

THE WOMEN'S BUSINESS



You may have the view that there is no glass ceiling and being female won't hold you back. But you can't argue with the statistics. So, how can we change things?

BY MAUREEN FRANK

To a lot of women, it seems almost a little insulting that there needs to be arguments put forward in favour of gender diversity and achieving more gender balance in the workplace. The reality is Australian business is male-dominated and it is men that need to be convinced of this situation. While the debate on quotas for boards has raised its head, with much opposition from both men and women, it seems that many organisations and individuals still lack a balanced and objective understanding of what is happening and what the true impacts are.

GET MEN ON BOARD, GET ROI

Is there a return on investment (ROI) for organisations willing to attract females, invest in female leadership and keep females? You bet there is! But the key is getting men involved – without their buy-in, support and leadership in this area, women will remain a minority voice in trying to shift attitudes and cultures within the workplace.

Let's recap on where Australia is at. Women are disadvantaged in the Australian workplace. There is a gender pay gap which continues to grow from the average 17.5 percent to 28.3 percent at executive management level. There is also a marked gender gap when

it comes to leadership. Women currently make up 45.4 percent of the workforce, yet two percent of Chairs in the ASX200 are women, 8.3 percent of Board Directors in ASX200 are women and only 10.7 percent of Executive Managers in the ASX are women. Why is this such a big deal? It's a bit like you don't know what you don't know. An organisation may very well be doing fine, making a profit, achieving results. But the proof is out there – they could be doing so much better.

RETENTION AND ATTRACTION COSTS

Gender diversity impacts an organisation in three key areas: employment, customers and shareholders. Retention and attraction of staff is expensive. Every lost staff member costs an organisation approximately 1.5 times their salary – even more if they are more senior and customer facing. So the cost to business in Australia is in the hundreds of millions. Research shows that financial remuneration is not the primary reason why women leave an organisation – whereas it is for men. Contributing factors for women leaving are staff behaviours, perceptions of fairness, career prospects, respect and recognition, and the company's values. Women will not always tell the truth why they've left – they will just leave.

There are many barriers for women in the workplace and these include lack of mentorship and inhospitable corporate cultures, as well as unconscious bias and male dominance. Workplaces need to adapt to accommodate the needs of women as primary carers (for children, elderly and sick) and this means understanding what realistic flexible work practices look like in practice, not just as a policy. Over the coming decades, Australia will face a labour and skills shortage and this can be met somewhat by women. As they are today, women will become even more important buyers of employment and women buy differently to men.

FEMALE CUSTOMERS HAVE POWER

Women are increasingly being recognised as key existing and potential customers. They spend 90 cents in every household dollar, 35 percent of Australia's 1.3 million SME operators are women (this figure is growing three times faster than for men) and 40 percent of professionals in Australia are women. The potential of the women's market is enormous. Increasingly, the female customer or potential customer will not buy from organisations that they perceive are not

female friendly or if they disagree with their values.

In turn, when women buy, they usually become loyal. This loyalty is passed onto their families and passes on to generations because it is formed from a value base. Women are very strong word of mouth marketers – they'll pass on the good and when they have a bad experience they'll make sure they tell as many people as possible.

THE PROOF

Global research shows that organisations with a high proportion of women in senior management are more innovative, more creative, more effective, more productive and consequently – more profitable. Four of the best examples of this research are:

- A Catalyst survey of 353 Fortune 500 companies revealed that companies with the highest representation of women in their senior management teams achieved a 35 percent higher return on investment and a 34 percent higher total return to shareholders than companies with the lowest women's representation.
- The McKinsey research (*Women Matter, Gender Diversity, a corporate performance driver, research paper 2007, McKinsey & Company*) showed that the economic

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performance of companies with gender diverse management teams was far superior to the industry average. Such companies reported earnings before income tax 48 percent higher than industry average and share price growth 1.7 times the average.

- A GE study showed that when their work systems were shifted from an individual contribution basis to a team based system, homogenous teams over the long terms produced a productivity increase of 13 percent while diverse teams provided a source of new business ideas, work procedures and approached to problems and showed a productivity increase of 21 percent.
- Diversity, Inc. surveyed 256 companies in the US to determine the Top 50 Companies for Diversity. The companies were evaluated in four areas: human capital, CEO commitment, corporate communications and supplier diversity. But what they also discovered as part of their research was The Diversity, Inc. top 50 companies also outperformed the following over the past 10 years:
 - NASDAQ by 28.2 percent
 - Standard and Poor's 500 by 24.8 percent
 - Dow Jones Industrial Average by 22.4 percent.

WHAT TO DO ABOUT IT

So, what can an organisation do to see some shift in this area? Here are my top tips.

- 1. Agree to support gender diversity as a key business imperative**
Remember employee, customer, and shareholder benefits.
- 2. Get men on board**
This is key to nurturing upcoming talent. It's important they understand how to develop women in business.
- 3. Address employee brand, internal communications and HR**
 - Implement programs to make your organisation attractive to women, including showing how women are treated at your organisation and what your organisation's values are.
 - Ensure recruitment includes female candidates and interviewers.
 - Ensure the appraisal system is neutral and performance-centred.
 - Career manage individuals.
 - Make sure women are on promotion shortlists.
 - Actively manage high-potential achievers.
- 4. Implement gender diversity KPIs**
 - Take into account promotion, recruiting, pay equity, job satisfaction, staff turnover and training.
 - Make these KPIs highly accountable. Review every month.
- 5. Ensure you are growing a female talent pool through:**
 - mentoring,
 - coaching and training,
 - role models,
 - and networking, including establishing a formal female networking forum if warranted.
- 6. Headhunt senior women**
To quickly add much needed diversity, role modeling and cultural change to your organisation.
- 7. Embrace and implement work/life balance**
To enable flexible working arrangements and career flexibility and breaks – not just for your female but also your male staff.
- 8. Leverage CEO support and commitment**
Roll this down to gain every manager's support and commitment. **DB**

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