

WOMEN
IN LEADERSHIP



— GO BEYOND —

DRIVING TANGIBLE RESULTS IN THE GENDER BALANCE EQUATION

So what is working and what is not?



CONTENTS

DELIVER ON DIVERSITY	01		
SO WHAT IS WORKING AND WHAT IS NOT?			
FLEXIBLE WORKING	02-03	SPONSORSHIP.....	07
LEADERSHIP	04	DIVERSITY OF THOUGHT.....	08-09
ROLE MODELS.....	05	HIRING SKILLS	10-11
A BOX TICKING APPROACH.....	06	FINAL INSIGHTS	12

01

DELIVER ON DIVERSITY

The issue of gender balance is very close to the hearts of Morgan McKinley's Joint Managing Directors Louise Langridge and Vanessa Harding-Farrenberg .

As part of our ongoing Women in Leadership Program, Morgan McKinley was delighted to launch a new initiative in 2016 where we have brought together the heads of Talent, HR and Diversity from some of Australia's leading business to discuss this complex issue.

Together with Women on Boards, our round table series will address why the current measures being adopted by organisations are not delivering the desired results including a review of what's been working, what hasn't and what new strategies can be implemented to move the dial.

It is clear when we look at tangible results we still have a long way to go. In 2014, 20,000 students were enrolled at 63 MBA schools and less than one third were female. Furthermore, [research](#) shows that across all the major MBA schools, over 90% of case studies feature a male business protagonist. There are very few examples of females taking the lead role. Nowadays, MBAs are becoming essential to those aspiring to business leadership in Corporate Australia; if fewer women are doing this, will this impact the number of women progressing through to leadership and board level roles?

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Interestingly in the booming startup community there is far greater representation of females and no MBA's required so this may help to address the balance in time.



02

SO WHAT IS WORKING AND WHAT IS NOT?

FLEXIBLE WORKING

Flexibility is a key element in achieving a good gender balance; this refers to real workplace flexibility and not one that just sits on the company intranet. Even if workplace flexibility is available, employees often won't ask because they feel it will be career limiting. It is essential for senior leadership to lead the way, but how many CEOs and C-suite leaders actually work flexibly themselves?

Workplace flexibility is centred on managing people based on their output as opposed to clock watching, says one roundtable member. For example, if an employee can get the work done in three hours per day, then that's great, but if more time is required, then they do what they need to do to get the job done. He adds that people have a fear around whether it is really okay for them to work flexibly. Whilst there are great programmes in place, often organisations do not have that cut-through, and employees are left feeling like they still need to ask for permission to work flexibly. Leaders need to respond to this by creating a safe environment, where people don't feel they need to seek ongoing approval.

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Another speaker discussed the challenges his own wife has faced after returning to the legal profession following maternity leave. Always career focused, she has managed to negotiate three days per week of work, and on the days she does work she gets in 1-2 hours earlier than other employees. However, she feels incredibly guilty when she leaves earlier than everyone else. Whilst this flexible work arrangement isn't frowned upon, no one else is doing it. Like many women who work part-time, she is often squeezing a full workload into a shorter space of time. Men tend not to have the same dilemma in terms of guilt and the struggle between work and family life.



03

SO WHAT IS WORKING AND WHAT IS NOT?

CONTINUED

Organisations are looking at how to mainstream workplace flexibility so that it is not just a working mothers' issue. But how do you encourage more men to take up shared parental care or simply a better work/life quality? One organisation had a documentary film maker follow male staff members who took up flexible work options for six months, also interviewing family and work colleagues. Thinking no one would apply, they ended up with nine applicants. Two were selected; one wanted flexibility for a better family work/life balance and the other was looking for flexibility for different reasons. This generated discussion around flexibility for all.

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The conversation around flexibility tends to centre on part-time roles but flexibility can come in all shapes and forms, whether it be the ability to do the school run or attend a training session for your football team. The more we talk about flexibility as being part-time roles, the more we stereotype it to being all about motherhood.

Whilst flexible work practices have become a powerful attraction and retention tool for many organisations there is still a lot to be done in this space to normalise this in our work culture. Leadership plays a pivotal role in ensuring the success of these programs; bringing them to life, increasing opt in levels and removing the fear that flexibility may come with career limitations. In a recent Morgan McKinley research piece on [flexible work practices](#) 37% of people surveyed felt that working flexibly would limit their career progression whilst 35% felt it was not the same for males and females with males at a disadvantage.

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04

SO WHAT IS WORKING AND WHAT IS NOT?

LEADERSHIP

Leadership is critical to the success of this agenda and it is essential to push the diversity conversation through all levels of leadership in the organisation from the very top down. This cannot be the domain of HR alone and the business will need to take ownership if we are going to drive real results. One roundtable member says their business has focused more recently on strategy and risk innovation – pushing the diversity conversation to transformation officers, strategy officers and CIOs, so that it is not only an HR conversation. This also pushes the conversation to teams and engages people in a very personal and visceral way.

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In order to achieve real change around workplace diversity and flexibility, we have to rethink leadership altogether. One delegate says we need to stop talking about leadership and self-reporting on it and instead measure leaders.

Set expectations and measure them on how diverse their team is, how those under their sponsorship are progressing, how those they mentor and coach are going, and how the people they lead are performing? If you measure those things over a period of time, you will find people that lead inclusively and differently, and you will also find those who chat about it but don't actually do it. If you start to run talent on genuine leadership data you will see very different people being promoted than you do today.

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05

SO WHAT IS WORKING AND WHAT IS NOT?

ROLE MODELS

Role models can also play an important part in inspiring individuals that they look to emulate in their careers. Another delegate spoke of a workshop she ran with emerging female talent, where one young woman said something that really resonated with her – **“You can’t be what you can’t see”**. Often young women don’t have any senior role models they can aspire to.

Female professionals say they often look at women at the senior level, and they are either divorced or don’t have children. Young women not only ask themselves how they will get to that level but also what it will cost them in other areas of their life? Therefore, unless we are able to change what young female professionals see when they look up, it will be difficult to impact upon what’s happening at the middle management level. Support for young women in the workplace is something that is generally lacking and they really need to see senior female role models.

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Often women at the senior level have great support in terms of mentorship and sponsorship programmes. However, there is a significant lack of support for women entering management. These women often have initial doubts about their abilities as a manager, are perhaps also looking into starting a family and are often managed by males, who have a very different style. They tend to judge themselves harshly even when they are performing well, and don’t necessarily have the support or mechanisms to get them through those first few years as a manager up to that next level. Again, they are weighing everything up and wondering if it’s all worth it.

Many women have concerns regarding their career and raising a family. One roundtable member discussed a female member of staff who they wanted to promote to a senior leadership position but she was pregnant at the time and fearful of disclosing this. Whilst this was not a concern for her manager, who felt she was the right person for the job, the fact that she was so concerned shows there is still a long way to go in terms of gender equality.

06

SO WHAT IS WORKING AND WHAT IS NOT?

A BOX TICKING APPROACH

Although many companies now have comprehensive policies in place and often even targets to measure success there is still a lot of box ticking going on. Across the real estate sector, one roundtable member says that despite organisations such as The Property Council's Women in Property Committee and the Male Champions of Change Property franchise, nothing has really changed across the industry. Whilst there has been considerable 'box ticking', there has not been much substance behind this. Leadership teams are dominated by white Anglo-Saxon males in their fifties and sixties, who often attended private boys' schools, and there is very little diversity.

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The same delegate says there is greater focus on workplace flexibility in the banking and finance sector and more examples of it. She feels many young female professionals in banking don't see a problem around flexible working.

However, she adds that whilst there are many corporate workplace flexibility programmes, unless you have a passionate sponsor who brings those things to life in a way that is meaningful for the team, success in this area can be difficult to achieve.

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07

SO WHAT IS WORKING AND WHAT IS NOT?

SPONSORSHIP

As highlighted in [The Sponsor Effect](#) research paper, whilst 75 percent of Australian women are mothers, 75 percent of senior women in business don't have children. When you look at the 25 percent of senior women who do have children, every single one of them said that the only thing that mattered was sponsorship. In a former Morgan McKinley research piece "[What does it take to break through the glass ceiling](#)" all C-suite females that we interviewed for this piece cited Sponsorship was the No.1 thing that had helped them get to where they were today but the sponsorship relationship had been driven by them.

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Maybe the next phase in sponsorship needs to look at how we equip females with the tools to seek out sponsors and empower them to take control of their destiny. Whilst doing this we must also invest in senior leaders that have the power to sponsor but not always the inclination.

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08

SO WHAT IS WORKING AND WHAT IS NOT?

DIVERSITY OF THOUGHT

Diversity is critical for an organization's ability to innovate and adapt in a fast-changing environment and therefore key to achieving business growth and delivering significantly higher earnings and return on equity. Although the research is clear many organisations have struggled to execute an effective diversity strategy. For related research pieces on the business benefits of a diverse team please reference the following studies. [Forbes study](#), [According to McKinsey](#), [Australian Institute of Company Directors \(AICD\)](#)

Diversity in terms of background is another key area. Many organisations, particularly banks, still have very old-fashioned mind-sets with regards to the skillsets required. One speaker says their organisation is trying to change this way of thinking and has started a programme, which seeks to bring in women into senior positions that have a background outside of banking, utilising skills they have from working in other areas.

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Another delegate says that whilst their organisation has tried hard to address the gender balance across its workforce, there is not enough female talent coming through in areas such as technology. Many organisations focus on internships at the university level but often this is too late and young girls need to be encouraged to enter areas such as technology at the primary school level.

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One speaker stated their organisation's networks are now all about gender equality, rather than being women's networks; the concept of engaging the majority to boost females in the company. The conversation is now much more around the diversity of thought.

09

SO WHAT IS WORKING AND WHAT IS NOT? CONTINUED

Companies that are starting to do Lean-In Circles, which are free and easy and can be obtained from the internet, are getting a great cascade of supporting women. At one organisation, great insights from the senior women's circle are filtering down to the next circle, and the third set of circles are getting men joining them, which is generating very different debates around flexibility.

Another delegate, who works within a technology organisation, says for the first time her company has been able to get offers out and accepted to as many female graduates as male graduates. This has been driven by the CIO with a commitment to ensuring that gender parity is delivered. They have now managed to achieve 50/50 gender representation for entry level positions for the first time.

Another challenge to achieving diversity of thought is unconscious bias. Many organisations have invested heavily in unconscious bias training to raise the profile of this issue, it has done little to change the end result. One of the major challenges being that bias is at the core of how our brains work and assimilate information so being aware of it will never be enough to eradicate it. What is important is that bias is taken out of formal process and procedures and we have seen some progress in this area.



10

SO WHAT IS WORKING AND WHAT IS NOT?

HIRING SKILLS

Another factor that affects the recruitment process is that many managers hiring for the first time are never taught how to hire themselves.

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Another factor that affects the recruitment process is that many managers hiring for the first time are never taught how to hire themselves. In an internal case study it was identified that by the end of your first year out of university, there is already a pay differential. It was discovered that young male hiring managers often gave more work to male employees and then compensated them for it. However, they did not do the same with female employees because the male hiring managers had often attended private boys' schools and did not know how to deal with women at work.

Later on in their careers, the same male managers had received leadership training and were more thoughtful about the situation. Often as young leaders, they lacked the relevant life experience, and with the best of intentions were giving more money to the person that had done the most work. They thought they were doing the right thing but they weren't thinking about gender. Once the issue was highlighted to them, they were very apologetic. This is an example of where it is critical to get good leadership training early on; if you miss the pay differential gap at the beginning, it's exponential and you will never close it.

One speaker discusses a CEO who says he **'fires fast but hires very slowly'**; sometimes engaging in up to four interviews with a potential candidate. When hiring for three C-grade positions, two of them ended up being filled by women, even though to begin with they were the bottom two candidates. Initially, he says you would have gone with the first three candidates until the 'bullshit' factor kicked in during the interview process. After the fourth interview he hired the female candidates; the slow interview process had allowed the best talent to float slowly to the top. Often women don't sell themselves in the same way. This is something we are all aware of; so why does society say women have to change their behaviour instead of restructuring the system?

Another organisation is piloting the use of nameless CVs. However, a recent study on buying choices highlights that from very few cues humans can correctly identify whether someone is male or female.

11

SO WHAT IS WORKING AND WHAT IS NOT?

CONTINUED

Furthermore, one organisation, positively discriminating throughout the hiring process in order to hire more females, is worried that if they remove the awareness of the gender gap, then this will undo the progress that has been made. This is important in areas, such as technology, where there is a significantly smaller pool of female talent for leadership roles. If you are serious about recruiting female talent into this particular area, then you need to look more broadly in terms of the skillset.

Again although much has been done to take the bias out of position descriptions, demand diversity on shortlists and provide a gender balanced interview process this has not achieved the overall results we had been looking for. In a recent [KPMG report](#) the findings were fairly damning and only Technology had successfully managed to increase the % of females in leadership roles over this period.

The challenge is that this is a major cultural change which as we know takes time. Hiring managers often hire in their own image and can be quite set on the specific backgrounds required which although may be unintentional will often exclude females.

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There is hope that as we see more successful hires where leaders have had the courage to look outside the box resulting in more diverse team delivering better results that this will give other leaders the confidence to take this leap of faith.

12

FINAL INSIGHTS

As our round table has demonstrated there is certainly a high level of commitment to this agenda from some of the leading organisations in Australia. The challenge has been that despite good intentions to increase female representation in leadership roles the execution of this strategy has proved to be incredibly difficult. Our discussions highlighted a number of great ideas and innovative programs that have already been rolled out and although some have gained real traction particularly in pockets of an organisation, we have not seen the significant shift we would have expected in tangible results.

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The biggest challenge organisations face is that although the vision to achieve a diverse leadership team may be clear, we are reliant on leaders at every level in the business to bring this to life and there can be big discrepancies in capability and commitment. Until we set clear expectations for our leaders, measure and report on their performance and promote based on results it will continue to be difficult to see significant progress in this area.

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