

In a world where innovation and creativity increasingly matter, Australia needs to make the most of the talents of all its people, be they male or female. With an ageing population and a global war for talent, we simply have no choice. More specifically, enlightened business leaders, the Australian Institute of Company Directors (AICD), the ASX, the Business Council of Australia and governments are asking Australian companies if they can better use the talents of women. Chief Executive Women (CEW) was a pioneer in asking these questions.

Australian business is, therefore, at a crossroads in determining whether women will truly break through the glass ceiling. We are at a moment in time when serious efforts are being made to increase the representation of women on boards and in senior management. I am not going to suggest that the going will be easy. Nor am I so naive as to suggest a Cinderella ending. However, I do consider that these initiatives are well intentioned. They could make a difference.

Undoubtedly, we have come a long way. A few anecdotes might illustrate the point.

A 1940s leadership training manual that I stumbled on in my father's files after his death said: "Women, because they are women, have always created out-of-the-ordinary problems for managers ... The motives of why women work are a factor ... Many more women than will frankly admit it go to work in the hope of meeting a marriageable man."

The material then goes on to outline eight reasons why women work, which include: "to provide finance to prepare for marriage; because their husbands can't or won't work; for occupation of mind; to help support their parents; because they have an intense dislike of housework; and to create a career for themselves."

This creates an interesting insight into the attitudes of the 1940s. Having been brainwashed with attitudes such as this, I wonder how my wonderful dad ever instilled in me the need to achieve.

However, it is the advice in relation to the emotional and mental outlook of women that more than slightly raised my eyebrows. And I quote: "The basic factors that make women behave differently from men are contained in the biological functioning of their internal organs and bodily workings. Some generally accepted emotional differences between men and women are as follows: women's involuntary nervous system is not as stable as a man's; the greater sensitivity of their delicate nervous organisation is also reflected in the influence of different weather conditions on their fatigue, headaches, lassitude and moods; women experience pretty well-marked stress periods in which they are not

SEIZE THE MOMENT

We are at an inflexion point in the story of women in leadership, writes a hopeful Helen Nugent

STORY HELEN NUGENT • ILLUSTRATION KARL HILZINGER

themselves. The periods of menstruation, the age of 30, of menopause, anxiety, sudden fear and grief are a few of these stress times."

When you hear those words, I hope you will agree we have come a long way. However, progress has been slow.

In 1979, my beloved doctoral supervisor at the University of Queensland told me he intended to support one of my male colleagues rather than me for a lectureship at another university because "he had a wife and child to support". As a consequence, I went off to pursue a career in business. I am eternally grateful to my doctoral supervisor for what today would be considered an act of discrimination.

In 1983, after graduation, I became the first female member of the Harvard Business School

Association of Victoria. They held a lunchtime function at the Australia Club. In response to the "problem" created by a female wanting to enter the hallowed all-male halls of that club, it was suggested that I sneak in through the kitchen. I declined that honour. Instead, I attended as an Honorary Male. I accepted the compromise because no one could see an invisible "honorary male" sign on my forehead.

Around the same time, one of the major banks – who will remain nameless to protect the absolutely guilty – declared they would not give me a \$20,000 top-up housing loan guaranteed by McKinsey & Company, my employer, without first interviewing my husband.

Their concern: I would get pregnant. And, of course, women with children did not return to work, did they? After the odd bit of fuss, I got the loan without their meeting my husband. I subsequently became a partner at McKinsey, had children and continued to work. The loan, however, was the first I repaid; they lost out on the interest, and I have retold the story many times.

So we have come a long way. Today, the number of women in senior positions has significantly increased. Gail Kelly is chief executive officer of Westpac, while another five women are CEOs of ASX 200 companies. Catherine Livingstone, Belinda Hutchinson and Elizabeth Alexander chair Telstra, QBE and CSL, respectively – all ASX top 20 companies. Another three women are chairmen of other ASX 200 companies.

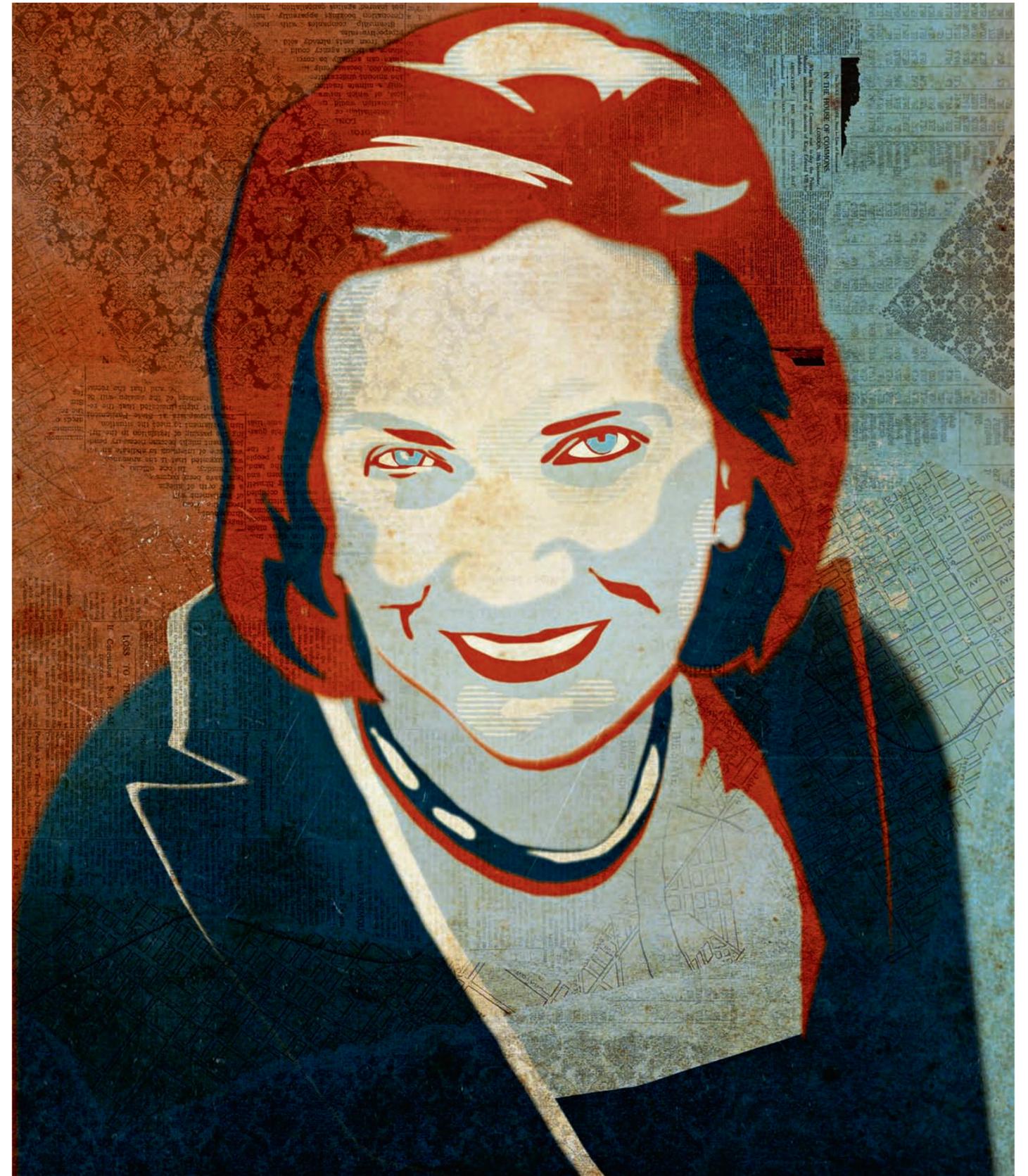
It's hard to believe that it was only 10 years ago that Margaret Jackson created headlines when she was appointed chairman of Qantas, the first ASX 50 female chairman.

Before the establishment of Chief Executive Women in 1985, few women had been appointed to a major publicly listed company board.

Dame Leonie Kramer was one. She became a director of the ANZ and Western Mining in the early 1980s. Not until 1992 to 1996 was Margaret Jackson appointed to Pacific Dunlop, Qantas, ANZ and BHP; Jill Kerr Conway and Diane Grady to Lend Lease; Eve Mahlab to Westpac; Helen Lynch to Coles Myer, Southcorp and to Westpac in 1997; Meredith Hellicar to James Hardie; and Adrienne Clarke to Alcoa, Western Mining, AMP and Woolworths, where she was joined by Diane Grady in 1996.

Today, two ASX 200 companies have three female directors, namely, Westpac and QBE. Pacific Brands gets the gold star – five out of eight directors are female. Interestingly, two of those companies have female CEOs and the other has a female chairman. I do not believe that is an accident. Numbers count.

Thirty-five ASX 200 companies have two



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- Chairman, Funds SA and Swiss Re Life & Health (Australia) Limited
- Director, Macquarie Group, Origin Energy and Freehills
- Director, National Portrait Gallery
- Chancellor, Bond University

female directors. They include some of our larger companies such as National Australia Bank, Rio Tinto, Telstra Corporation, Wesfarmers, Woolworths, AMP and Foster's Group, as well as two boards on which I serve – Macquarie Group and Origin Energy.

But having rejoiced in these successes, the news from the business front is still grim. According to AICD data, 10 per cent of ASX 200 directorships are held by women. Women hold 146 out of 1463 ASX 200 board positions. Those 146 positions are held by 108 women because some female directors hold more than one directorship, allowing them to sustain a non-executive director career. While we celebrate going through the 10 per cent mark and the improvement from 8.3 per cent at the beginning of the year, there is still a long way to go.

To illustrate the point, 95 of the top 200 companies have no female director. Mining-related companies dominate that list. Almost three-quarters of materials companies and 60 per cent of energy companies have no female director.

Is this acceptable? Self-evidently, the answer is no. More so because we know there are women with mining sector experience who have never been approached about a board seat on a mining company. The situation is even worse when we look at senior management for the ASX 100. The percentage of female CEOs and CEO direct reports stands at 12 per cent. But that overall

sity of their thinking. Australia's vast mineral resources make us the lucky country, but can't we also gain advantage from our women (and men) and be the smart country?

Second, a global war for talent exists. Women now represent 55 per cent of graduates. Why would we ignore half the talent pool?

Third, the cost associated with losing experienced and high-performing women (and men for that matter) is high. It is in a company's best interest to address this issue.

Finally, a concern exists that if something is not done, the government will impose quotas. This has occurred in Norway and France. Despite varying degrees of success in Norway, the fear exists that quotas will lead to tokenism. My experience is that female directors in Australian boardrooms are not tokens. But the potential for a perverse outcome is in no one's interest. Such perceptions would not be good for women. It is for these reasons that I say Australia is at a crossroads. So what can we do?

First, we can empower women by believing in them. Why is it that only 15 per cent of highly qualified women aspire to positions of power against an average of 27 per cent for men? Why is it that 70 per cent of females rate their own performance as equivalent to that of their co-workers, whereas 70 per cent of men rate themselves better than their peers? A lot of it is about having the confidence to articulate a vision for their future and go after it. Men do that. Women don't to the same extent.

But supportive individuals who provide opportunities can empower women. I have benefited enormously from working with such individuals. At McKinsey, Fred Hilmer took a chance with me as a two-year associate, allowing me to meet clients at the most senior level. At the same time, he supported me with the benefit of his deep insight. At Westpac, as director of strategy, Bob Joss [later CEO] pushed me out of my comfort zone to gain the Olympic sponsorship for Westpac and oversee its implementation until I left the bank in 1999. Later the International Olympic Committee hailed the Westpac sponsorship as the most successful in Olympic history. David Clarke [Macquarie Group's chairman], having tried to hire me out of business school and my having worked with him while I was at McKinsey, invited me to join the Board of Opera Australia and later, Macquarie Group. These are but a few of the individuals who have supported and empowered me. They have made a real difference.

Second, we can encourage women by providing stretch opportunities. As a junior associate at McKinsey, I benefited from working with Sir Roderick Carnegie, the executive chairman of

CRA, on ground-breaking projects that mattered to the company. He pushed and challenged me in ways that created value for CRA, and which, at the same time, increased my passion for business and interest in mining.

Such experiences are enhanced when they occur in line roles. Typically, that requires a commerce or engineering degree. Today, women comprise 51 per cent of commerce graduates, but only 15 per cent study engineering. The engineering outcome is explained by the high school certificate profile. Only 19 per cent of physics candidates are women. Extension maths

some successes that came from three cases a day, five days a week at the Harvard Business School. I vividly recall laying out in excruciating detail a marketing plan in the Lamb Producers case. However, I had entirely missed the point of the case, which was that you can't sell a product people don't like. I had failed to understand that Americans are put off by the smell of lamb. I made a complete goose of myself before my 87 classmates, who 29 years later, still tease me with bleating sheep noises. But in the process I gained personal resilience. This was a prize far greater than a lamb-loving Aussie girl learning

TO ENTER THE ALL-MALE HALLS OF THAT CLUB, IT WAS SUGGESTED I SNEAK IN THROUGH THE KITCHEN

and chemistry, at 40 per cent and 45 per cent, respectively, are somewhat better, but still not great. We can do better.

Third, we can help build women's personal resilience. I have seen talented women, women who have just been promoted, take a knock that causes them to go from feeling valued to consider they are barely tolerated. As a result, their self-esteem and performance suffers and they often leave. Many have not developed the personal resilience that comes from experiencing failure. That can be learned in a relatively safe environment. My personal resilience was enhanced by the grind of failures blended with

about the vagaries of American culinary tastes.

Fourth, and most importantly, deep and ongoing cultural change can help create more sensitive and tolerant organisations. Organisations that succeed will be merit-based and performance-oriented. They will recruit and promote on the basis of genuine capability, in a way that explicitly avoids unconscious bias. Their leadership will be committed to such an outcome. Certainly, such organisations will offer flexible working conditions, maternity leave and childcare support, along with mentoring. But as history has demonstrated, that is simply not enough. Deep cultural change that includes

addressing unconscious bias is required. Given my interest in the arts, my awareness of the power of unconscious bias was reinforced by reading anecdotes in Malcolm Gladwell's book, *Blink*. Gladwell recounts how the Metropolitan Opera first employed women as violinists. They used screens to conduct blind auditions. Women were selected for all four positions. The reaction by some of the male players said it all: "You're going to be remembered as the SOB who brought women into this orchestra." Subsequently, the unconscious bias has been removed and women now play a vital role as violinists in most orchestras. We need such tools in business to create awareness of unconscious bias.

More specifically, we need organisations that unleash human potential because they are supportive and encouraging, yet frank and straightforward in the feedback provided to staff. We need organisations where staff, regardless of gender, will be culturally aware that thoughtless words and actions can have unintended consequences. We need organisations that become consciously aware of their unconscious biases. These will be the organisations that all of us, male and female, want to work for.

Australia is at a crossroads, a moment in time. We do not want another false dawn. The catch phrase "yes, we can" was popularised during the US elections by Barack Obama. Like CEW's pioneers, we too can be known as a generation who put up their hand and said "yes, we can". **B**

This is an edited excerpt of Helen Nugent's speech to the Chief Executive Women's 25th anniversary dinner held in September.

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