on the grounds of race in a public place or a public context, that will be something subject to prosecution under the *Racial Discrimination Act*.

We've lived very well with that law since 1996, but a prominent figure was prosecuted on the basis of it – that was Mr (Andrew) Bolt – for what the Judge determined in the Federal Court was inaccurate work that lacked good faith and could not be excused on any of the grounds of excuse. But the hare had been set running because what the Government did was to take the language of insulting and offending and apply it to all the new attributes, so that if you offended and insulted somebody on the basis of breastfeeding, immigrant status, social origin, industrial history, you could be drawn within the terms of the new legislation.

So we had the media doing what is absolutely fatal in Australia, they reduced the Bill to ridicule. They made fun of it. They had cartoons of Nicola Roxon dressed as a nanny, stuffing the dummy in the baby's mouth. We were seeing ourselves as a nanny state, that in Australia we're not robust enough to take insults. We all rib each other for one reason or another. This attention on the words 'offend and insult' meant that the Bill was pretty much dead.



But it was also killed by the second point that was picked up so strongly in the media, and that is that there was a shifting of the burden of proof. Rather than having all the obligations to prove the offences in the Human Rights and Anti-Discrimination Bill lying with the complainant, a certain element of the offence of motive was to be moved typically of course to the employer.

And here we had the media and others saying that this was a reversal of the burden of proof and that it was going to destroy democracy as we know it.

Now, the fact that the courts have always applied the *Racial Discrimination Act* in the most egregious of cases, only at the highest threshold, was not relevant in the public arena. What happened was ultimately that the derision of the Bill was so powerful – even if misconceived – that very important reform legislation simply failed.

What lessons can be learnt from it? Well, first that you should never describe to the Australian public legislation as being one thing when it's actually that and something else. Australians are so quick to pick up any humbug or any obfuscation of the truth. The other is that when you're reforming, particularly in a volatile political environment, you needn't go for overreach. It's not sensible. You need to have flexibility and to withdraw.

The process highlighted the importance of leadership. If you haven't got strong leadership to support a bill on a bipartisan level, it will fail. The context in which we have seen bipartisan leadership has been in the context of the *Aboriginal and Torres Strait Islander Peoples Recognition Act 2013*, where both the Prime Minister spoke of a deed of reconciliation and Mr (Tony) Abbott, then Leader of the Opposition, spoke specifically of the Treaty of Waitangi as a means of making two people one nation. That legislation has gone through and may very well be successful.

One aspect of the process that proved quite a surprise to us at the Commission was that the one area we thought would create the greatest public dispute barely raised a whimper: that is the issue of sexual orientation as a protected attribute. People accepted it. It was a fascinating process.

From here, we don't know what's going to happen except the good news, perhaps particularly for today's group, is that the present Attorney-General is determined to get the sexual orientation provisions into the *Sex Discrimination Act*<sup>4</sup> as it currently exists. So there will be something of benefit to come out of this process.

Perhaps I could conclude by saying that leadership, I believe, is enormously important and each of us should exercise it in the ways that we can, but it's not about personal ambition. If that's what it is, it's a sterile concept and it's totally empty of substance. We need to be strong in ourselves to know what it is we want to seek and to achieve, and I think with time we can almost always achieve it.

Reaching back a little to the Sandberg thesis, yes, women need to lean in but they also need to lean back and across to the groups that people like us have left behind; the women on the canteen floors, serving in the hospitals, in public transport where they're poorly paid, poorly represented, almost inevitably have low superannuation opportunities, often not good career opportunities at all, managing families and doing so on relatively low wages.

I think one of the greatest responsibilities we have as well educated, professional women is to ensure that these women are drawn into our community, and that is where economic development will come when we work across these boundaries to bring women in and to ensure that they have the rights that they should have, as a matter of law and as a matter of ethics as well.

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### Endnotes

- 1 Frankel, L 2004, *Nice Girls Don't Get the Corner Office 101 – Unconscious Mistakes Women Make That Sabotage Their Careers*, Warner Books, New York.
- 2 Sandberg, S 2013, *Lean In: Women, Work, and the Will to Lead*, Random House, New York.
- 3 *Racial Discrimination Act 1975* (Cth)
- 4 *Sex Discrimination Act 1984* (Cth)



# Women in Leadership: Understanding the gender gap

Helen Conway

Director, Workplace Gender Equality Agency

This speech provides a look into CEDA's policy perspective, *Women in Leadership: Understanding the gender gap*, which was released in June 2013.

In the Tasmanian release of the report, Helen Conway assesses its recommendations and proposes further avenues to explore to close the gender gap in Australian workplaces.

The speech also explores the role of the Workplace Gender Equality Agency and how it helps businesses and individuals assess and evaluate the gender equality in their workplace, and provides tools for businesses to improve gender imbalances in their own organisation.

This is a wonderful report<sup>1</sup> and I would like to start by congratulating CEDA for the terrific work they've done in putting this report together. It's the culmination of a number of years' work.

CEDA has facilitated some very good discussions around women in leadership over this period. It's so important that organisations like CEDA continue this effort, particularly as we see our public debate so narrow. Our political debate, which really diminishes all of us as Australians, needs to be supplemented by other organisations. That's why CEDA and organisations like CEDA are so important. We're very happy in the Workplace Gender Equality Agency (Agency) that we see organisations like CEDA keeping gender on the agenda because we need to maintain the rage because the progress is so slow.

The report really is a call to action. It's a very substantial report with a lot of information and lots of material around the barriers for women in workplaces and around some potential solutions. The time for talking is over and we need to get on with it. As we say in the Agency, we're sick of the talk. We really need to move the needle faster than it has been to date.

So today, what I'll do is not try to go through the report – it's obviously quite dense and you can see lots of information, which I do urge you to read. I'll focus on the 'doing' part of the report, which is a set of recommendations.

The report is titled *Understanding the gender gap* and the recommendations in the report are essentially under three headings.

The first heading is enabling workplace meritocracies. A common assumption is that workplaces are meritocracies in Australia. That's obviously a myth because if you assume a relatively even distribution of talent across the genders, if workplaces were truly meritocracies, you would see far more women in leadership and management positions. The first set of recommendations is all about trying to deal with this issue that we don't have meritocracies. What are the steps that we can take to make sure that we embed true meritocracies in our Australian workplaces?

The report recommends that organisations undertake awareness and education training around unconscious bias. The reality is we all have unconscious biases. We often don't know what they are until we do some work around them. Bias in organisations is a significant driver of disadvantage for women. The fact is there is actually a lot of *conscious* bias. I always laugh when people say, "there are these unconscious bias training programs and if you take these training programs, you will be (all) right". The reality is there are a lot of people who are very consciously biased. It doesn't matter if it is conscious





or unconscious – the impact is the same. Having said that, the Agency fully supports working within organisations to make sure that unconscious bias is understood and dealt with.

The second recommendation relates to the gender pay gap – a sustaining problem not just here but globally. The current gender pay gap is 17.6 per cent. That's a high level extrapolated figure based on average full-time weekly earnings for men and women. It means that women are earning 17.6 per cent less than men. That figure hasn't changed much over the last few decades. It moves between about 15 and 18 per cent.

When we talk to people, they say, "we don't have a gender pay gap in our organisation; it's that other organisation over there". And we say, "well, a lot of people are saying that but someone must have a gender pay gap because we have this high level extrapolated figure at 17.6 per cent". What we say in the Agency is, "what you need to do is understand this issue". There are some people who don't even know about the gender pay gap. So one of the things we're trying to do is raise awareness of the gender pay gap. We're asking organisations to undertake a very simple step. What this recommendation says is to conduct structured pay audits. We recognise that is an onerous task. But that's ultimately what people should be moving to. But in the first instance, you can undertake a really simple payroll analysis.

On our website<sup>2</sup>, we have a free payroll analysis tool so you don't have to spend a cent. You can go onto our website, put your data in, and you can conduct a pretty simple payroll analysis of your organisation. That will tell you whether or not you've got a pay gap and it will help you analyse what the problems are, and over time you can become more sophisticated in your analysis. So we fully support this recommendation that organisations should undertake pay audits, recognising that perhaps in the first instance, people would like to start simply with a very plain payroll analysis.

The next recommendation relates to human resources (HR) systems. It's a really important recommendation because if you look into organisations, you often find very significant gender bias embedded in HR infrastructures. The report recommends that you review some of these processes – recruitment, performance management and promotion processes – to eliminate that bias. What we say is look at *all* your HR infrastructure. One of the areas where bias is significantly embedded is in job evaluation systems. So, look at all your HR systems, look at your recruitment and promotion processes, but also look at your job evaluation systems, your talent management systems and your remuneration frameworks. You will often find when you unpick these systems that there is bias. Whether unconsciously or consciously, the effect is the

same: it's discriminatory and ultimately it's one of the drivers of disadvantage to women in workplaces.

The last recommendation really goes to the issue that workplaces still aren't a level playing field. In an effort to try to assist people, and women in particular, and giving them a 'leg up' in what is not a level playing field, what's recommended is that organisations put in place mentoring and networking opportunities for women. We support that but in the case of mentoring, we think organisations should go a bit further and really should embrace sponsorship. Sponsorship is a much more active form of mentoring where the sponsor actively advocates for the person they are sponsoring. So, until we can get through what is a fundamentally embedded disadvantaged position for women, there are some special initiatives that need to be undertaken like mentoring, sponsorship and networking opportunities to give women a bit of a leg up until that level playing field comes along, which will hopefully come along more quickly than has been the case in the past.

The next set of recommendations is under culture and, as we know, culture is a significant driver of change in organisations. It is very hard to change culture but if you don't attack culture, you won't get change.

The first recommendation talks about breaking down workplace gender stereotypes. We still have people who say to us in the Agency that managers should be male and they have to work full-time. In 2013, that's a startling statement, but that's what people say to us. Significant gender stereotyping is found in statements like this: "Women have got a problem – they've got to care for their children, so we can fix, or help them fix, that problem by giving them part-time work." Caring is not a problem for women. Caring is a responsibility of families. Part-time work or flexible work arrangements generally should be available to all – men and women. You can see how the gender stereotypes are embedded in the structures and attitudes within organisations.

The next two recommendations really go hand in glove and they are significant because the suggestion is that you need to review how you organise your work in the workplace and you need to design flexible workplaces. There's absolutely no doubt that our workplaces are currently structured for a society long since gone. If you think about how we live today, workplaces are not accommodating that. So until we take a fundamental review around how we should live and work in society, workplaces will continue to disadvantage women. Flexible work isn't necessarily easy to manage. But the payoff of flexible work practices is significant. Until flexible work practices and flexible careers are mainstreamed and considered 'business as usual' for both men and women in Australian workplaces, you won't get gender equality.



If you do an analysis of the lifecycle of women in workplaces, you will see – particularly at graduate level – a healthy recruitment level, sometimes 50:50, sometimes greater in some sectors. But the same-old, same-old occurs: you will see as women get to childbearing age and beyond the numbers fall off significantly. One of the reasons for that is the inability of workplaces to come to grips with family and embed flexible work practices, so have a full range of flexible work practices but also facilitate flexible careers. By flexible careers I mean allowing people to move in and out of the workplace – men and women who will do that for different reasons, not just caring for children – and not disadvantage their career.

The next category is engaging leaders and introducing accountability. The report talks about putting in place clear governance, accountability and leadership, and embedding personal responsibility into behaviours and actions. This is where the Agency thinks we can really drive change. There's absolutely no doubt that people have not treated gender equality as a central business issue. They see it as something peripheral; something you flick to the HR department. This issue will not have credibility until it is treated as a central business issue. If you treat it that way then you will apply to it the same sort of framework and structure that you apply to any business initiative that you want to achieve. If you take a basic model of leadership accountability, which is applied in any initiative you want to achieve, if you did that in relation to gender, you might have some hope of improving the rate of progress. By leadership, I mean the leaders in the organisation advocating for, and role modelling, gender equality initiatives.

I remember a story in the Agency of a CEO of a very large organisation who used to take every second Friday off to look after his grandchildren. He said to his executive assistant she was sworn to secrecy. He said, "I'm off doing very important work; don't tell anybody I'm looking after my grandchildren". How powerful would it have been if that CEO had said openly to the organisation, "I'm going to take every second Friday off to look after my grandchildren"? He might have actually authorised much fairer and more balanced behaviour in his organisation. This is the power of leadership and we do not see it in organisations at the moment. If you want to achieve anything, you have got to have leadership.

Organisations need to look at their particular operations and try to understand what the barriers are to gender equality in their particular organisation, and then put in place action plans to deal with those barriers. Organisations will differ one to the other. What's a barrier in one organisation may not be a barrier in another. You actually have to do the diagnosis. There are some really simple diagnostics around that you can use to do this. Determine the

problems and how you are going to fix them, put in place action plans, and transparently report your progress across the organisation and externally against those plans. If you are really committed to this, you won't have a problem with reporting externally what you are doing.

It's very interesting. I had a discussion with some organisations recently about setting targets for the appointment of women to management and leadership positions. Some of them said, "we don't think that's a good idea". Others said, "we will set targets but we don't want to tell anybody". Why not? We report all sorts of metrics: we report financial metrics, we report safety metrics. If you truly believe in something and you are making a genuine effort to achieve it, you should have no trouble with reporting your progress.

Of course the final component is accountability. As we know, many good initiatives in organisations founder on the rock of poor accountability, particularly as you go down into lower management ranks. What we say is: "you must hold your managers accountable for the outcomes in the gender space". While this is crude, we say you should tie managers' remuneration to achieving those outcomes.

So that's the set of recommendations. It's a terrific set of recommendations and if people were prepared to adopt those recommendations and really substantively commit to them, we would see big change in Australian workplaces.

So what is the real challenge for us? The biggest challenge is to change the paradigm. Gender equality is not an HR issue; it's a business issue. You need to align it with your strategy and you need to bring it to centre stage. Until you do that you've got no hope of achieving it. That's what history tells us because people haven't done this. They haven't moved it to centre stage.

I don't want to spend a lot of time going through all the research that shows that at a national level and organisational level the benefits are huge. I could bore you for hours about all the research that has been done. You don't need any more research. The case is clear. But it does mean we have to get out of our comfort zone, we've got to think broadly and we've got to act expansively. We often see a situation where people will say in an organisation, "the way we've done things in the past has worked really well so we don't think we need to change it very much". Probably in response to the fairness and equity argument they say, "we should put a few women in a few positions so we can tick that box". That's pathetic. You certainly won't reap the benefits of gender equality if you are going to do it that way. We have to chance our arm. We've got to take some risk. As a friend once said to me, "if you aren't living on the edge, you're taking up too much room". I think we should live on the edge and take up less room and get on with it. It is clear we need to act.



An example of where we don't think broadly and act expansively is the debate around women on boards, which gets so much airplay at the moment. The Australian Institute of Company Directors (AICD), with whom the Agency has a good relationship, go around beating their chest saying, "look at the improvement of women on the top 200 boards. This is terrific progress." You have a look at those appointments. Of course it's good to see progress, we applaud that, we applaud the efforts the AICD has made. But the pool from which they are drawing still remains very small. There are a lot of women out there who are highly talented and extremely well educated who are fit for those sorts of positions. But the blokes aren't prepared to chance their arms; they are not prepared to take the risk. They are looking for the safe people. So we have to take some risks here. We have to think more broadly. We have to think differently about gender. We can't keep doing the same things and expect a different outcome.

The biggest step in our mind is that you really do have to reimagine and redesign workplaces. I made reference to this earlier. We need to have workplaces that are sustainable into the future. So if I gave you all a plain bit of paper now and said, "design a workplace for 2013 in Australia and beyond, one that'll sustain and keep us competitive into the future", I don't think you would design workplaces the way they look today. I think you'd design workplaces that take into account the way we live today. We would take into account the fact that caring responsibilities are shared. We would take into account a whole lot of different things – different needs and aspirations that employees have and the fact that people want to be able to accommodate balance in their lives. If people have balance in their lives, there is a significant social payoff.

So this is the challenge. It is a long-term game, we recognise that. And there is work that is being done by the Federal Government in relation to reimagining workplaces, and that work will continue. We think this is critical work. It's a long-term game, but we have to start sooner rather than later. There's no reason to delay.

What should you do? You can get on the journey. It starts with each of us in this room. When we go back to our workplaces, what are we going to do? What's the tangible thing that we will do to improve gender equality in our workplaces? What are the actions, what are we going to do?

It's not limited to the workplace. The reality is we won't see significant changes in workplaces until we see significant changes in social attitudes. We don't just live in workplaces; we live in families, we live in communities, we do a whole lot of community work. We have an obligation individually to make sure

in all those arenas that we behave in a fashion that is fair and equitable – a fashion that supports gender equality.

People say Australia is an egalitarian society. If you look at the gender statistics, it doesn't appear to me that that's the case. The challenge for us is to make it an egalitarian society. So that's what we want you to do.

What is the Workplace Gender Equality Agency going to do to help? We have a statutory mandate to assist organisations to improve female workforce participation and improve gender equality within Australian workplaces. That is our precise mandate. We are both a regulator, and we are an educator and influencer. In our regulatory role, all organisations in the private sector with 100 or more employees have to report to us annually. But, most importantly, in our educator role, as an implementation agency, we're here to help people achieve gender equality. So our focus is on tools, resources and education to help those organisations – not just those that have to report to us but the broader Australian community – to achieve gender equality. And of course, we have a very significant mandate under our legislation to raise awareness and understanding and public debate around this issue.

In December last year, a new Act<sup>3</sup> was passed that governs our Agency. We were the Equal Opportunity for Women in the Workplace Agency and we're now the Workplace Gender Equality Agency, hence the name of the Act. There were lots of changes under that Act for us but for today's purposes, the significant issue is the change in reporting that organisations will undertake. Previously organisations reported to us on programs, they reported to us on input. Under the new legislation they will report against gender equality indicators and these comprise outcomes.

What we'll have over time is an incredibly powerful set of data. We'll have an unprecedented picture of gender equality in Australian workplaces. Indeed, it's world-leading. There is no other country in the world that will have this data. We'll use the data to develop benchmarks. So these have got nothing to do with compliance with the legislation, they are simply educational benchmarks. We'll disaggregate the data by organisation size and by sector. Those who report to us can see how they're performing against their competitors in these key gender areas. They can work with us on how to improve those areas where they are falling behind. We think this is the absolute engine room of the legislation, and certainly the biggest driver of change the Agency has ever had.

Let me finish up on what is the economic imperative. I don't think anybody in this room would doubt that in Australia we have a very significant productivity and competitiveness challenge at the moment. We see the mining boom



coming off its peak and we see traditional manufacturing very challenged in this country. So we need to do a lot of work to broadly re-engineer some of the fundamentals our economy. Australia will not remain competitive if we don't deal with that. That has to happen irrespective of what government is in power.

Coincident with this is the compelling research about the benefits of gender equality. I will just quote one piece of research that is probably the most recent and relevant Australian research in this area. That's the work done by the Grattan Institute last year: the game changers report by John Daley.<sup>4</sup> He looked at what three levers Australia could pull to improve its productivity. One of those key levers is related to gender equality. John Daley says in that report that if Australia increased its female workforce participation by six percentage points – which would be comparable to Canada, which is a very similar economy to ours which means this is an achievable goal – we would increase annual gross domestic product (GDP) in Australia by \$25 billion. So this is powerful evidence and a compelling reason to promote gender equality in Australia. So what we're saying is as we reset the economy, gender equality should be right at the centre of that debate. This is a very significant opportunity that I don't think Australia can afford to miss.

So we exhort everybody to do what they can in their area to improve gender equality. We look to an improved national debate around how we can reset our economy. And with that broad call to action, I'd like to formally launch CEDA's report and congratulate them on an outstanding publication.

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#### Endnotes

- 1 CEDA 2013, *Women in Leadership: Understanding the gender gap*, Melbourne.
- 2 [www.wgea.gov.au](http://www.wgea.gov.au)
- 3 *Workplace Gender Equality Act 2012*
- 4 Daley, J 2012, *Game-changers: economic reform priorities for Australia*, Grattan Institute, Carlton, Victoria.



## Transforming the Australian Army: A case for gender equity

Lieutenant General David Morrison AO

Chief of the Australian Army





This speech provides a candid account of Lieutenant General David Morrison's journey to change the culture of the Australian Army.

While there has been much talk about gender equity in the workplace, the voices we often hear are from those who are fully cognisant of the issues or have experienced inequity first hand.

This speech is unique because it shows the journey from recognising the issue to taking action to drive cultural and institutional change.

I have been your Army Chief for almost two-and-a-half years, and during the course of that time I have become increasingly involved, certainly out of a deep personal commitment, but also in response to certain circumstances that have happened in our Army and our Defence Force, in the issues around diversity and inclusivity.

Now, before I say anything further, I would like to offer three caveats. And while this is not practiced public speaking to do this at the beginning of an address, I really do feel the need to do so. The first caveat is institutional, the second is academic, and the third is personal.

Institutionally, the Australian Army exists under our constitution for one reason primarily, and that is to fight and win the nation's wars. If you would like to give it a business connotation, our output is either the implied threat of, or the delivery of, violence. I make that point upfront because much of what I will talk about is addressing cultural issues within the institution that is the Australian Army. I certainly don't lose sight of the fact that I am held to account, not just by the Government of Australia, but also by you, the citizens of Australia, to deliver an Army capable of securing the future prosperity of this country and a protection of either its land mass or its interests.

The second caveat is academic. I have now had the opportunity over the course of the last couple of years to speak at functions such as this about culture and the challenges to changing culture. But I have no background in it. I have no training as a sociologist or as a psychologist. My background is an arts degree, and that's about as much as I can tick off. So what I speak about today is deeply personal, but of course, expressed within the guise of a leader of a 112-year-old institution, the Australian Army.

And so to that third caveat: I am 57 years old, I am white, I have an Anglo-Saxon heritage, I am male, and I have never, not once, been discriminated against on the basis of my race, my sex, my sexual orientation or my religion. And while I suspect that there is a time coming soon where I may be discriminated against on the basis of my age, I do not speak with personal authority in this area.

Yet I am very aware that I am speaking to an audience largely of women who in many respects will have felt at least partly, or perhaps much more dramatically, our society's imbalance in terms of gender diversity, and felt the weight of that.

So having offered those three caveats, could I now just tell you a little bit about your Army, because if you're 112 years old and you're one of Australia's trusted institutions – and many surveys point to the Army as one of the top three or top five most trusted institutions in this country at the moment – it is for me disheartening that many of my fellow citizens don't know very much about it, and I think that says a great deal about our democracy and about our place in the world.

So we are 112 years old. And down at the War Memorial along the Roll of Honour, which runs on either side of the wall up to the Hall of Remembrance, are the names of our fellow citizens, who, since the Sudan War, before the Boer War, have gone overseas to protect Australia and its interest and not returned. There are 102,000 of them. They are primarily from the Army. While they are not exclusively male, they are overwhelmingly male because the business of the Army during the 112 years that we have existed has been seen as a predominantly male preserve. That's not to say of course that there haven't been women as part of our organisation since its inception on 1 March 1901. We now of course, in 2013, have many women in our organisation. But they are under-represented.

When I became the Chief of Army in June 2011, I was aware and concerned, but not energised, about the fact that we indeed had less than 10 per cent of our 50,000-person workforce who were women.

Indeed when I came into the job as the Chief of Army, I was concerned about three things primarily. The first was the support to our men and women on operations. And when I began my time as your Chief we were on operations in Timor and the Solomon Islands as well as Afghanistan, and that has remained and will continue to remain my number-one priority because that's what you expect from me.

My second priority, and you can be relieved that I will not talk about this in any detail, was about the force structure of the Army, most particularly in the third decade of this century, doing my bit to ensure that we would be a robust and relevant fighting force ready for Australia's security needs in 2030.

And my third concern was set in a rather grey mist for me, but was nonetheless absolutely committed to it, around the idea of workforce. But I have to say that my overwhelming concern in June 2011 was the care of our wounded, our ill, and those who had been injured as a result of their military service. That does still remain an absolute priority for me. But I hadn't given a great deal of thought – not conscious thought, not laid out thought, not thought that you gained through interaction with men and women who you trust – about culture.

You see, I had accepted from the time that I had joined the Army in 1979 and embarked on my Army career here in Brisbane in 1980 that our culture was something that was almost sacrosanct. That it had sustained us in all of those wars that are remembered at the War Memorial, and of course remembered most poignantly with those names that run along the Hall of Memory. Yet as I came into the job, I was only too well aware that the Army and the Australian Defence Force (ADF) had undergone a series of reviews – 13 over the last 15 years – and that if they were to have a commonality given to them, it could be found in the recommendations that went to the heart of the culture of the organisation. Indeed, some five months before I became your Chief of Army, we had an incident at the Australian Defence Force Academy, which I am sure everyone in this room is familiar with, and if you aren't please put up your hand and I will describe it, but what has become known as the 'Skype affair' is still receiving considerable press today.

Now, as a man, as a soldier, as a general and as a leader in waiting, I was of the view at the time that the actions of the men who have since been found guilty in a Magistrates Court in the Australian Capital Territory (ACT) around that Skype affair were abhorrent and reprehensible, but this was not indicative of the culture of the ADF, let alone the Army, although they were army cadets. There are many still in our community, our society, who would agree with the following view that I'm about to express. I will correct it in just a moment. How can the actions of a group of men who had been a part of the ADF for less than 10 weeks be reflective of the culture of the ADF or the Army? Surely it's much more reflective of who they are, or their education or their upbringing. Now, in June of 2011 I was of that view, but I am not of that view now.

Indeed, I had changed my view within a few months of becoming the Chief of Army. What had fuelled that change in my thinking was my interaction, first and foremost, with the Sex Discrimination Commissioner of Australia, Ms Elizabeth (Liz) Broderick. She had been commissioned to undertake a review of the treatment of women at the Australian Defence Force Academy, and then subsequently the treatment of women in the ADF, and she came to see the new Chief within a month of me taking over.

Now, I don't know if any of you in the audience know Liz Broderick, but I'm here to attest that she is a force of nature, and I can also say with confidence that I do have a reputation within the service, within the ADF, of never leaving people wondering. So it was a robust initial meeting. Robust but deeply positive, for her I would like to think, but certainly for me. Because Liz asked a series of questions for which I had only in my own mind weak or ill-formed answers. One of the questions she asked that sat me bolt upright, was: "Well look, David, if this is not a cultural issue, if 13 reviews in 15 years don't act

as an important signpost, answer me this: Why, for all of the money that has been spent, for all of the words that have been written on a page or put on a recruitment campaign, do you only have less than 10 per cent of your workforce as women?”

And she left me with a pile of what I thought at the time was feminist literature. I am here to tell you that I have read more feminist literature than I thought I would in five lifetimes since that meeting. But it has not been for naught. The documents sat on the corner of my desk. Chiefs of armies seldom have to worry where their next meal is coming from, or where their next brief is coming from. But I travel a lot and I tend to place documentation in my briefcase and read it on the plane. In a flight to Brisbane in 2011, I pulled out the literature that Liz had given me, and it immediately struck a chord.

I didn't know how the dots joined in my mind at the time, I'll tell you about that in a moment, but this issue around why women weren't joining our Army, while at the same time we were trying to grow to be a robust, relevant force in the third decade of this century, really struck me as a challenge for me, not for the amorphous mass known as either the Australian Army or the ADF.

So I had another meeting with Liz very soon after, and she said, “You know, what has been done by other organisations is that the leader has stood forward and named a target.”

And I thought about that. We were at 9.8 per cent of a 50,000-person workforce.

And I said, “Look, Liz, I've read the literature and I've heard what you've got to say, I think you're right. Let me talk to my human resources (HR) people about what I can do, naming a target that is relevant to me in my time as Chief.”

And I should point out I'm a statutory appointment, I finish at midnight on 3 July 2014.<sup>1</sup>

So, the HR team – which is fantastic I can tell you, wonderfully talented men and women – came back after a few weeks of study and said, “General, what we think you should do is you should say we're at 9.8 per cent and we can get by 3 July 2014 to 11 per cent.”

And I sort of blinked a couple of times and said, “one per cent?”

Now, I should point out, when we're talking about a 50,000-person workforce, one per cent is quite a large number, and I was talking about regulars more than our reserve forces, so that was 30,000, so it was an extra 300 women recruited and retained in our Army. But in true leader's fashion, I completely disregarded the advice given to me by my HR team. I can only encourage you

do the same. I doubled it. And had, I've got to say, a rather wicked feeling of pleasure as some of the blood drained from their faces, because this was 600 women now. Now, we only have seven battalions in your Army, and that is about 600 soldiers in each of them, maybe a bit more.

But what I have found of course is that when the leader names a target and then makes it public, the staff get a focus. And over the course of the last two years particularly, we have seen a steady increase in the number of women who have both said I'm interested in the Army, or who have actually joined, despite of course, certain setbacks that I will speak about in just a moment.

So naming a target was really important. And I don't believe in quotas, although I am persuaded by strong, influential women like Catherine Fox or Avril Henry that quotas do have utility. But I don't think they're right for my organisation at this moment, although if you really want to give impetus to this, then it might have to be considered in the future.

Now, I then felt really good about doing this. I'd read some feminist literature, I had realised that there were systemic issues of a sort in the organisation that were actually dragging us back and not allowing us to grow the number of women as part of the total workforce, and I did what any male would do. I got together with my male mates and I said I have got the plan. It made perfect sense to a 57-year-old, Anglo-Saxon, white guy who'd never been discriminated against based on any of those reasons in his life.

The reaction from the women of the Army was interesting. I would say that there was unanimous support for a leader doing something quite overt in this area. But there were two areas that concerned them, and both of them were absolutely insightful for me. Firstly I'd got the policy bit wrong; I had not run it through men and women, or women and men, up and down the hierarchical organisation that is the Australian Army. And secondly, there were a group of women, and I say this with great respect, who had soldiered through 20 or in some cases 30 years of their career in an institution that was not just male-dominated but heavily male-oriented, and who said, "well, in changing the way we're going to do business, will you not in some intangible way demean or diminish the achievements of me?"

I think that is something that I completely misunderstood. But I understand it now. As a consequence, some of the policies that we've enacted have been run very much by a group of trusted women, one of whom is in the audience today sitting at my table, Major General Simone Wilkie, who before her promotion was my Chief of Staff, and before being my Chief of Staff was our senior officer in Afghanistan, but also women of different levels of experience in our Army. So those who had entered only a year or two before, those who

were coming to years where they wanted to consider some of the options that we weren't providing them with in terms of family or flexible workplace arrangements, as well as the more senior women. And, interestingly enough, while I established that women's forum, very quickly after I realised my mistake, I changed it again because one of the real messages in all of this is that gender diversity works, and I've got to tell you that when I added men to this organisation that I'd formed, this forum, the results were spectacular. Not because of the men, not because of the women, but because of the interaction between the two sexes. It is illustrative of the journey that your Army is on now.

So, there was a whole lot of really good work done around policy. We changed and have continued to change the messages. That we now attract young Australian women to at least consider the idea of military service, even if they dismiss it out of hand after a moment's thought, at least there are some that say, "well, yes, okay, it could be an option". And that work then went on.

Now, I would like to describe three meetings that I had and a revelation that I had as a result of those three meetings, and then I am going to conclude and allow every opportunity for questions about specific areas that you may wish to address. The work was underway, I had changed my mind, I saw it as imperative to increase the opportunities for 50 per cent of Australia's population to at least, if they wished to, join the Army. The Government at the same time had opened up all areas of defence to both sexes, so if you wanted to join the infantry, which had always been a male preserve, and you were a woman, if you could meet the physical standards that were required, there was nothing to stop you, other than the culture of the organisation of course.

And as I was starting to feel pretty good about myself – as 57-year-old, Anglo-Saxon males do quite a bit – I met a woman at a dinner that I ran. She was a very successful woman in her particular corporate area, and I won't give her name and I won't give the organisation that she works for. But I said during the course of the dinner, "Do you have children?" And she said, "Yes, I have three." And I said, "Oh, gosh, how did your organisation manage or treat you as you took three periods of extended maternity leave?" And she said, "Every time I came back from maternity leave, they promoted me."

And I thought, why are we not doing that? What does that say about the organisation? What loyalty to the organisation does that engender? What does it say about how we care for men and women? Because we certainly don't do that. In a hierarchical organisation like the Army, you only get to be the Chief of Army at the moment if you're male and you've done a series of jobs, most of which can only be done at the moment by men, and if you take time out, which I never did, despite the personal costs of that, you are put into

limbo. And when you are inserted back into the organisation, you almost start again. That really got me thinking.

The second meeting was at the behest of Liz Broderick too. She rang me in early 2012 and said, “David, would you come and talk to three women, two of them still serving, one who has left the military, the Army, who have come forward to tell me their stories as part of my review into treatment of women in the ADF?”

Now, I have been in the Army for three-and-a-half decades, and I’ve dealt with many significant personnel issues. But I have to tell you that I went to Sydney with some trepidation. It wasn’t that I was not prepared to listen, of course I was, I credit myself with a degree of empathy, and certainly sympathy but I didn’t know what I would find.

Over the course of six hours in three sequential meetings with three different women and their partners or people that they had brought to support them, they uncovered for me everything that is wrong with the Army. I’ve described it publicly on a number of occasions now as the most distressing day of my military career, and without giving any undue emphasis to my career, I had many distressing days. They told me about how they had been stripped of their dignity and their self-respect by their peers or their superiors. One woman, so distraught at the way we had accommodated her attacker, had left our Army, left our Defence Force.

Now, I’m a pretty hard sort of guy when I need to be. But I don’t think in a professional sense I have been so profoundly moved. And I left that series of meetings at a low that I have seldom experienced, because with the great support of men and women around me, like my Chief of Staff, or like any number of men and women who now had bought into this idea of trying to make opportunities for women work better in our Army, I had heard from women who had said: “This is a thin veneer if you only tackle the targeted number or even the policy. Because out there, there are problems that go to the heart of the 112-year-old institution that you, General, are proud to wear the uniform of.” And I am proud to wear the uniform of it; no one is prouder. Yet we’ve let them down. We’ve let them down because the Army had distorted the stories that fuel our culture.

I had the opportunity, this year, to speak at the United Nations. It’s not something that I ever envisaged myself doing, and I’m grateful again to Liz Broderick for giving me the opportunity. It was to the UN Women’s Forum, and I spoke about the dangers of the ANZAC mythology. It’s parlous ground for a Chief of Army to stand on. We as a nation, certainly me as an Army leader, are buoyed by the idea of sacrifice and those who have served before



us. Indeed, as the Chief of Army I live in three time zones. I am the custodian of our history and our traditions, I look after our contemporary operations, and as I explained earlier, I look to our future. Yet there is no doubt that there is a distorted view about ANZAC, and about how men straight off the farm, rough-hewn country lads, not an ounce of discipline in them, but ready to deal it up to the best and the worst, who fight best with a hangover, who never salute officers, particularly the Poms, they are the archetypal soldier. And if you don't meet the criteria that are absolutely intrinsic to that myth, you're not white, you're not Anglo-Saxon, you're not male, then you start with question marks all over you.

And there were a group of men, and have been a group of men throughout our history, that have used that mythology as a tool of exclusion, not inclusion. Now, it was alright for me, I met all the criteria. And I was pretty okay at my job. But there were plenty of people with just as much talent as me, just as much potential as me, probably a lot more, who had never had the opportunities that I'd been given, not because of any other reason than their sex, their sexual persuasion, their ethnicity or their religious beliefs.

The third meeting that I had was in Afghanistan, and it was with a group of Australian men. Now, they were a group of infantry soldiers, about 30 in number, and I can guarantee you, irrespective of your background, irrespective of your sex, you would be proud of them. They were a fantastic representation, not of our Army or our Defence Force, but of our nation. They had been out in harm's way, the top of the Chora Valley, in 45-plus degree heat, for about four months. They had members of their group badly hurt, and yet they had held or kept the faith.

I arrived at their small forward operating base. They were well aware that the Government had opened up all areas of the Army to women, and they were not going to lose the opportunity of taking issue with a travelling general. They said, adding 'sir' as what I thought then was something of an afterthought, "how can you tell me that a woman could improve what we are doing? Can't you remember, sir, what it was like when you were in the infantry?"

Implying that I had now gone long beyond that and had sunk into the realms of leathered comfort as the Chief of the Army. And I said to them: "Fellas, why are you here? What is your role in Afghanistan? Surely you are here to protect the population, I mean, that is why your nation has committed you. How many Afghan women have you spoken to?" Now, the answer was zero.

I won't say that the lights came on for them, but as I was flying back to Tarin Kot, the major base that we have in Afghanistan, the lights came on for me. I'd been dealing with cultural issues, depressed as I was after the meeting

with those very courageous women who had been prepared to tell me their story, and I was worried about our future capability, and the numbers and the target sort of sat around that. And I can assure you that as we were flying into Tarin Kot, dots got joined. More women certainly improve our culture. But more women also improve our capability. All that feminist literature that I had read, which had talked about a better diverse workforce being a more productive workforce, started to ring not just true, but very real.

So the messaging changed. My messaging, the messaging of my command team – and it wasn't then about the altruism that is still part of what we are trying to do in the Australian Army, that everyone should be given a fair go, irrespective of their gender – was almost now exclusively about capability.

For me, it has been a little bit like Saul on the road to Damascus. I get paid to deliver capability. You expect it of me and your Army. We will be more capable if there are more women who join our Army, who are given the opportunity to recognise all of their talent as part of our Army.

An influential American woman, Beth Brooke is her name, she's a very senior leader in Ernst & Young, said to me at a lunch that I was lucky enough to share with her: "In my view, dealing with these issues throughout the course of my life, men are promoted on potential, women are promoted on performance."

Yet how do you have a capable organisation if there is a very uneven playing field? So I'm not going to talk about my response or the Army's response to the group that call themselves the Jedi Council. I am more than happy to take any questions that you've got about that. What I would like to conclude with is what I think will be, hopefully, because my time as the Chief is coming to an end, what I hope is the most significant legacy. We are on the path to I think exceeding 12 per cent of our workforce as women by the time I finish as the Chief.

But the legacy I'd like to think we leave, that I leave, is that I have at least been part of a team that has readjusted how we recognise merit. You see, if you judge merit in a hierarchical organisation about how you perform in job A, to then do job B, to then do job C, to then do job D, and you make no accommodation at all for men and particularly women who may want to not be present to do job B because they've got other things to do in their life, and you recognise none of the life skills that they may accrue in doing what they do when they come back into the organisation, but rather put them back at the start, then you are abrogating your responsibility as a leader who is focused on delivering a more capable workforce.

And guess what? The same applies to almost any organisation in the corporate, public and private sectors of this country. The Army is not the only hierarchical organisation that does this, or used to do it. We have realigned our judgement of merit. We have recognised that you cannot have a traditional approach here.

Our society in the 21st century not just demands something different, it says if you as an organisation can't attune yourself to those changes, then you will lose the best and brightest to Thiess, or to Griffith University, or to Rio Tinto, or to the public service. And then, General, whatever your aspirations are in terms of a robust and relevant Army in the third decade of this century, they will come to naught because you will have failed to use the talent that's sitting in the 50 per cent of the population that you're not doing enough to harness at the moment. And society in fact will have moved on. Yet if your Army that defends you, that secures our prosperity, isn't a reflection of the society that we all live in, then is it the Army that the nation wants? Of course the answer to that is no.

So, I will conclude. I would just like to acknowledge a couple of things. As a leader, you are bound to step forward and lead, and I am and I have been prepared for that throughout my professional life. But anyone who believes that as a leader you set much more than the tone and the broad parameters within which an organisation develops is losing a grasp on reality, and is in fact engendering a level of hubris that will bring you down individually and certainly perhaps the organisation that you lead. The work that is being done now in your Army to change our culture, to give women proper recognition and the ability to recognise their potential is the work of hundreds of men and women.

And I am deeply proud to be, for a brief time, their professional head. I am now certain that the major indicator of success that I set myself almost two-and-a-half years ago will be realised. And that is that when I leave, whoever takes over from me, will find that the momentum for change is unstoppable.

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#### Endnotes

1 This end date has since been extended to May 2015.



## Future gender equity

Richard Goyder AO

Managing Director and Chief Executive Officer, Wesfarmers



This speech looks at the need for current leaders to take the lead when it comes to encouraging gender diversity in organisations, and how setting goals for the future can propel change.

In this speech, Richard Goyder explores the practical steps that businesses can take to foster gender equity, such as flexible working arrangements and setting targets. He illustrates how Wesfarmers is putting those strategies into action.

While acknowledging that there is still a long way to go, this speech shows the progress that has already been made in gender equity in the workforce.

Last night I attended a dinner in Perth for business leaders, CEOs and directors and I was talking to Vanessa Guthrie about that dinner just a few minutes ago. I asked her what she thought the female representation at the dinner was. Vanessa's count was larger than mine but she said she went to the women's bathroom and I didn't, so she saw more people there. I think there were more than 200 at the dinner and probably no more than the 10 women. Given it was the night before I was scheduled to come and do this CEDA talk, it sort of hit me between the eyes. I'm mostly focused about what's going on in Wesfarmers, but this to me was a classic example of the issue we've got.

So I'll talk a bit today about some of the things on my mind and how we are dealing with them at Wesfarmers.

Last week I did an interview in Sydney with Emma Alberici on Lateline. She hit me in the eyes on a few things and one of them was women, and she said, "you've got one woman on your leadership team and 25 per cent of your board are female."

So the question is – and it's a very valid question – why am I here? There are three responses I'd give to you. I absolutely believe in ensuring that we get a much higher representation of gender in business, equal to the population of women. I also think it's incredibly important for Wesfarmers and the Western Australian economy and the national economy. If I can be anything of an advocate for this, I'm very happy to do that as well beyond my role in Wesfarmers.

I've often said that the biggest challenge facing Wesfarmers – and therefore I think you could say most businesses, particularly in Western Australia – is attracting, developing and retaining talent. I think – certainly from a Wesfarmers' point of view – any competitive advantage we have is all to do with the quality of the people we employ in the organisation.

We also happen to be a retail business. Each week, more than 20 million Australians walk through our front doors, whether it's Coles, Bunnings, Kmart, Officeworks or Target. They want an offer that responds to their needs. It's important therefore, that we really give them something that responds to their needs.

BCG came up with some research a few years ago that showed that women controlled \$12 trillion of the overall \$18.4 trillion in global consumer spending. That's even in hardware stores. I can tell you first hand that that's true. My wife Janine and I were at Bunnings last Saturday. I'm not a great one for full car parks and queues and things like that, and the car park was full, which was good, the queues were long, which is good and bad – bad for our customers that had to wait, good that Bunnings was full – so I got what we needed to get and I went to the checkout and as we finished at the checkout, Janine said, “can I have the credit card as I've just got a few more things to get?”

So I went and unloaded the trolley into the car and sat in the car for the next 20 minutes waiting for Janine to roll up and she came back with about two more trolleys. There's no question that the Goyder's spend last Saturday was one-third me, two-thirds Janine.

I think we're making some progress on the retail side of things. There's a new Bunnings store in the Cottesloe Central shopping centre, which just happens to be through the back door of my garage at home. This is a great thing for Richard Goyder. It had nothing to do with me but the only shop that was there before was Woolworths, so I can't go there. I can now go to the Cottesloe Central shopping centre because there's a Bunnings store and it's run by a woman by the name of Haley Kilson.

Our state manager of Coles in Western Australia is a wonderful woman in the Cole group by the name of Cathi Scarce.

There's also absolutely no question in my mind that diversity leads to more creative executive teams, and I think this is something that we miss out on. At Wesfarmers we had a strategic planning session in New Zealand last year, and we were talking on this issue. It was actually Linda Kenyon – who's been at Wesfarmers for more than 25 years and is our company secretary and a member of the leadership team – who raised the bar on the conversation and told the males what was really going on and what we really needed to do.

I'm lucky enough to serve on the AFL Commission. We have two wonderful women, (Justice) Linda Dessau and Sam Mostyn, on the Commission. They bring an incredible richness to the deliberations on what is a male sport, at least at the elite level – although in fact the growth of female participation in AFL is stronger than male participation in all levels other than at the professional level. Linda and Sam bring incredible diversity and talent to our

conversations. I think if you are on a leadership team and don't have diversity around the table; you are missing something really significant.

The other reason why I'm passionate about it from Wesfarmers' point of view is that one of our values at Wesfarmers is integrity. The thing I value more than anything at Wesfarmers is our reputation. Our reputation is important because it opens the doors for us to do things. It also is the light that attracts people to come and work for us. If I go back to my comment earlier about the biggest challenge we face being attracting and retaining people, if our reputation of employing, developing and retaining women isn't as good as anyone's then people will go somewhere else, women particularly will go somewhere else. It's incredibly important that we get this right in Wesfarmers and we're not there yet.

There is, I think, a really strong national conversation about this, and the debate in my view is well and truly over about the need for women to have strong representation in the workforce. The question in my mind is how we do it.

I'm on the board of the Business Council of Australia and this year we launched the *Action Plan for Enduring Prosperity*, which was a 10-year plan for creating wealth for Australia in the years ahead. It has a number of goals. One of those goals is to increase the number of women in senior roles in Business Council organisations to 50 per cent in the next decade. It's a very clear goal in terms of that action plan. We are a long way behind that at the moment. Particularly when you think about how 3.5 per cent of Australian CEOs are female yet 58 per cent of university graduates these days are female.

I think the important thing is to look forward. So what are we doing at Wesfarmers?

The first thing I can say is that there is chair and CEO commitment to getting on top of this issue. But it's more than a verbal commitment. We're putting in place a number of things at a group level to ensure that we get some success.

The first thing we're doing is getting good data and analysing that data, for example, on things like pay equity. I've heard too many excuses for differences in pay equity over the years. So now where we have a difference – and we do in Wesfarmers have some differences where women are paid more than men and some where men are paid more than women – we're doing a deep dive. And the biggest deep dive we've done is actually in our Chemicals,



Energy and Fertiliser division. We've done an extensive amount of work to ensure that we're not doing anything subconsciously on pay equity. I'm confident that we're not. This is an analysis that goes to the board every year at Wesfarmers, and that's a very granular analysis by pay group and by division, so that there is complete transparency on pay equity across the group. We do a lot of detailed analysis on that.

We are looking very carefully at what is going on with women in the workforce at Wesfarmers. We're doing exit interviews, we're looking at the number of applicants we get for each role, and we are bringing a positive bias to bring women into more roles. So we're targeting that women will fill more roles in the group, we're looking at a lot more part-time or job-sharing roles in the senior group – things that we would never have approved in the past. We are making it very clear that we want women on short lists and on interview lists for any external firms that bring people. And I think most importantly, we are cultivating our development pipeline in the group. That's the one area that we can control in Wesfarmers. We can make sure that we've got a pipeline of talent coming through the organisation, from graduates through to senior people in the organisation.

I was at an assembly at an all male school this morning – at Scotch College where I happen to be chair. Will, who is our youngest, was getting an academic award. He takes after his mother. But I was talking to Bruce MacGowan, and we were saying that one of the great things about school is how you can have a leaving year, leave the school, and yet some of the great things in the school are continuing. And one of the great things at Scotch College is they have a pipe band. The pipe band now has a whole bunch of new boys in it. And yet it's just as good, if not better, than the pipe band that played earlier this year. The reason for that is because there's a development path for boys once they arrive at Scotch who want to join the pipe band. They go through a rigorous process and by the time they get to years 8, 9, 10 or 11, the school has got this magnificent pipe band. We've got to make sure in Wesfarmers that we've got exactly the same in terms of all our talent but particularly with women.

How are we doing it? I do twice-annual talent reviews with the group human resources director and with each of the leaders of our businesses. We do a deep dive on talent and we look at what that talent is with a particular focus on women in each group.

I do a very detailed session with the Wesfarmers Board each year at our strategy conference where we talk about successes – not just to me and to divisional managing directors but also high potential people in the organisation.

The thing that I am more happy about than anything in Wesfarmers at the moment is that during that process this year we had more high potential women on that list than men, which is probably the first time that has ever been the case.

The last is we've set internal targets. I wrote to the divisional managing directors last week indicating where we were on some targets we set three years ago and where I expected us to be – and each of their businesses to be – at the end of this year. They each get assessed through their performance and development conversation with me each year on the progress they've made against that target and we also have part of our short-term incentives linked to their performance on that particular target. We are taking it seriously.

Most men will say this – but I'm going to say it because I believe it – it's really important to me that what we're doing here isn't superficial. That we're not promoting people who aren't ready. That we're actually designing this for success and not failure. I have a very strong view that we should never compromise on talent. The reality is we don't have to. We are talking about 50 per cent of the population and more of the graduates. So we don't have to compromise on talent. For me this is serious unfinished business.

It's interesting as a CEO that you get some powerful levers. There are frustrations with being a CEO, there are things that don't happen quickly enough. But there are some where you get things happening relatively quickly. One of the areas I'm pleased about is our work on our Reconciliation Action Plan and the work we're doing in terms of aboriginal employment in the Wesfarmers Group. We've made a real commitment to that and we're making some terrific progress on that.

I made a speech a few weeks ago in Sydney and I said that the main thing that a listed company has to do is to create value for all its stakeholders, particularly shareholders. The reason that is so important is because you can increase employment, through that, people have jobs, they pay taxes, you can grow as a company. The other really important reason is that if you don't create wealth for all your stakeholders – shareholders, customers, employees, suppliers – you will either get sold or you will be sacked. That is the reality.

In my experience there is a 100 per cent correlation between the performance of our businesses and the quality of the people running the business. It is the key thing that I have to do running Wesfarmers: finding the right talent. So if you think about how I'm looking to improve the talent pool at Wesfarmers – growing the talent and the quality of our people over the next 10 or 20 years – the single biggest lever we've got to pull is improve the diversity in our management teams. It is so simple. So we have to get on with doing it.



## Diversity in action

Raymond Spencer

Chair, Economic Development Board



This speech presents an interesting perspective to the debate about the lack of gender diversity in the Australian workforce: that of a male former CEO.

In this speech, Raymond Spencer calls out the tendency for businesses to talk-up their attempts to bring gender diversity to their businesses and then put a few 'token' females in management.

The speech argues it is past time for a move from talk to real action in bringing about gender diversity in the workforce, and it explains six major ways businesses must act to bring about change.

Thank you for the opportunity to be here today and to speak from the perspective of a former CEO. I've got to be perfectly honest with you. I'm actually relatively pissed off that I have to do this speech today. One would have hoped that a speech arguing why gender diversity in the workplace is good for business would by now be totally unnecessary.

For years we've been talking about diversity and why it's important. How often have you heard headlines like, "We need diversity in the workplace because businesses sell to diverse markets and need diverse insights, points of view and ideas," or, "Diverse perspective, the key to innovation," or, "Diversity is critical if you're going to address the talent shortage"? It certainly is in South Australia where our participation rate is 62.6 per cent against the national average of roughly 66 per cent. It needs to be 69 per cent in South Australia if we're going to be able to afford our future. We aren't going to get there if it's business as usual.

In many instances, all the talk is just that, talk. And it's talk that's not being followed up by action. Most importantly, the message has not been consistently operationalised within the business culture of organisations, or it hasn't been structured aggressively enough within organisations, particularly the commitment to learning and development of women and, frankly, all associates. In other words, we've talked about it but it truly hasn't been recognised in many cases as something of high value that's reflected in the rewarded behaviours of organisations.

I think this is particularly true in a market like South Australia where we are full of small to medium-size enterprises. Of course there are international and national companies in South Australia that are leading-edge examples of diversity in action. But the key to this economy and its future is the breadth and diversity of companies we have and unless that gets translated in every small enterprise, we won't be successful.

Secondly, too often the diversity topic is limited to discussion about gender or ethnic diversity. In other words, the differences you can see. This is a very narrow view. Rather than focusing on the benefits of the diversity of personality or the diversity of life experience and belief, as I said, we tend to focus on the visible aspects of diversity. Simply focusing on that is not enough.

Probably a number of you have read a book by Laura Liswood called *The Loudest Duck*<sup>1</sup> in which she makes the point that too many companies simply cop out on this by following the Noah's Arc principle: If you've got a couple of each, it'll all work out in the end. But it's important to understand that the goal is to achieve diversity of thought, and this is what creates the environment for



the diversity conversation to take place in an environment that is not simply black and white.

The key to institutionalised diversity is the creation of a corporate culture of openness and inclusion, which can only be accommodated by a conscious policy that values gender and ethnic diversity in the workforce that is part of that organisation.

Now, you've got statistics on your table. I have no idea whether mine are right or wrong but it doesn't really matter. They're, unfortunately, more right than they are wrong. The most damning statistic is that less than 10 per cent of key management positions in ASX 200 companies are held by women. I think that's the biggest contributor in business to the other statistics that get the headlines, like only seven of the CEOs of the ASX 200 companies are female, and women hold something like around 17.6 per cent of the positions on boards in ASX 200 companies, and only about 10 per cent on the ASX 500 companies.

Sadly we're here today, not because we haven't talked about it, but because we haven't made changes. Clearly we need to stop talking about this stuff and, not only hire more women in operational leadership roles, but prepare them structurally to move through the organisation so they're equipped, because the glass ceiling is still very much present.

Now, what do I observe about management and board behaviour when there is a critical mass of women as distinct from no or limited women in organisations? Well, I think the real point is, not only what special attributes women bring to the table to achieve positive business results, it's what their absence implies. A lack of gender diversity in a company's management team or board sends negative signals of a conservative mindset, an inability to look beyond a tried circle of leaders and a proneness to damaging group think.

When you've got a diverse group of people sitting around the table and the culture of participation and open and honest conversation is present, decisions tend to be more thoughtful, less rushed and the great danger of group think is minimised. It often leads to a less competitive decision-making process and the development of more thoughtful consensus.

Women executives and board members have a different perspective of the customer. We have heard that, and that's true. In the informal dynamics, people, such as other directors, or executives and associates at all levels, often find it a whole lot easier to talk to and confide in peers who are women.

There's always this conversation about the bottom-line benefit of diversity. Not surprisingly, the research on the impact of female leadership on the financial

performance of companies tends to be sponsored by groups who have got self-interest in boosting women's representation in business, such as Catalyst<sup>2</sup> in the United States (US). This doesn't make the research wrong. They were just the ones doing it. The research does not always get the credibility it deserves. Now, Catalyst showed in a survey of Fortune 500 companies in the US that those companies with the highest representation of women in top management teams experience significantly better financial performance than companies with the lowest women's representation with a return on equity of 35.1 per cent higher – that's not a rounding error – and a total return to shareholders of 34 per cent higher.

Now, another study from the University of Michigan apparently showed that the stock price of Norwegian companies actually dropped when Norway first introduced the mandatory quota that 40 per cent of board members needed to be women. So you do have this sort of mixture of data, so to speak.

I saw a really thoughtful study by the Credit Suisse Research Institute, which you can find online – it's about a 20-page PDF or something. They started out by acknowledging that it is hard to make sense of some of the confusing and often contradictive findings. But one of their pieces of research about a year ago showed that the share price of companies with at least one woman on the board outperformed those with no women on the board. The interesting part was that the greatest impact of this was not when the company was doing well before the Global Financial Crisis (GFC), but in the years after that where the stock price of companies with at least one female on the board was higher by 26 per cent – again, not a rounding error – than companies with no female board members. They concluded more diversity on boards brings, and I quote, "Less volatility and more balance through a cycle".

Now, we shouldn't be necessarily surprised by all of that. So what I want to touch on quickly is the five things that we could do to move from talk to action. I'm actually going to do five plus one.

First, I think companies can create recruitment and learning development strategies, and measure the results. The greatest cop-out I hear in regard to hiring protocols is the question, "Well, tell me, Raymond, do you want me to recruit the best person for the job or do you want me to hire the best woman?" Well, the only answer to that is, "Yes. I want the best person for the job and I want diversity in the organisation." All that's telling me is you're too bloody lazy to actually go, create a larger sourcing pool from which you are hiring and make hiring decisions based, not only on finding the best person for the particular job, but also creating the best team, which necessitates placing a high priority on diversity in the form of both gender balance, age diversity and ethnic diversity.



Now, positive change doesn't happen by accident in companies. There are lots of programs. You've heard of them. I mean, I was quite familiar with a program many years ago – probably 15 to 20 years ago – called Just One More where managers were held to key performance indicators (KPIs) around hiring one more female every year than they had the year before. A very simple program. It worked.

In Australia, for example, in the 90s, Citygroup became the headhunting paradise for anybody wanting to find women for their organisation. They committed to not only hiring, but creating very serious training opportunities and development processes for everybody in their organisation but processes specifically aimed at women as well. They measured it in terms of the KPIs of their leadership.

The second thing is we need to uncover the unconscious biases. If you walked into a boardroom of an ASX company and around the table were nine directors and they were all white males, what would be your reaction? What would be your reaction if you walked into a boardroom of an ASX company and you saw nine females sitting around the table? Now, I would argue that neither is a healthy mix. Most people accept that having nine males is perfectly fine. It's a safe decision. They're obviously qualified, heavily competent; they've got a lot of experience, et cetera. We wouldn't actually get that ruffled about it. Whereas the assumption, I suspect, most people would make about nine females would be "well, that's bloody risky. I'm not sure about the performance of this company. I've got to call my broker". We need to expose our biases, especially those that are unconscious.

I gave a speech the other day and was talking about the critical need to improve the participation rate in women. But I mentioned this thing about how we fall into unconscious patterns regarding the things we ask women to do in our business that we don't ask men to do.

A gentleman put up his hand and interrupted me and said, "I've got to confess, I just realised that when we have our leadership meeting, there are four of us, three men and one woman. It's the woman who always gets the coffee for the group." Four peers, the woman always got the coffee. He said, "no more. From now on we're going to rotate that and I'm going to start."

Now, it's often the little things that we do not reinforce that reveal the deeper biases we have. Frankly, men need to be more aware of this and women need to be more resistant – it's a shared responsibility – in doing the support roles that their male peers assume they'll just do.

Number three: Create a culture of inclusiveness. I think this is the most critical point I'll make. The improvement in diversity will never change without a change in corporate culture, which must always be driven from the top because the corporate culture is the milieu in which we bring success – success to our clients, success to our associates, success to our organisation, our partners, et cetera. Culture is a living reality. I like to use the metaphor of a tree to describe culture because the roots of a tree represent the values. You can't see value. You go into companies and they've got values on the wall. But they're like the roots of a tree. You can't see them. The branches, leaves, flowers, et cetera, represent the behaviours or actions that are visible. As with a tree, both what's above the ground and what's below the ground and the alignment of those is critical for the health of the tree, so is the alignment of values and behaviours for the cultural health of an organisation.

So often you go in, you look at the values on the walls then you go and have a meeting and the behaviours at the meeting are so disconnected from the values that it leads to cynicism. By putting the focus on governance on building a living corporate culture rather than on simply rules, programs and regulations, you're shifting the responsibility to every associate and emphasising what all people can do to proactively protect the wellbeing of an organisation. This is critical for creating an environment of inclusiveness and diversity.

Now, it's one thing saying you value inclusiveness and diversity. You wouldn't find any company who wouldn't say that anymore. But it's got to be translated into desirable behaviours. In our company, when we worked on culture, we had a set of seven values. For each we had three behaviours that every associate should expect from the organisation in relation to that value, three behaviours that we expected from every individual and three taboos – the things you got shot for.

Key organisational practices: These are what any associate in the organisation can just expect from an organisation that values, say, inclusiveness and diversity. An example behaviour might be to change meeting practices so that when you're in a meeting you go around the room to gather input rather than asking the group for ideas because, if you do, it'll be the men that'll jump in. Most women will not. Or in recruiting, it's an established scientific fact that, if you have a job posting, men who only meet about 60 per cent of the criteria will apply but women usually will not apply unless they meet about 110 per cent of the job criteria. Therefore they'll not put themselves forward. So if you only recruit that way, either internally or externally, rather than making sure you find other ways to get women to put their name in the hat, you'll never have a diverse set of candidates.

There are practices and disciplines that'll make you successful. For example, I used to spend a lot of one-on-one time with people in about three layers down in the organisation. I learned that to socialise and mentor, so to speak, with that group, I needed to do lunches. I never did dinners because, if I called up a 30-year-old woman and asked her to come to dinner, the assumption was I had an agenda other than the one I had. That wasn't the assumption if I call up a 30-year-old man. Therefore I didn't have one-on-one mentoring at dinner. I always did that at lunch.

Then the taboos, the actions and behaviours that are poisonous to the culture that you will not tolerate. Obviously this includes gender discrimination of any kind, but also more subtle taboos. For instance, men are quite comfortable talking over each other in a meeting. Women are not. Therefore, it's a taboo. Let people finish. It's not just for the women. Force that for everybody. Clearly companies, organisations and clubs need to ensure that women not only have the full right of participation, but they have the full, practical processes that allow that participation to happen and that, therefore, they are openly encouraged to seek operational leadership roles.

Number four is to ensure a flexible work environment. This is not a woman's issue. This is an associate issue. The reality is we do face some real challenges in South Australia in growing female participation rates, especially at the leadership level. The reality is that child-bearing years also tend to be career-defining years. You've got to acknowledge that and address it if you're that business that values diversity. The tension between career growth and ensuring that our families and children are well cared for is a very difficult one but it's a real one. To make out like it doesn't happen is to ignore the big conversation.

International research tells us that policy changes like paid parental leave, flexible working conditions, good first line supervision that understands the needs for changing in an increasingly diverse workforce, strong childcare services and aged care are really important.

I think another area is the way maternity leave is structured. I think this is generally an area that is really poorly done. Give women on maternity leave the opportunity to stay connected and to remain part of the organisation. Give them the chance to occasionally participate in meetings by phone if they want to or can. Send them stuff. Send them reports. Send them updates. Allow access into the organisation and put in place processes to make it easier for them to return to their role. Too often the assumption is they leave, X period of time passes, six months or whatever it happens to be, nine months, a year, then they are expected to just pick up where they left off. Well, they're not

coming back to the same organisation. The organisation has dramatically changed.

Clearly leadership is critical. Leaders of both sexes who clearly understand that not just women's work needs but, everybody's work needs are changing and being changed over their working lifecycle and that retaining experienced, productive workers depends on policy adaptations to more flexible workplaces. Managers and leaders who walk the talk, making sure workers, including managers, can access flexibility without penalty to their careers and prospects at work, will create the environment for inclusiveness and diversity.

Now in Australia, fortunately, we're making some legislative steps in the right direction but we've got a long way to go. I think there is an increasing recognition that both male and female workers need this flexibility to kind of put together their jobs as well as their family and community responsibilities, with the ageing of our parents and so forth. I will be one of those ageing – I *am* one of those ageing parents according to my 30-year-old daughters. This is not a female issue. It's a family issue. Men must own that change equally.

Lastly, pay equity. I just find it absolutely incredible that I even have to say the next 25 to 30 words. There's no place for discrimination of any kind in the 21st century. It's absolutely counterproductive to maximising the potential of an organisation. Equal pay for equal work is not a cutting-edge standard, I'm sorry, it's a bloody moral given. We men have got to take the lead of ensuring that pay equity is the only thing we'll tolerate within our organisation. We need to model the behaviour that demonstrates equality within all aspects of our organisation.

Now the plus one: quotas and targets. There you go, I said it, *quotas*. I hate to say it because philosophically I don't believe in quotas. But in some areas, like board representation, I've come to the conclusion that I see no way to avoid the use of the blunt instrument for a short period of time. I know this is not a popular position.

Now I got clear about this actually living in India. I worked for 20 years in a non-profit, and I did six years in villages in India. I saw the pradhan quotas as a positive force. I worked in villages. I saw the quotas dramatically increasing the number of women on village Panchayat, which is the little leadership council, absolutely transformed those councils. When the quota was put in place in the 70s that 33 per cent of the council had to be women, there was, of course, enormous resistance. The men who were losing their position put their wives on and made them puppets.

But over time, this changed. Today women are elected because of their leadership. There was criticism that the only people who benefited from these quotas were the women who got elected. Also wrong. The Indian village example demonstrated that very practically. Women put greater importance on certain areas of need in the village such as clean water, education of children, which over time everybody saw as positively improving the health and wellbeing of the village. The village was the winner. Today in Indian villages, a family's aspiration generally – there are tragic exceptions and you'll read about these in the paper like yesterday where a woman was stoned in Pakistan – but generally speaking, in comparison to 30 years ago, families' aspirations for their daughters have moved from making sure she marries well to making sure she's well educated, does something she wants to do, a job, and she enjoys a level of independence. This is a huge cultural shift. This happened because of quotas.

Now, within businesses, I think there is the need for self-imposed quotas, otherwise known as targets, around diversity, which can drive new hiring and promotion practices. However, you've got to be very careful about what you measure so these quotas have to be realistic. They have to be targeted. They shouldn't be universal. They've got to apply directly to the reality you've got on your hands. They've got to be very thoughtful. Every six months in my business, my leadership team spend a day where we go through our chart of 63 behaviours – the 21 of the individual, the 21 that we expected from the company and the 21 taboos – and we change them. You've got to spend as much time on figuring out the quotas because they will drive behaviour.

As I said, I have a war internally on this. But I've decided I can't wait for life to get us there. We need to give it a kick in the arse. So the debate on whether or not diversity is good for business is getting old and irrelevant. But clearly the action is not. We need to stop talking about this stuff and we need to act. Act to create a culture that results in hiring more women in operational leadership roles within businesses so that businesses reflect the diversity of the great state in which we live.

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#### Endnotes

1 Liswood, L 2010, *The Loudest Duck*, John Wiley & Sons, New Jersey.

2 See [www.catalyst.org](http://www.catalyst.org)



## Diversity driving productivity, profit and performance

The Hon. Anna Bligh

Chief Executive, YWCA NSW and former Premier of Queensland

This speech looks at the correlation between diversity in companies and productivity, profit and performance.

The Hon. Anna Bligh cites studies that have found a positive correlation between the number of women on boards and company performance, and considers why this hasn't seemed to propel greater change.

Anna Bligh also reflects on her time in government, where the number of women in parliament grew from less than five per cent to almost 45 per cent over 17 years.

I wanted to talk a little bit about some of the work that some people will be familiar with, but if you're not, I want to give it more prominence. The work is being done in the area of the correlation between diversity in companies and productivity, profit and performance.

I want to talk to you about three pieces of research: one done by Credit Suisse. Credit Suisse looked at 2360 companies globally over six years. They found that it would've been much better for investors in those six years to invest in companies who had women on their board because companies with one or more women on their board:

- Performed consistently higher on return on equity;
- Had lower gearing;
- Had much better average rates of growth; and
- Had a higher price book value multiple over the six years of the study.

We're not talking marginal differences. They found that companies with one or more women on their board – this is out of 2360 companies – saw a return on equity on average 16 per cent higher than those that had none, and growth rate four per cent higher than those that had none.

A similar study by McKinsey, a study of 180 publicly traded companies in France, Germany, the United Kingdom and the United States between 2008 and 2010 found what they described as results that were startlingly consistent where they saw that companies that ranked in the top quartile on diversity – so they created a measure of diversity that included both women on boards and in senior executive positions and people from other cultures in those positions – so those companies that scored in the top quartile on diversity saw a return on equity 53 per cent higher than those that were in the bottom quartile, and they had EBIT margins that were 14 per cent higher than those in the bottom quartile.

While both of those studies make the point that they can't really establish causality, it is such a startlingly consistent correlation that, in their view, it simply can't be ignored.

It's not just companies that see those benefits. Recent work by Goldman Sachs JBWere in an Australian context shows that since 1974, the closing of the gap between the rates of employment of women and men in the workforce has contributed 22 per cent to Australia's gross domestic product (GDP), and if we could close the remaining gap, we would see a further lift of 11 per cent in Australia's GDP.



So, why am I telling you all of that? Well the last time I looked, Goldman Sachs JBWere, Credit Suisse and McKinsey were not run by radical feminist collectives. They are run by some of the most respected corporate minds on the planet. If they had put out those reports with those data and said, "We investigated these companies because they're using this kind of software, and they got those kinds of results", I put it to you that people would be queuing up to buy the software. Everyone would want to be an early adopter and those that failed to adopt would be seen to be acting un-competitively or totally irrationally. The fact is that people are not queuing up to put women in their C-suites and on their boards, particularly here in Australia.

I think it's one of the reasons why we continue to see work being done by people like (Dr) Jennifer (Whelan) and others to try to understand what is driving this really quite irrational behaviour in that context. So it is like they're understanding stereotypes, unconscious bias, is about trying to understand that some of those very human things about all of us – men and women – and why it leads to this sort of behaviour.

I wanted to put some of that in an historical context. All of us, every single person in this room, is living at this moment in history at a time when the 50 years post-war to now, what we're seeing is the largest single movement of women out of the domestic sphere into the public and work sphere ever before in human history at an unprecedented rate and scale. Because we're all in the middle of doing it, a lot of us I think often can't see it. But in 200, 300 years' time when people are looking back at this moment in history, it will be astonishingly clear to them that this was one of the biggest social and economic features of this point in human history. Women out of the private sphere and into the public sphere in every shape and form.

It's changing everything: it's changing economies, the buying power of working women is driving a lift in GDP not only here in Australia but in most developed west economies. The outlier on that is Japan, and you will hear a lot in the G20 about the stalling of Japan's economy, the correlation of that and their failure to promote women into the workplace and their failure to use those skills and productivity growth of women in the workforce.

It's changing economies. It's changing social structures: child care, school hours, domestic service industry. It's changing our workplaces: flexible hours, issues to do with industrial relations, the way that we manage workplaces. Who would've thought in the 2013 Federal election that the two contenders for the Prime Ministership of the country, what was one of the biggest issues that they argued about through the entire campaign? Maternity leave.

It is changing everything, it is changing family structures. Men and women, we are now older on average when we have our first child and go on to become parents, and we are having fewer children. So it is changing the relationships between men and women. It is changing the way that we think about ourselves, the way that we think about each other and the way that we think about our relationships.

So if you sometimes feel really sick and tired of this issue, it is because you are navigating it in every single sphere of your life. You're navigating it at breakfast, you're navigating it at work, you're navigating it when you pick up the newspaper, you're navigating it in election time, and it is happening all at once on all fronts.

But you're not just navigating it, you're inventing it. You are reimagining it and reinventing the shape of everything as women move out of that domestic and private sphere and start being players in this other space that they haven't got a lot of history in doing.

It means that the women who are doing it are trailblazing – and I don't just mean the prominent high-profile women in leadership – every single woman that walks out of the front door every morning, puts on her lipstick and goes into paid employment is doing something that was unimaginable for women not that long ago in human history. And many women are doing it in entirely uncharted territory, they're either the first in their company to take on a particular position that they've got, or they might be only the second or the third. It is still relatively new territory.

But it's equally true that those who are standing beside them while they're doing it, those who are reporting to them while they're doing it, often – for them – it's the first time they've had a woman in that position. It's also true for those who are on the outside watching women do it. So in my case, it was the first time for the electorate that they had seen a woman being a leader, and they don't have a lot of frame of reference of understanding what that might mean and what it might be like, and they are going to be intensely curious about it.

So it means for all of us that we are pioneering this big social and economic shift. When I use the word 'pioneering' I don't mean sitting around in a white bonnet baking pies while waiting for a barn raising, I'm talking about the kind of pioneering where you have to get a machete out and sharpen it every morning and cut away these densely growing vines that annoyingly reappear overnight just so that you can see the path ahead, just so you can make even a modicum of progress every day.

So, I thought I'd just make a few comments before I conclude about my own personal experience on some of the issues that Jennifer raised. The phenomenon that she talked about – “Think manager, think male” – the image that we have in our minds about what a leader looks and sounds and dresses and walks and talks like is a very male image. It's such a ubiquitous image that it is engrained in all of us, and including in myself.

When I search in my mind for what a leader sounds like, I can hear Nelson Mandela, I can hear John F Kennedy, I can hear Paul Keating, I can hear Winston Churchill, but I can't hear a voice that sounds very much like mine when I think about what authority sounds like. Because it's the job of leaders to command authority, to walk into a room and for people to know they are the ones that you are going to be listening to and complying with. You have to be able to command authority and it's a combination of everything: how you walk, how you talk, what you sound like, what you say. And there's always a conversation going on in your head: “have I got that right, do I sound like I'm the real deal”, when you don't have a point of reference for it.

So in question time, you know when I'm in the middle of throwing lines across the chamber and arguing a point that needs to be argued, there's also part of me thinking, “Is my register getting too high, am I sounding too shrill, is this sounding like someone who knows what they're talking about”. It is because there isn't a point of reference to do that. It also means that when you're one of the minority or the only one or the first one, it's impossible to forget your gender.

When I became Premier, the day I was sworn in and for literally months and months – nearly the whole time but particularly in those early days – one of the most frequent questions I got was: “What's it like doing it as a woman”. I've never done it as a man so I don't know. It was a really impossible question, you know, how is it different being a woman? I don't know. I don't think it was a bad or a sexist question, I think it was driven by a very genuine curiosity. It just meant that it was always part of my landscape. Particularly on the first day, you get sworn in as Premier; everybody, male or female, what do you want to do? You want to set your stamp, you want to say this is my vision for my state, this is what I want people to know about me and my government, these are the three things that I want to get cracking on. And while I'm trying to have that conversation, everybody is commenting on what I wore, talking about my shoes and asking me what it's like to be a woman. You're trying to actually escape that gender frame at the same time wanting to say women can do it; young women should be dreaming these things. This is a position that I feel very honoured to hold and acknowledging all the history that's in

that, but at the same time wanting to quickly put it to one side so you can get on with what you think is actually really important.

But I think for a lot of people in the electorate, just the fact that I was female was important to them. They were curious about it, they were watching to see whether I was up to it, they were watching to see whether women – you know, because I represent every single woman, I'm the same as every other woman. But it is true, you do see all that weight that, if I got it wrong, I would not only have been judged as a personal failure, but that I would be confirming a lot of the prejudices and stereotypes that are deep-rooted in people about whether women are up to the job. You can feel that weight on you when you're doing that. I felt it in the very public environment, but there's lots of women in this room who are doing it in their organisations, doing it in their companies, and they're the first or one of the first in the positions that they hold and they feel that weight of what it's like to be carrying the entire reputation of your gender in your handbag every day.

I suppose the next point that really caught my eye in some of Jennifer's work is this quote about unconscious thinking: that unconscious thinking is a pattern recognition system and these systems are inheritably stable. A pattern of associations, that is, the things that form our stereotypes, will not be altered until a critical mass of contradictory information is overt. So if we have deeply held views about what the shape and size and sound and look of leadership is, and if that's a very male vision, it's not going to change until we see lots of examples of women doing it and sounding like it and looking the real deal. What that means is that critical mass matters.

The Parliament that I was elected into in 1995 in Queensland had less than five per cent women. We were very much a numerical minority. Queensland's Parliament was 150 years old in 2008, so it was built in 1858, which is not that long ago. But it was built without any female toilets, which tells you something about who they thought were going to be walking the corridors of power. I could feel that when I was elected in '95. They did have ladies bathrooms by then, but it was nevertheless – and particularly on my side of politics, the labour party – a very blokey kind of male-dominated environment.

In the 17 years that I was a member of that Parliament, it went from less than five per cent to almost 45 per cent, so in that time I had the experience of what happened when you get critical mass. It doesn't change everything overnight, but it does become a very different environment, an environment where you become normalised. It was not a place where I felt like a minority anymore. I could at times entirely forget my gender and just get on with the

job. Numerically, it meant you physically could not put together a parliamentary committee that was made up entirely of one gender. It meant that people, both men and women, were in a real environment, not one that was devoid of the other side of the human race. It was important because it also meant that you got to see women in all sorts of positions, so suddenly they were sharing parliamentary committees. That meant that there were up and coming players that you could start to think could make it to the ministry, and as I got into various more senior positions, people learnt what it was like to have women making decisions on quite an important high-stakes level, and getting more used to that.

I really wanted to conclude my comments today by making, I think, an obvious point, and that is that progress is in our hands. I am very dissatisfied and impatient about the pace at which this agenda is moving, and I think the more we understand it, the more quickly we can see more progress in it.

One of the things that Jennifer recommends in the end of one of her papers is that gender bias – an unconscious bias – is so entrenched that companies who are serious about this agenda really need to put resources into training and at every level talking about this issue and bringing it to the forefront. And I absolutely agree with her. But I would also say that the sooner we can get the critical mass, the sooner that we can get this agenda resolved, the sooner we can see more women in more leadership positions at executive and board level, the sooner we can stop spending money on diversity committees and diversity training and lunches like this where we're talking about the issue, and we can start to see the benefits of having more women and diversity driving productivity, profit and performance.

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