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Harnessing Female Talent in Australian Business

THE MALE POINT OF VIEW



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The Reiby Institute reviewed ASX 500 companies in 2011, and found that on average companies with women directors had a 4% greater return on equity than those with no women on the board. A similar report by Credit Suisse in 2012, found that companies with some women on the board out performed in share price those with no women on the board.

(Gender Diversity and corporate performance August 2012).

Executive Summary

In 2013 the number of women in senior executive roles in Australia dropped, while in burgeoning economies such as China, they grew to 51%¹.

For the past decade there has been significant debate around gender diversity, but only incremental change in the number of women at senior levels in Australian business. The male baby boomers are now in senior positions, running boards and directing the future of industry. As Australia navigates the transition from male led structures to more equitable leadership - **how do we harness and retain female talent?**

Creative Coaching Company (CCC) Director Karen Barr spoke with 25 senior business leaders (Executive and Non-executive Chairman and Directors, C-suite executives and leaders in Government, industry and the corporate sectors), to seek their point of view on how to harness female talent. (Appendix 1) Her findings indicated that these males were unanimously in favour of more women in leadership positions, but they did not see themselves as the leaders for this change.

Missing the Value Equation

What is the missing piece - do organisations need to bridge the say do gap, plug the pipelines or open their eyes to some elementary measures for change?

The current research highlighted that men see women in senior roles as a business issue and not a gender issue, yet they failed to make a link between a female's contribution and the financial performance of the business. They discussed a woman's style, innovation and perspective as value adding, but did not connect these benefits

with the potential flow on effect of improved financial performance.

This anomaly could be the missing piece in the puzzle. If men aren't making this link, women will be required to sell the business imperative at all levels of business to influence sustainable change.

The Key Findings

Five major observations have been made based on the interviews and this paper summarises these observations, sharing quotes and advice for organisations and aspiring professional women.

An Overview

- *Harnessing female talent is a business issue not a gender issue*
- *Women need to sell the value of their work on organisational performance (ROI & profitability)*
- *Targets not quotas are the way forward*
- *Flexibility is key to retaining talent; organisations are struggling to change their model.*
- *Men need to listen, watch testosterone style leadership and avoid boy's club behaviour.*
- *60% of the traits identified by male executives as essential for successful leadership are stereotypically feminine*
- *Getting women up the curve is an operational issue not a board issue.*
- *Women need to step up, speak up, review their style and learn how to influence in male domains*
- *It is important to sell the opportunity cost of not harnessing female talent to influence male opinion*

¹ Women in Senior Management Setting the Stage for Growth (2013) – Grant Thornton International Business Report.

Five Critical Observations

Hitting the Target

One of the strongest assertions from the research was centred around quotas and the challenges of meeting them in a market where the pipeline was not providing enough suitably qualified women.

The research showed that 88% of males were against and 12% were in favour of quotas. In the case against quotas males did not want females taking roles if there was a more experienced male candidate. One chairman noted, "You cannot compromise quality for correctness". Those in favour of quotas were either Gen X, had experience in advancing foreign economies or worked in traditionally male sectors such as construction and resources.

In the opinion of 60% of the Executives interviewed, the challenge to meet targets is difficult for some industries that do not yet have enough suitably qualified female candidates for board positions. In one interview, it was noted that the same handful of CV's were being circulated for incoming director roles and eventually boards had to restrict the number of positions those few women could take as a result of being over committed.

Shortages leave boards with a conundrum to choose a woman for gender equity or a man with more experience.

Following the assertion that targets not quotas are the way forward, there are still many issues to tackle.

One Executive told how his organisation had focused specifically on having a culture of positive and encouraging behaviours in order to improve their gender diversity numbers.

However after three years there had been no improvement in the number of females in the pipeline or the executive. His team realised that a lack of focus on the demographics had been detrimental to the organisations focus of improving gender diversity in the business.

They now recognise that both culture and targets are just as important.

Another executive noted that their internal target of 35% females in senior management roles in five years meant that the CEO would have to get rid of 20 males in his senior team. It was not a good decision for the business to lose that knowledge. With a certain amount of guilt and reservation he introduced an incremental range as a target instead of an exact percentage.

"Companies think they need to give the role to females and this really ticks the men off. I know a very high calibre male who cannot get a directorship because he keeps losing out to women. Women now think it's a right to have priority over men on Boards."

"What is important is the transition strategies to bring everyone along for the ride. I felt like we had "wussed out" a little by dropping the percentage but in the end it needed to be the right fit for the business."



*"We need greater diversity and other business experience.
The pool of qualified women is smaller and there are even fewer women with
operational or technical resource experience."*

(Resource Executive)

The Pipeline

In the opinion of the male executives surveyed, one of the major issues in harnessing female talent is the pipeline.

Some pipeline roles are not attractive to females and this leads to shortages in male dominated sectors such as mining and resources, engineering and construction. Without the experience gained in the pipeline roles, many of the executives interviewed stated that they would not be up for more senior roles in senior management.

"People need to be moved out of their lethargy with regard to gender diversity however if there is no pipeline then there is no choice."

Those interviewed also commented that most females at the upper levels of business in Australia come from law and accounting, while in the US they come from academia. Often the problem begins earlier with courses in Australia being too broad and not developing skills that stream people in particular industries or sectors.

"Women should have the same opportunity as men and I do believe that there is bias against women. But if no one chooses to do mining or manufacturing there should not be a question of why there are no women on the board."

"We need greater diversity and other business experience. The pool of qualified women is smaller and there are even fewer women with operational or technical resource experience."

Attracting Females

One executive was unable to find women with big project operating experience. He stated that this was not the recruiter's fault. There were literally no women with those skills, even though there were lists of capable men; he was compelled to employ a woman.

Senior executives saw the gaps in the pipeline as partly due to choices women make and saw that mining and field work were not attractive to women with young families because there was so little flexibility.

"There has never been a strong intake of women in junior positions in industrial and manufacturing companies. Women need experience running a plant but women don't want to do these jobs."

The Career Cycle

There were strongly expressed views about the career cycle and how motherhood can take women out of the workforce at a critical time. 88% of the interviewees noted that managing the career cycles of talented women, was critical to the pipeline.

Their view was that in mid-career when women are traditionally having children, their male counterparts are in their prime - building global experiences, networks and new skills. When they come back to the workforce they take the role of least aggravation, so as not to stand out or be seen as inadequate.

Women who take time off for family life sometimes lose confidence in their skills, reassess their priorities and often require far greater support and flexibility than the current business model is prepared to offer.

When they return to careers, they face challenges to juggle family and work priorities, and end up in roles that are less significant to career building. Organisations must learn to adapt to the rhythm of women's lives.

"Women go missing and that's their major downfall. They need more time on the clock to be able to complete with the men. The 10 years of going missing, means that women are lacking the experience of time necessary to take on these roles."

Males - One Step Ahead

The gap in the career cycle means that men have greater opportunities to escalate. When it comes to recruiting, some baby boomer directors took a traditional view of the need for women to have commensurate skills and experience and a solid career path that mimicked those of their male counterparts.

In contrast younger executives saw opportunities for innovation and creating dynamic ways for women to manage their careers and gain international experience by harnessing technology.

There was also a consistent opinion that females are not getting their names out there, they can be hard to find and have too many competing roles to juggle. There are big issues to manage around time, children, childcare and gaining competence after being out of their career at a critical time.



It was this point in time that women start to realise that their different style can be a barrier to promotion. This often leads to a reduction in confidence and making a choice to leave organisations and or follow a parenting role.

Bain and Company, in conjunction with Chief Executive Women found in 2012, that the middle years are an intense time on a personal front for women, with 50% more likely to have returned from parental leave and 30% more likely to have moved to a flexible working model.



The executives interviewed chose to focus specifically on the pipeline issue being predominantly due to motherhood and the resulting impact on ones career.

(Creative Coaching Company)

Making More Room

The view of 84% of interviewees was that flexibility around work styles and hours at the desk is critical to female participation. These Executives believe the current model is too inflexible to create pathways that retain female talent.

"We have moved from a simple model into a 'Pluralistic model' where things need to be 'fit for purpose', responding to each individuals needs. But we are not there yet."

One executive described the problem as "a period of "uncomfortable transition" from the industrial age of male dominated leadership, designed by men for men, where women remained at home and men led the workforce, to a younger more dynamic model where both men and women have to earn a living and develop career paths". He also added "We are not there yet".

Attitudes varied among those who were interviewed from some senior Baby

Boomer executives saying yes we need females contributing at senior levels "but not on my watch"; "It has to happen but we don't know how to build that bridge"; to Gen X executives saying "gender is not the issue rather skills, experience and capacity" and "we want to work with more women".

One male executive whose opinions were not reflected by the group commented,

"Gender diversity is a female issue, business functions well anyway.... do we need more women? Not as such, the present debates are pretty good and females are needs sensitive."

This highlights the fact that there are still males in executive roles who are not convinced of the business case for gender diversity.

When faced with leaders who drive organisational culture in this way, females will chose to walk away every time.



Organisational Culture in Danger of Rigamortis?

Based on interview feedback, the market requires greater thought around how organisations manage their people and their culture.

The male executives identified issues that men must consider and skills and behaviours that women need to learn to take their place equitably in the current market.

One of the big hurdles women face is working in boys clubs or battling testosterone style leadership; they will walk away every time.

In her 2011 report into *What Women Want in Australian business*, Karen Barr discovered that women made a conscious choice not to operate in those environments. Of more importance to them was the ability to make a difference, be empowered to make decisions and to work in a flexible environment that supported their needs.

The males interviewed were open to


developing a greater understanding of what women want, however they want women to take the lead, step up and speak up about what would facilitate the right kind of change.

Nearly 65% of those interviewed noted that women historically do not take this lead.

In a 2009 article (*Engaging men in gender initiatives*), *Catalyst* recognised that there were four particular masculine norms that have impact in the workplace:

- Avoid all things feminine;
- Be a winner,
- Show no chinks in the armour, and
- Be a man's man.

How males negotiate these norms, may determine whether they support or resist efforts to close gender gaps in the workplace. Organisations have a role to play in the way they build a culture to reinforce or reject these norms.



"In a recent meeting where there were no women present, I commented to my colleagues that our meetings are different when women are not in the room; words, behaviors, swearing etc. Men need to learn new behaviors to deal with women."

The males interviewed recognised the following changes they believe are required in relation to people and culture;

Men need to

- Change the way they think about career cycles of women and how they differ to men.
- Factor in the life choices.
- Be better at listening, rather than being too quick to offer solutions.
- Be strategic to make-work more attractive to women.
- Consciously include women in conversations and give them experiences to thrive.
- Accept that women and men do things differently and require different support.

Women need to

- Focus on building networks.
- Using mentors and sponsors to develop their experience.
- Become role models for the pipeline of women below them.
- Be clear on what they want from a career.
- Have a considered plan and get themselves out there.
- Gain the necessary experience for executive roles.
- Achieve alignment and experience in an industry sector.
- Gain governance and risk experience and hands on technical and P/L knowledge.

Organisations need to

- Be flexible to enable women to work and have a family life.
- Influence tertiary education to attract women to courses in traditionally male led industries.
- Foster career cycle planning turning a pathway into a highway.
- Be responsible for sponsoring and mentoring women.
- Offer better networking opportunities.
- Watch testosterone based leadership.
- Create pathways for women to up-skill and gain direct experience in relevant management areas.

Equal or Different?

The consistent view expressed in this research suggested that boards talk in knowledge not gender and there is no difference in the boardroom because the focus is on the value of different voices rather than different genders.

Yet, the males did acknowledge that there remains a divide on the most appropriate style for influencing and communication.

Men say they are more focused on numbers and outcomes and hold less detailed conversations. Their communication style is direct, while women use a lot more words, and ask a lot of questions, which is frustrating but invaluable.

"Most women do things differently to men. Men are chasing the end game and want to play the game fast and hard. Women fight off the flack as they go and cover all bases. This can cause time issues as they clean up as they go. Some females can then go off the track of the main game and become distracted. To me it looks like they don't have the drive and motivation. Men lose patience."

This research also highlighted that men think women are too emotional and need to become more strategic about their careers and style; and consider the way men think in order to be effective influencers. They speak too much "waffle" and need to be clear, succinct and precise in their communications.

Males don't like feeling ambushed, and would prefer women to use questions and

ideas as opposed to lecturing and telling. Females also take things personally when behaviours change from social environments to the boardroom, misreading the engagement level around the board table.

"Women tend to give rich and detailed information which is often read by men as overcomplicating the discussion."

"Women talk too much - they need to ask fewer better questions; the powerful ones. This will lead to greater respect."

One executive said that it was better to have diversity and different styles for balance, but it is important for a woman to be balanced and not overly emotional at work.

"Women need to develop greater confidence and assertiveness but must be able to find the balance between that and aggression. Men on the other hand need to develop their emotional intelligence."

The research asked men to identify the most valuable traits of successful business leadership. Almost unanimously they nominated emotional intelligence, being encouraging and supportive of teams, and the ability to listen and negotiate in their top 5. These are all traditionally attributed as stereotypically female talents.

(Refer Key Leadership Characteristics table on the following page)

The research stimulated a lot of conversation around women and their style in the workplace and areas where

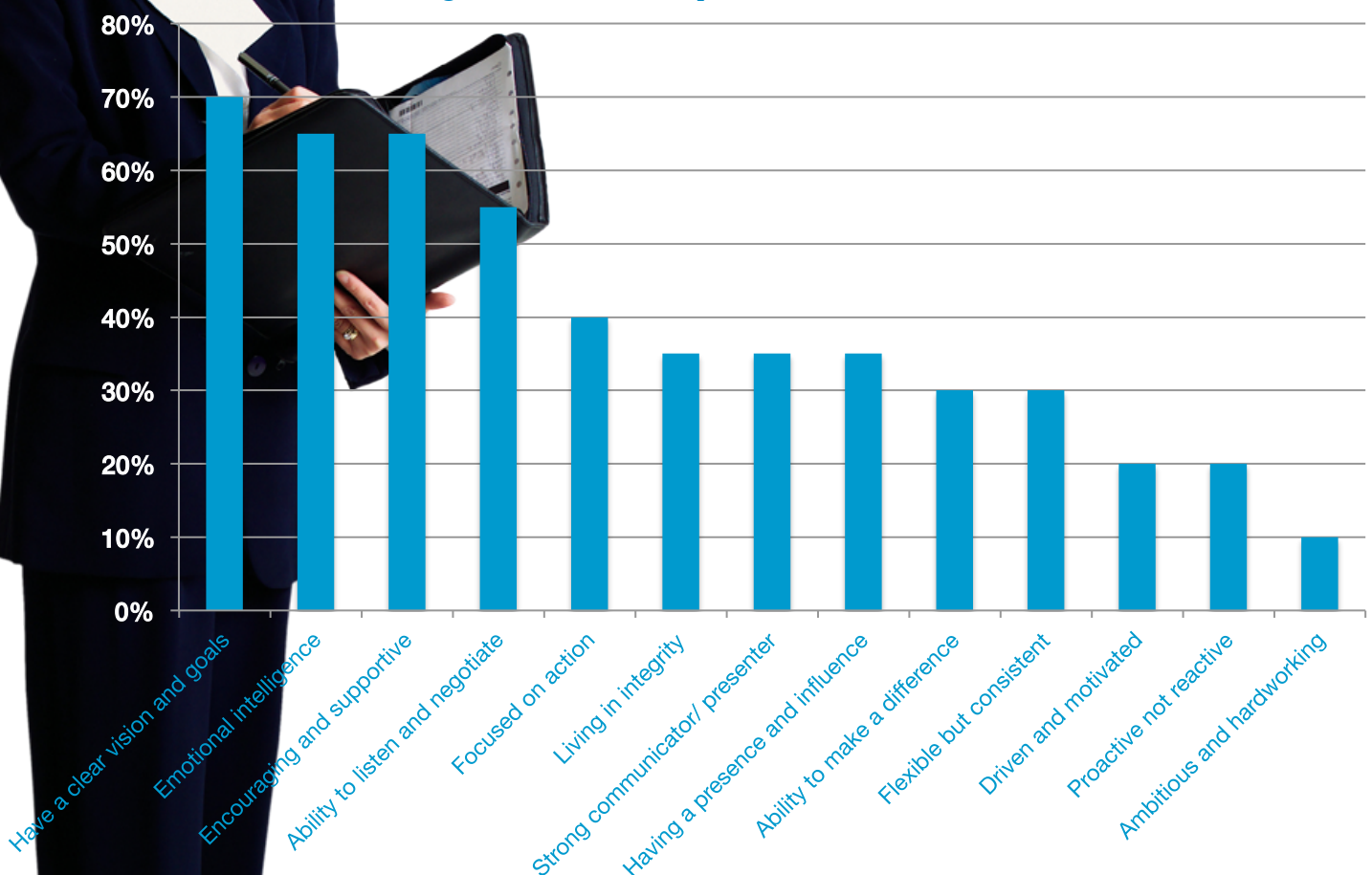
men can change to make room for women.

The following quantitative data was obtained during the interviews with no mention of gender. Individuals were asked to identify their top 5 characteristics of a strong leader. The percentages relate to the number of executives who identified the characteristics in their top 5.

"A female needs to be "just one of the boys" to be a successful CEO."

"Men are more direct; they don't pick up on the softer signals. Females are more likely to be empathetic".

Key Leadership Characteristics



As leaders, women tend to want different things to men. In her 2011 research Karen Barr found it is critical for female leaders to be able to make a difference. In her latest research male executives saw this as one of the least significant leadership traits.

The Male View on Getting Ahead

It was clear from the interviews that the career pathway is considered no different for men and women, and there are two parts to the process, **Design**; strategy, direction, skills and organisation structure abilities and **Inspiration**; to work with your strengths and to influence, communicate and use your imagination.

92% of the executives commented that in order to achieve career success, women and men needed to earn their stripes equally.

Specific insights on what the executives stated females need to do to get ahead included;

- *Women need to ensure they get the exposure to situations to know what to do and also to be able to create vision. The failure needs to hurt and success needs to feel good, they need to recognise and feel both of these emotions; to develop resilience.*
- *Have the courage to keep batting even when being pounded by the fast bowlers.*
- *Participate and volunteer like men - be involved in activities inside and outside the business to build broader knowledge and experience.*
- *Build networks and profile, be present and use profile to push forward.*
- *You need "Luck!" and a good mentor who is able to look at the job and not the gender.*
- *You need to be more intelligent than the average male and to know your subject and be prepared to come forward on it.*
- *Focus on holding your own and being professionally competent.*
- *Gain the operational experience and spend time on the floor.*

Solutions; A Male Perspective

It is essential to understand that males and females influence in different ways when trying to have impact on the baby boomer male leaders of today. The executives interviewed gave salient clues as to how females could have a bigger impact, and although the Creative Coaching Company's solutions are similar, it is interesting to recognise the language, focus and actions that they identified as the "best ways to influence traditional male leaders".

Men think the best way to influence other men around change in this area is;

- Storytelling focused on successful females
- Expose them to the exceptional female talent all through the pipeline on a regular basis; shadowing, mentoring, and meetings.
- Build their awareness on a constant basis to change attitudes.
- Articulate the economic success in a straightforward business case.
- Provide more statistical evidence of improved financial performance in other organisations.
- Make gender irrelevant; don't mention it in a title or invitation.
- Show them the opportunity cost of narrow vision.
- Put it in a business context; for sustainable business success we need to be connected, innovative and to see all perspectives. How can we do this with only half the talent?
- Show them they have nothing to be concerned about.
- Women are not a threat but an under utilised asset.
- Create targets and action (without quotas).
- Show them what would happen today if quotas were enforced.
- Give them experience being shadowed by a woman.



A Simple model; Elements for Sustainable change

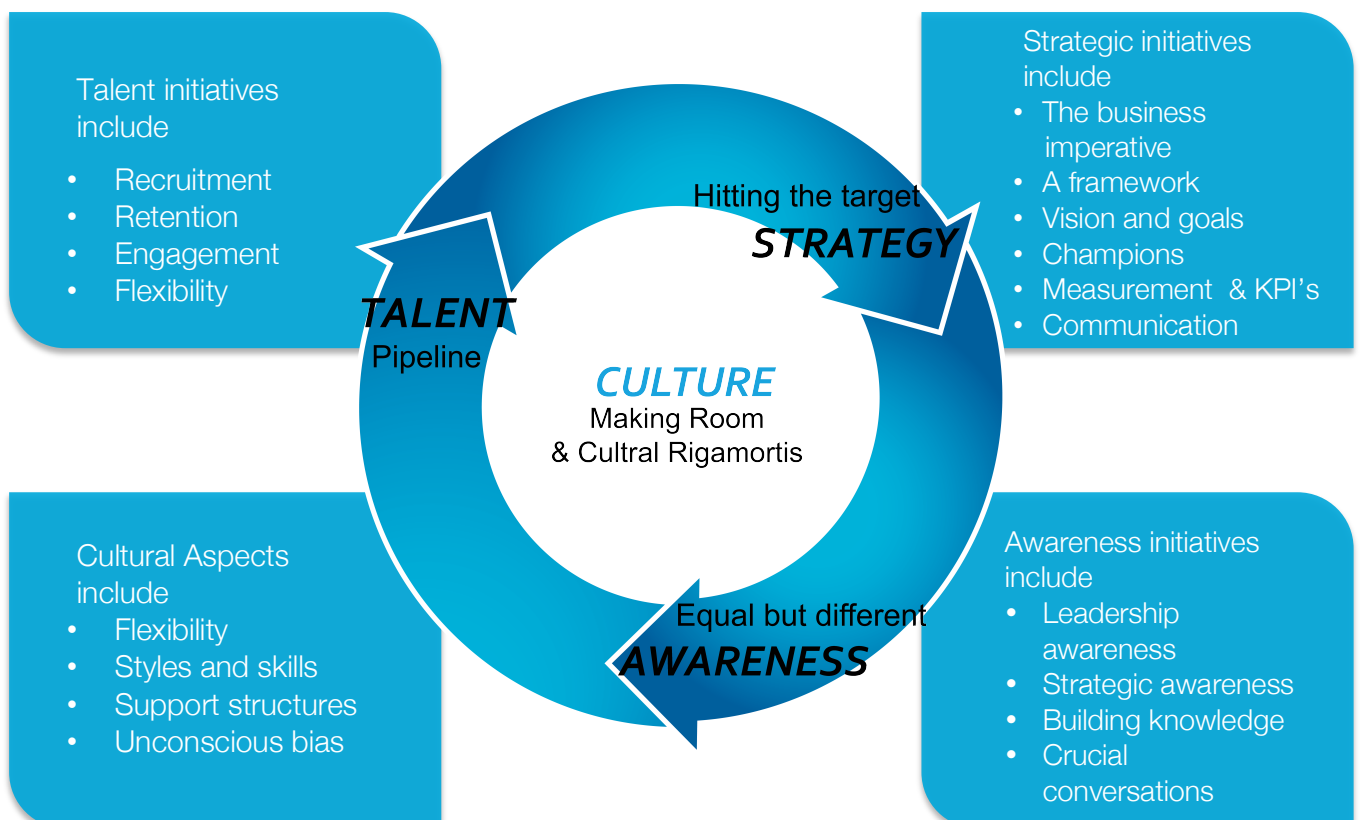
Linking the male perspective with the CCC solutions for Gender Diversity

The CCC solution to building Gender Intelligent organisations is focused on helping build a culture of gender diversity. The solutions identified by the male executives on page 16, have been considered and reflected in the model below.

Organisations require a focused approach, starting with a strategic framework linked to the business imperatives. The initial conversation must be sponsored and supported by the leadership. With the executive support secured, a strategy, vision and goals are identified and the process of changing the culture is initiated.

With the big picture goal of changing a culture, building awareness around gender diversity is essential to develop support and understanding in the organization.

Leadership teams are also required to focus on retaining and engaging high performing talent as organisations begin to adapt their models to reflect the needs of their people.



*We pride ourselves
on making the
process as simple as
possible with a focus
on talent not gender.
We know this is only
one of many priorities
for an executive
team, and we also
know quick wins are
important. A balance
needs to be identified
between sustainable
long-term culture
change and
measurable
outcomes and the
overarching needs of
the business. In
today's economic
climate the end focus
must be on improved
financial performance
and organizational
growth.*



Appendix 1

The Executives interviewed shared a rich perspective on their corporate experience and were from organisations including but not limited to:

ANZ, PricewaterhouseCoopers, Deloitte, Aurizon Holdings Limited, Uhde Shedden (Australia), Federation Centres, Derwent Executive, Crown, BDO Australia, Australian Unity Limited, Beacon Lighting, Simplot Australia, Alumina Limited, Amcor Limited, Swann Global Pty Ltd, Illuka Resources Limited, Victorian State government, Lion, 7-Eleven Stores Pty. Ltd, Caterpillar, and the Melbourne Rebels.

Biography



Karen Barr is a Director at the Creative Coaching Company. She works with leaders in organisations to transform ideas and opportunities into reality utilising the full potential of their people and the organisation.

Karen's experience in both small and large organisations includes 10 years at PricewaterhouseCoopers (PwC) and seven years in the manufacturing sector giving her excellent business insight and a deep understanding of the complex issues individuals and organisations face. She has spent the last five years focusing on her coaching, and consulting practise.

With degrees in Commerce and Psychology and a qualified Chartered Accounting background, Karen specializes in strategic development, people and innovation. Karen has built a coaching and consulting business focusing on leadership, gender diversity and "thinking differently" about challenging business issues.

She is a motivated and driven professional with the vision of enabling organisations to become more gender intelligent so that they and their people can thrive. She is an experienced public speaker, presenter and trainer who is passionate about making a difference in organisations and helping individuals to thrive professionally.

Karen's clients include large organisations, corporate executives, business professionals, small business owners and people who are driven to lead change. Karen's first research paper "What women want: Harnessing female talent" was published in 2011. After interviewing 70 Female Managers and executives she gained a detailed perspective and understanding of the female drivers in business. This follow up research has enabled her to also understand the male perspective. The differences are fascinating and significant for business.

Further information

To gain access to more information on our findings or to inquire about a presentation on our research, please contact Karen Barr using the details on the back of the report.



The Creative Coaching Company

Karen Barr | *Director*

P: 0411 163 142

E: karen@thecreativecoachingcompany.com.au
www.thecreativecoachingcompany.com.au

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