Our experiences in elevating the representation of women in leadership

A letter from business leaders

Dear Colleague

Women in leadership—we talk about it, we work to make it happen. But how do we truly achieve it?

The Male Champions of Change (MCC) is a collaborative initiative of corporate and institutional leaders convened by Elizabeth Broderick, Sex Discrimination Commissioner, Australian Human Rights Commission. We are committed to discussing and promoting strategies and actions that elevate women's representation in leadership.

Why men? To make a difference, men and women need to work together on this issue. As CEOs and board members we believe we have a responsibility to support and drive change.

In that spirit, we aim to share with you, a fellow business leader, our experiences of tackling the practical aspects of elevating the representation of women in senior roles in our companies. These experiences were gleaned from our own companies' efforts to progress this issue. We do not have all the answers. However, we trust that these experiences will add insight to a debate which often centres on theory and wishful thinking.

For this exercise, the Male Champions of Change were joined by three additional institutions—NAB, Pacific Brands and The Westpac Group. McKinsey & Company supported the effort pro bono by helping with case studies, and conducting discussions with each CEO.

What did we learn? Which cases delivered impact? What patterns might your companies follow? As Exhibit 1 illustrates, we find there is a common journey that companies take as they seek to elevate women's representation. In this letter, we organise examples from our collective experiences into three phases that bring that gender diversity journey to life:

Phase 1: Getting in the game. The journey begins once the CEO gets interested. Early on, this interest drives analysis of the numbers. Barriers and challenges to elevating women's representation in leadership are surfaced. The typical focus here is programs and enablers to support women, and therefore HR is central to the effort. However, despite energy and investment, the impact on women's representation in this phase is low.

Phase 2: Getting serious. The point of difference in moving from Phase 1 to Phase 2 is when a CEO shifts from being interested to truly committed. As a result, the issue of women's representation in leadership is given the same treatment as other transformational business objectives. This is a shift in how the issue is approached, and not all our companies have worked through this phase. It leads to a transition in responsibility from HR to the line, starting with the top team and then working to embed accountability across the organisation. The same measurement and management disciplines are put in place as for other business priorities. In this phase, we often make appointments that break the old paradigm.

Phase 3: Capturing diversity advantage. The shift from Phase 2 to Phase 3 takes women's representation as a business issue to a higher level—by regarding it as a cultural imperative. This describes the highest aspiration. The prime movers are engaged people from all parts of the organisation who have signed on to work towards the goal of creating an inclusive leadership culture. Most of us view ourselves as far from this end state.

Throughout this letter, we highlight actions our companies have taken that illustrate the journey. It is important to be clear that many of these actions were taken some years ago—references to our companies in any given section are not intended to reflect their current progression on gender diversity.

We trust that these pages will stimulate thought and discussion within your organisation on the issue of women in leadership.
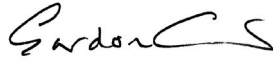
Glen Boreham
Chair and Non-Executive Director

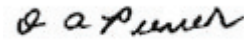**Stephen Roberts**
Chief Country Officer, Citi Australia

Alan Joyce
CEO, Qantas

Gordon Cairns
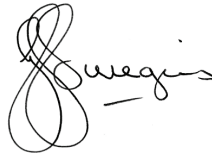Chair and Non-Executive Director

Ralph Norris
CEO, Commonwealth Bank

David Peever
Managing Director, Rio Tinto Australia

Kevin McCann AM
Chair and Non-Executive Director

Giam Swiegers
CEO, Deloitte Australia

David Thodey
CEO, Telstra Ltd

Mike Smith
CEO, ANZ

Stephen Fitzgerald
Chair, Goldman Sachs Australia Pty Ltd

Michael Luscombe
Former CEO, Woolworths Ltd

Stephen Sedgwick
Public Service Commissioner

Andrew Stevens
Managing Director, IBM Australia and New Zealand
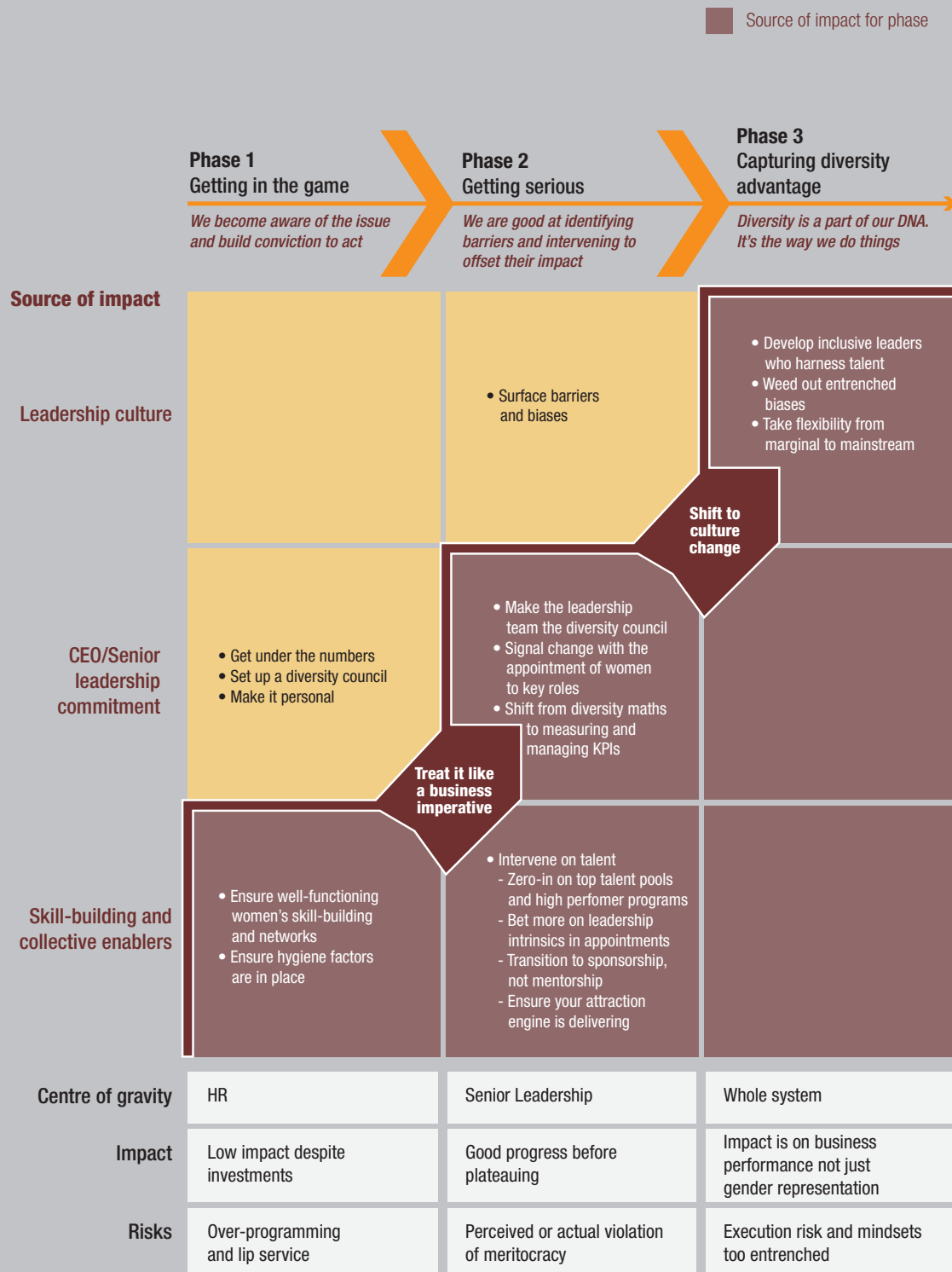
Grant O'Brien
CEO, Woolworths Ltd

Our research partners

Exhibit

1: Elevating women's representation in leadership—a journey

■ Source of impact for phase

	Phase 1 **Getting in the game** *We become aware of the issue and build conviction to act*	**Phase 2** **Getting serious** *We are good at identifying barriers and intervening to offset their impact*	**Phase 3** **Capturing diversity advantage** *Diversity is a part of our DNA. It's the way we do things*
Source of impact			
Leadership culture		• Surface barriers and biases	• Develop inclusive leaders who harness talent • Weed out entrenched biases • Take flexibility from marginal to mainstream **Shift to culture change**
CEO/Senior leadership commitment	• Get under the numbers • Set up a diversity council • Make it personal	• Make the leadership team the diversity council • Signal change with the appointment of women to key roles • Shift from diversity maths to measuring and managing KPIs **Treat it like a business imperative**	

Skill-building and collective enablers	• Ensure well-functioning women's skill-building and networks
	• Ensure hygiene factors are in place
		• Intervene on talent
		  - Zero-in on top talent pools and high performer programs
		  - Bet more on leadership intrinsics in appointments
		  - Transition to sponsorship, not mentorship
		  - Ensure your attraction engine is delivering	

Centre of gravity	HR	Senior Leadership	Whole system
Impact	Low impact despite investments	Good progress before plateauing	Impact is on business performance not just gender representation
Risks	Over-programming and lip service	Perceived or actual violation of meritocracy	Execution risk and mindsets too entrenched

For examples of two of our companies' journeys see pages 30 to 33

'The case for greater gender balance is obvious for Australian leaders. The opportunity to leverage untapped talent, and the productivity imperative, means that gender should be on the national agenda for years to come. There is just no justification for not…"getting in the game".'
Mike Smith, ANZ

'Women in Australia are an under utilised resource. We need to be tapping more heavily into the other half of the resource pool. It's that simple.'
Stephen Roberts, Citi

'Women in leadership. It's just good business. There's no difference in leadership potential between women and men; making sure you can capture a better share of high performing women is better for the organisation.'
Ralph Norris, CBA

'We need to get the best talent for our Firm. Everyone is competing for female talent and we aim to get more than our fair share. If we attract and retain great people, we succeed in better serving our clients. Without talent we can't serve our clients effectively.'
Giam Swiegers, Deloitte

'Women are Australia's hidden resource. The gains that we could make as a country by elevating the representation of women in leadership is substantial. We are a long way from realising the full potential of our workforce. We need to make this a priority.'
Stephen Fitzgerald, Goldman Sachs

'I believe that having women in leadership is important for businesses. In the past, I've worked with people who don't share my conviction. That doesn't mean I give up. I just make them accountable and push until they take action. Once they start, their conviction is bound to grow.'
Kevin McCann AM, Chair & Non-Executive Director

'The big ticket, the single biggest issue facing Australia is that we have more opportunities than people. That's the business case.'
Glen Boreham, Chair & Non-Executive Director

Getting in the game

The typical journey we observe in our companies starts with us, as CEOs or business leaders, putting diversity on the agenda. The reasons for this vary. In some cases, it is personally important to us. In other cases, it is a business imperative. We can also imagine it being mandated by the board or motivated by compliance requirements. The guidelines from the ASX Corporate Governance Council have certainly provided motivation.

Our experience is that once you make efforts on gender diversity, its benefits become clearer, and that conviction naturally builds.

At this stage of the journey, the commitment of senior management is a signal that change is expected. Exhibit 2 shows that our HR leaders nominated CEO commitment as by far the most impactful action in increasing the representation of women in leadership. This is consistent with results from McKinsey & Company's Women Matter global survey, as seen in Exhibit 3.

We demonstrate our commitment in this phase in ways that symbolise that elevating the representation of women in leadership truly matters—to us personally, to our organisation and sometimes to shareholder value. Specifically, we tend to do five things:

1. Get under the numbers. We typically start by improving our understanding of our gender diversity performance, the root causes, issues and barriers, and the potential for improvement. By conducting a 'deep dive' of our numbers we become familiar with our company's 'diversity maths'. To do so, some of us used the Chief Executive Women's (CEW) CEO Toolkit. Diversity surveys and focus groups are other favourite approaches. Exhibit 4 shows how you might better understand your own diversity performance.

2. Set up a diversity council. We set up or strengthen our diversity council with the aim of identifying what can be done to elevate the representation of women in leadership. In its first incarnation, the diversity council serves as an advisory body, bringing together a few executives with those who have personal experience in diversity. *'In the early days, our diversity council were the people who could tell us what was really going on, and what barriers people were facing'*, says Ralph Norris, CBA.

3. Make it personal. We all invest our time. To differing extents, we start to discuss diversity both inside and outside the organisation. For some, we renew commitments or 'put more teeth' into programs. A number of us participate in women's leadership activities. Says David Peever of Rio Tinto, *'leadership commitment is key—if you have the genuine intent, you will find solutions'.*

Says Stephen Roberts of Citi, *'I don't think there is a substitute for getting personally involved and spending real time.'* Being visible and active at Citi's skill development programs for women is a priority for Stephen. He regularly attends women's leadership programs to engage with groups. Stephen also dedicates significant time to graduate recruiting efforts, particularly those that target women. This sends the message to both internal and external audiences that Citi is focused on women in leadership.
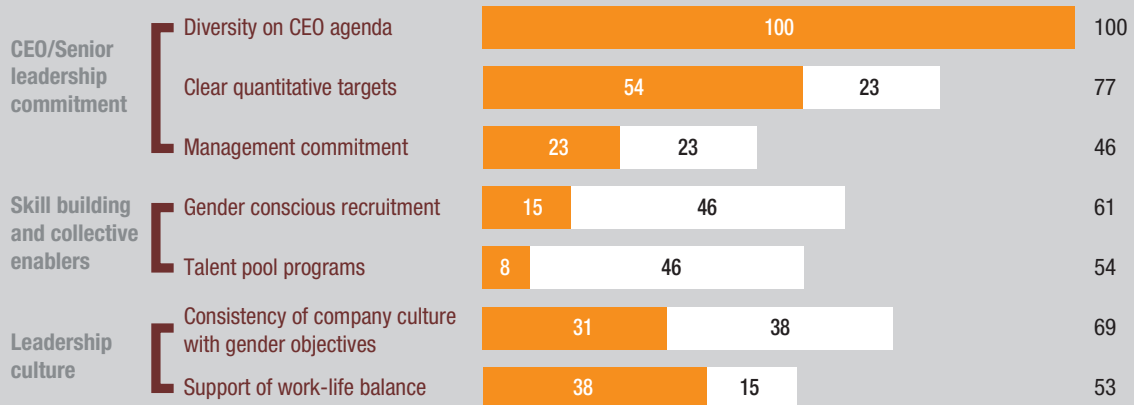
Exhibits

2: Most impactful actions for driving gender diversity

Question: Please choose the 3 most impactful actions you've undertaken already and 3 not yet fully in place that you believe would be most impactful
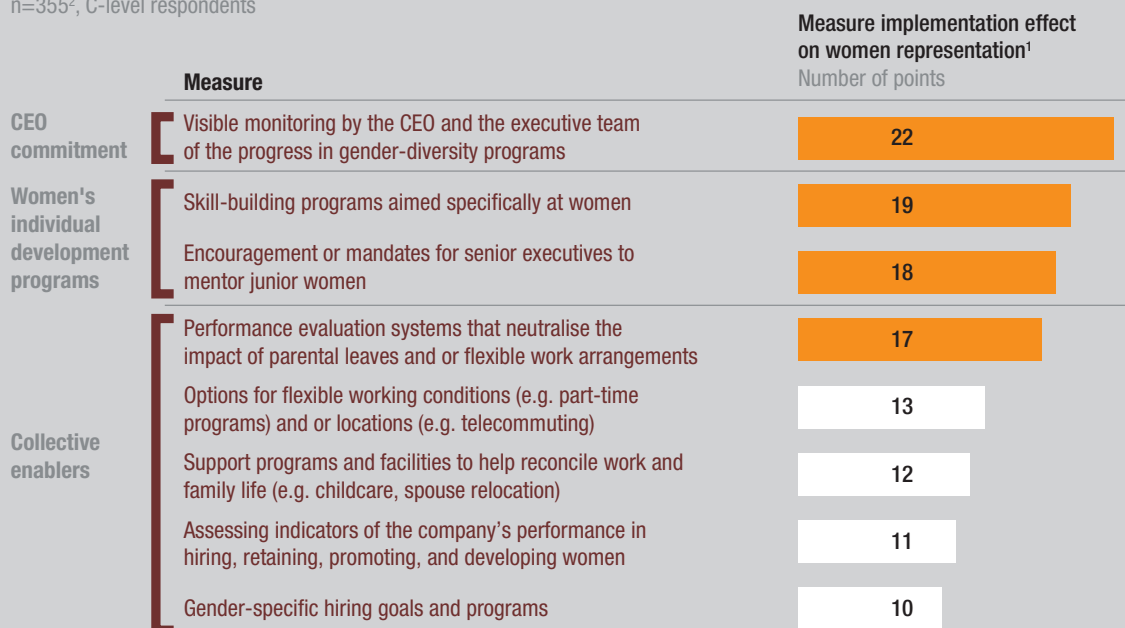Percentage of companies selecting

■ Actions taken
□ Next actions

CEO/Senior leadership commitment	Diversity on CEO agenda	100 — 100
	Clear quantitative targets	54 / 23 — 77
	Management commitment	23 / 23 — 46
Skill building and collective enablers	Gender conscious recruitment	15 / 46 — 61
	Talent pool programs	8 / 46 — 54
Leadership culture	Consistency of company culture with gender objectives	31 / 38 — 69
	Support of work-life balance	38 / 15 — 53

Note: Actions selected from list of 17 possible actions
SOURCE: Interview and survey of company HR leaders

3: The most important differentiator in gender outcomes is CEO commitment

n=355[2], C-level respondents

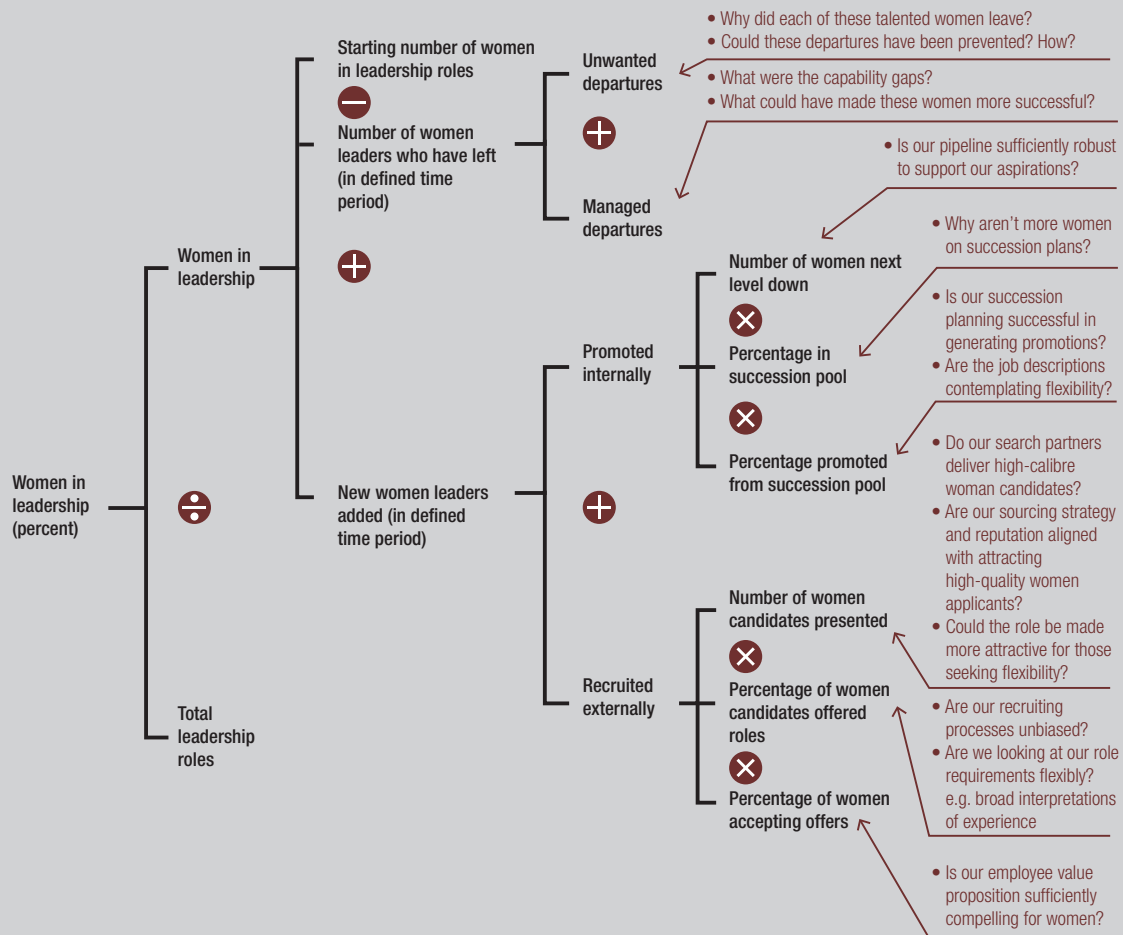|	**Measure**	**Measure implementation effect on women representation[1]** Number of points
CEO commitment	Visible monitoring by the CEO and the executive team of the progress in gender-diversity programs	22
Women's individual development programs	Skill-building programs aimed specifically at women	19
	Encouragement or mandates for senior executives to mentor junior women	18
Collective enablers	Performance evaluation systems that neutralise the impact of parental leaves and or flexible work arrangements	17
	Options for flexible working conditions (e.g. part-time programs) and or locations (e.g. telecommuting)	13
	Support programs and facilities to help reconcile work and family life (e.g. childcare, spouse relocation)	12
	Assessing indicators of the company's performance in hiring, retaining, promoting, and developing women	11
	Gender-specific hiring goals and programs	10

1 Difference between the proportion of companies with more than 15% women at the C-level depending on whether the measure is implemented or not. Chi square >0.05
2 Does not include respondents who didn't know which measures were implemented in their company or who didn't know/preferred not to answer the question about the percentage of women at their level of seniority
SOURCE: McKinsey & Company 2010 Women Matter global survey, September 2010

4: Understanding your gender diversity

Starting number of women in leadership roles

⊖

Number of women leaders who have left (in defined time period)

Women in leadership

Unwanted departures

⊕

Managed departures

- Why did each of these talented women leave?
- Could these departures have been prevented? How?

- What were the capability gaps?
- What could have made these women more successful?

⊕

Women in leadership (percent)

÷

New women leaders added (in defined time period)

⊕

Promoted internally

Number of women next level down

⊗

Percentage in succession pool

⊗

Percentage promoted from succession pool

- Is our pipeline sufficiently robust to support our aspirations?

- Why aren't more women on succession plans?

- Is our succession planning successful in generating promotions?
- Are the job descriptions contemplating flexibility?

Recruited externally

Number of women candidates presented

⊗

Percentage of women candidates offered roles

⊗

Percentage of women accepting offers

- Do our search partners deliver high-calibre woman candidates?
- Are our sourcing strategy and reputation aligned with attracting high-quality women applicants?
- Could the role be made more attractive for those seeking flexibility?

- Are our recruiting processes unbiased?
- Are we looking at our role requirements flexibly? e.g. broad interpretations of experience

- Is our employee value proposition sufficiently compelling for women?

Total leadership roles

5: Our companies have invested in women's skill development programs

Women's development programs in place
Percent of companies

■ Very good[1]
□ Good[2]

	Very good	Good	Total
Women leadership skill building programs	62	31	93
Networking events/programs dedicated to women	62	23	85
Tailored mentoring programs with internal mentors	48	36	84
Women coaching sessions with external coaches	38	38	76

1. Comprehensive scope, intensive and effective communication and high women participation
2. Sufficient scope and communication, but still average women participation
SOURCE: HR leader interviews and survey

4. Ensure well-functioning women's skill-building and networks. As Exhibit 5 shows, most of us invest conscientiously in programs and activities that focus on ensuring women have the confidence, skills and exposure they need to be considered for leadership roles in a traditionally masculine environment. These learning opportunities are in addition to our companies' standard curriculum—women continue to attend general leadership programs along with their male colleagues. The additional programs are a manifestation of our commitment to women in leadership.

Exhibit 6 details some of the development programs offered to women at The Westpac Group. Exhibit 7, Deloitte's Business Woman of the Year Award—based on the Telstra Business Women's Awards—offers a twist on traditional programs. The original Telstra model, launched in 1995, recognises outstanding business women from around Australia. The Deloitte contest, which runs internally, creates exposure for women. The benefits of the program are significant. Being entered into the contest typically translates into both improved performance and positive promotion outcomes.

There are companies in our group who chose a lower level of investment in programs than others. They did so out of a belief that singling out women for skill-building can be unproductive. *'I worry about sending a message that we want to 'fix' our women or that all women are the same'*, says one executive. Instead, these companies work to build more awareness and appreciation of a range of leadership styles. The focus is on reducing biases and stereotypical assumptions.

In this phase, most programs offer limited engagement with men. In retrospect, many of us believe we didn't sufficiently reach out to the men in our organisations.

5. Ensure hygiene factors are in place.
We develop or enhance our workplace policies–paying particular attention to those that impact women. This goes far beyond just simply complying with regulations. There are various examples of how this is applied practically.

A number of us invest in providing better support before and after parental leave. For example, NAB's 'reConnect' program keeps employees in touch with the business and their colleagues while they are on parental or other extended leave. This also extends to 'Virtual reConnect' utilising web-based technology, ensuring equity of access to all employees across Australia.

We pay more attention to our work environment. Some of us improve security or focus on ensuring that breastfeeding facilities are convenient and welcoming spaces.

We renew our efforts to ensure a safe workplace for all, reviewing our policies and processes relating to sexual harassment. We emphasise that this type of behaviour will not be tolerated.

We also pressure test our mechanisms on pay equity, to ensure that we are correcting biases. We enhance our policies regarding flexible work, for example part-time programs or remote work. We explore ideas around support for family life, providing subsidies or finding ways to help our employees access childcare. Exhibit 8 profiles Qantas' investment in The Joey Clubs—a series of onsite childcare centres.

It is clear from our collective experiences that an important step to elevating the representation of women in leadership is the initial commitment at CEO level. In this first phase, we become aware of the issues and build the conviction to act.

There are risks in this phase, namely that efforts will be viewed as 'lip service', or seen as patronising. There may even be a sense of 'over-programming'.

If you need to elevate the representation of women in leadership in your company, your own commitment is the place to start. Then—as you would with any other business challenge—identify the issues, barriers and potential solutions, before deciding on actions. You will need to invest your own time, pay attention to women's development processes, and enhance policies that make roles more attractive to women.

Many of our companies spend years navigating through this phase of the journey. Many of us had moments of discouragement—where we felt we'd done it all, and that perhaps the situation wasn't fixable. We do believe lessons from the first phase are essential. However, we also see that the ad hoc, and sometimes tentative approach employed, can prolong this phase unnecessarily. We believe that for other Australian companies yet to embark on this journey, the time spent in this phase can be significantly reduced.

To do this, we encourage you to first get the facts, understand the issues and build your own commitment. Think about how you want to tell the story of gender diversity in your organisation. How will you describe the case for attracting and developing women leaders? Second, ensure that your HR department draws on the experience of other companies by implementing leading programs on skill development, and policies that do not undermine women.

6: Development programs for women: The Westpac Group

	Learning/objectives	Programs	Format

Relationship building	• Support through
	  – Advice and counsel
	  – Identification of role models
	  – Advocacy and sponsorship
	• Expand women's profile (internally and externally)
	• Build awareness of networking as a lever in career progression
		• Individual mentoring
		
		• Group mentoring & sponsorship– 'Women on the Move'
		• Networking action groups– 'Women at Westpac'
			• Monthly 1:1 meetings
			
			• Cross-company monthly meetings with 12 women facilitated by an Executive Coach
			• Cross-company networking events:
			  – Skill development
			  – Actions to support women

Advice & Career advancement	• Education
	  – Articulating and realising career goals
	  – Career principles and patterns
	  – Career next steps
	• Building support and increasing networks
	• Self-mastery (e.g. barriers, steps to overcome)
		• Leadership Development for Junior Women–'Advancing my Career'
		
		• Leadership Development for Senior Women–'Making my Mark'
		• Executive coaching
			• 5 weeks
			• Women with 5-7 years work experience
			
			• 3 month program with facilitated sessions, coaching and action learning projects
			• Focused on achieving a specific personal or professional result

integrated with

	Learning/objectives	Programs	Format

Skill building (for both men & women)	• Tailored for each leadership level
	  – Managing self through ambiguity, challenge and change
	  – Leading and engaging others
	  – Business leadership to create the best outcomes for customers
		• Leadership development programs
		• High potential programs
		• Capability modules to increase skills
		• On-line support tools–leadership, coaching
			• Various formats including
			  – Face-to-face learning, supported by action learning
			  – Coaching
			  – On-line tools
			• 2 days to 9 months with focus on assessment and experiential learning

SOURCE: The Westpac Group HR leader interview and survey

Exhibits

7: Deloitte Business Woman of the Year

Context and Objectives

Deloitte invests significantly in skill-building and mentorship programs for women. Inspired by Telstra's Business Women's Awards, the Deloitte Business Woman of the Year program was launched in 2004 to identify and create exposure for women leaders.

Actions Taken

- Championed by CEO Giam Swiegers, and led by Senior Partner Margaret Dreyer
- 70 practice groups submit a candidate in two categories (below and above manager level), based on their achievements within and outside Deloitte
- At each stage, there are development interventions for participants e.g. 'Maximising your Potential'
- Nominees and their achievements are showcased in forums, including the National Partners Conference, where women speak about their achievements
- Winners receive funding to pursue courses at a leading university of their choice, e.g. Harvard and INSEAD

Lessons Learned

- Since the Inspiring Women program began in 2000, Deloitte has increased women partners from 5% to 17%, and women in the level below partner from 30% to 39%. 11 new women partners were finalists in the program
- Powerful role models have been created where women are comfortable talking about their achievements
- Organisational leaders, all of whom are expected to participate in the program, build greater knowledge and understanding of their talent pool
- Showcasing talent leads to greater 'pull' for women talent by senior leaders
- Strong support from senior leadership has a cascading impact, encouraging all leaders to develop and nominate high quality entrants

8: The Joey Clubs

Context and Objectives

- Qantas identified an opportunity to enhance its employee value proposition and retention by providing additional support for family life

- Childcare was identified as a significant way to support working families, and particularly women, for whom the 'double-burden' is particularly heavy

Actions Taken

- In 2003, Qantas opened its first Joey Club in Mascot, NSW, in partnership with KU Australia, a leading provider of childcare services
  – Purpose built, high standard facilities
  – High quality, qualified teachers
  – Significant subsidy and option for employees to salary sacrifice

Lessons Learned

- Success led to the development of centres in Melbourne (2007) and Brisbane (2008)
- Extremely popular with significant waitlists
- While the Joey Clubs are a significant cost, management believes the benefits are clear
  – Strong contributor to improved retention rates, particularly of women
  – Employees who access the centres are among Qantas' most engaged
  – Strengthened value proposition to new recruits, particularly women
- Critical to understand employee needs, and what locations will serve to support family life
  – Airport as a 'hub' has worked well for Qantas
  – Urban settings can be more difficult to manage based on other company experiences
  – Salary sacrifice offers a significant benefit enhancement

Questions we would encourage you to think about:

Where is your company on the journey?

Have you diagnosed the issue in your organisation in the same way that you would diagnose any other business problem?

Are you 'walking the talk'? Are you committing time to this issue, talking about it, and personally sponsoring women?

Have you identified the pain points where specific top team attention could help (e.g. mid-level women departing, failure to promote senior women, return rates from parental leave)?

'It's important that the gender diversity goal is not "off to the side", but rather that it is core to the business, and managed as such. I am frustrated when I hear people talk about how hard this is. 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.'
Cameron Clyne, NAB

'You have to approach it in the same way that you would any issue in the organisation where performance is not meeting target. You can't be more emotional about diversity. You look at what's working, what's not working and you try different approaches and then you measure it. It's business. We lose the plot if we think that this is something different.'
Alan Joyce, Qantas

'In the longer term, sustainability is about gender balance being the right business decision. Our experience with the APS was that a series of initiatives and in many cases, new practices were required to build gender balance into our way of working.'
Annwyn Godwin, Merit Protection Commissioner, Australian Public Service Commission

'Two things are critical to making a step change—having aligned leadership that genuinely believes in the business benefits, and surfacing and systematically eliminating the hidden biases that are a very real part of most organisations.'
David Peever, Rio Tinto

'Programs are important. They take you on a journey. However, for more progress, more is needed. When you see something that is wrong, for example, attrition, you have to ask yourself, "What's wrong?"–and be willing to fix it. This takes an approach that is broader than programs.'
David Thodey, Telstra

'It seems to me that we can be doing more than programs. In many cases, we have to change the rules. The rules have been invented by men for men.'
Gordon Cairns, Chair and Non Executive Director

'Programs are the first stage in making a difference. Managers being accountable for the diversity of their teams and eliminating behaviour that is unacceptable is the next stage of driving cultural change.'
Stephen Fitzgerald, Goldman Sachs

'We have set granular targets for each of our 70 practice groups, and created transparency on outcomes at this level. At every board meeting and senior management meeting, we place this scorecard on everyone's chair. Partners must commit to our "people power" strategy and to developing female talent as a key pillar of our strategy. Those who do will be rewarded and there are consequences for those who don't.'
Giam Swiegers, Deloitte

Getting serious

In our companies we see progress from building an understanding of gender diversity and taking the actions described in Phase 1. However, for most of us, these alone do not meet our aspirations. The next transition occurs when we move from an interest in elevating women in leadership, to an understanding that we must actively drive change in the same way that we do for any transformational business imperative.

A company cannot transition to Phase 2 until the CEO has conviction. This increase in commitment makes sense for a variety of reasons. For some of us, there are business grounds for making the next move. Some of us think of it as a moral imperative—we want our daughters to have the same opportunities as our sons.

However, for most it is a fundamental belief that our organisations will be disadvantaged if we do not leverage half of our population. Many of us also believe that a company culture that does not support the advancement of women will be increasingly unattractive to the next generation of talent.

Companies who are further along in the journey have a more penetrating approach to managing the objective. Leadership becomes more driven—there is a transition from asking questions and supporting programs to managing gender balance as a business imperative—alongside other priorities such as customer service, new markets or productivity improvement.

As Exhibit 9 shows, McKinsey's Women Matter global research finds that having gender diversity as a top strategic priority correlates directly to the actions a company takes on gender diversity, and to the number of women in senior management. This makes sense, but what actions need to be taken?

Essentially, we must eliminate obstacles to merit-based appointments of women. For some, tweaks or targeted interventions are required, so that talent processes can be harnessed to drive change.

In the first phase, HR led the charge with our support. In this second phase the leadership team takes over. The task in the second phase is to provide strong leadership, and where required, intervene to manage the talent pipeline to deliver the best outcomes. People processes must deliver and develop the best people—regardless of gender.

By integrating the goal of elevating women's representation in leadership into the business agenda, companies move further towards achieving gender balance than by relying on CEO personal interest and programs alone.

9: Having gender diversity on the top of the strategic agenda is critical

	Average number of measures implemented	Percentage of companies with at least 15% women in senior management
Companies where gender diversity is among the top 3 priorities on the strategic agenda	5.0	86
Companies where gender diversity is not on the strategic agenda	0.9	49
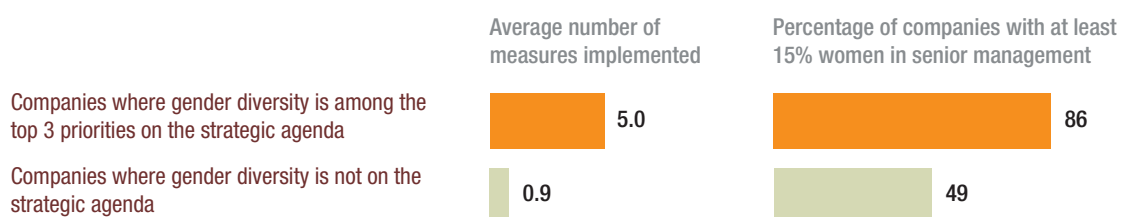
SOURCE: McKinsey & Company 2010 Women Matter global survey, September 2010

By ensuring targets are in place, well understood and hardwired into scorecards, senior leaders become good at identifying barriers—and intervening to offset their impact. All of this adds up to improved results against objectives. Exhibit 10 describes how ANZ embeds its gender balance aspiration into its overall strategy.

However, there are risks, namely that the focus on women can be seen as compromising rather than enhancing our talent. *'It's important to be clear that my active interest and targets don't guarantee a woman a job or promotion. What they do is to increase the probability that a talented woman will be considered alongside a talented man'*, says Andrew Stevens from IBM.

In this phase, the five most impactful actions are:

1. Make the leadership team the diversity council. With an up shift in commitment, we personally set and monitor progress against our diversity strategy.

Ralph Norris transitioned CBA's diversity council from people with experience in diversity, to the full executive committee—to better align accountability. In the past, CBA's diversity council might have provided advice, but no specific action plan. Now, the diversity council 'owns' elevating women's representation in leadership. Meetings that used to be about education are now about decisions and corrective action.

Says Gail Kelly of The Westpac Group, *'the diversity council is chaired by me and made up of the full executive committee. It needs to be us—we can call each other out and we can hold each other to account. As the council evolves it may expand, but for now we own it.'*

Telstra's diversity council, established in 2006, is chaired by David Thodey and comprises six of his direct reports. This group provides strong strategic oversight and draws connections across the organisation so that diversity and inclusion is business-focused, aligned and deeply connected to customer, community and people outcomes. Council members monitor key metrics and engage local groups to further embed change.

2. Signal change with the appointment of women to key roles. A number of us describe needing to 'prime the pump' by making or facilitating key appointments—whilst ensuring the appointments are solid. We all agree this must be done without compromising meritocracy. We do this by becoming more aware of the women around us. We also seek out those we may not have immediate exposure to. Some of us deliberately remove barriers where meritocracy might be failing. Others admit to simple good luck and fortuitous timing.

These appointments signal a new diversity paradigm. At Woolworths, Michael Luscombe's appointment of two women into line roles in the senior executive team signalled that promotion would not just be given to those with years of technical experience, but that leadership qualities were also critical to selection.

When Stephen Roberts from Citi was looking for someone to join his team, he reached out to a woman he knew who had started her own business. *'I asked her to tell me all the reasons it wouldn't work. Then, I told her what I was prepared to do to make it work.'* Eighteen months later, she has been nominated for a significant award by her peers. *'I often think of the others who are not getting that phone call. What a waste'*, says Stephen.

Alan Joyce of Qantas states, *'it's often about getting people to consider candidates who aren't on the radar. That drives the different outcomes.'*

3. Shift from diversity maths to measuring and managing KPIs. At this point, we understand our 'diversity maths' well. From that foundation, we move from a general to a granular view of the opportunities. We set realistic and specific targets for each part of our organisation. We communicate the path to achieving them. Plans are created and measured against. Diversity metrics move from being separate scorecards to being embedded in reviews. Traditional reasoning that diversity results are outside our control becomes unacceptable.

For example, at Citi, a simple, achievable target focused on the CEO's direct reports worked well. Says Stephen Roberts, *'We needed a goal that would make a real difference, that was easy to measure, that would build confidence. We also needed to ensure that we provided support for groups who didn't have a natural pipeline. When provided the support, the knowledge and resources, it was amazing how much progress we made in only a few months.'* This experience is described in Exhibit 11.

Our companies take different approaches to communicating targets. The Westpac Group employed a mix of both internal and external communications to reinforce its commitment. *'Our partnership with UN Women's International Women's Day served to drive momentum internally, to raise the profile of key women in the pipeline, but also to send a very public signal about the level of commitment and our confidence about reaching our goal'*, says Gail Kelly.

Some of us fear over-communicating targets or results because it might imply a move away from merit-based appointment—and raise suspicions that women did not 'earn' their promotions.

In this phase, companies also move towards considering the quality of the women in the pipeline, not just the quantity. For example, at Woolworths, all talent discussions include consideration of the proportion of female talent in the high potential and promotable pools, as well as in the top 1000.

4. Intervene on talent. We are aware of patterns of hiring and promotions that don't support our goal of developing the best talent regardless of gender. Many of us report intervening to get the right merit-based outcomes.

We become increasingly aware that our processes overlook talented women, and therefore do not support true meritocracy. We seek out ways to fix this tilted playing field:

(i) Zero-in on top talent pools and high performer programs. Many of us emphasise getting to know the women in our senior talent pools, leading to

several key appointments. Many of us are still in the early stages of tracking promotion slates and succession planning to ensure that deserving women are considered.

Some of us have set goals for women representation in talent pools above the current share of roles, to ensure sufficient access to opportunity.

IBM's leadership program integrates the company's pipeline management and succession planning process. IBM focuses on promoting women by managing a 'women ready for promotion' list. This is consulted when leadership programs become available or new executive roles arise. All executive benches must have at least one female candidate.

Mike Smith and his team at ANZ talk about *'early and activist career and succession planning to ensure we are creating a strong pipeline for line and business roles'.* Women are encouraged to think through their aspirations and the critical experiences they need to achieve their goals. A clear career plan is important for employees with leadership aspirations, particularly those who may take time out.

(ii) Bet more on leadership intrinsics in appointments. Many of us regularly question overly narrow experience requirements that might leave women out. We observe that women's experience might feel more 'choppy' than their male counterparts—due to factors such as parental leave or a limited ability to consider mobility options.

In the Australian Public Service, leaders work to interpret career break experiences, such as leadership of a school's Parents and Friends Committee, or a pro bono role with the not-for-profit sector, into their evaluation of candidates.

(iii) Transition to sponsorship, not mentorship. Many of us decide that our traditional approaches to mentorship are not enough. We believe we need to provide not just general guidance for women, but also support that helps them get promoted.

Exhibits

10: Embedding the diversity aspiration at ANZ

	Previous approach	Current priorities and actions
Governance/ strategy	• HR led • Diversity Council of interested leaders • Women in management targets	• Strong and visible CEO and Senior Executive leadership • Gender/diversity identified as key differentiator in people strategy • Targets are 'built into' management board scorecard with regular reporting (at least quarterly) • Public targets and reporting

Recruiting	• General desire for balance in graduate classes, and other entry points
	• Intention to develop more women leaders
	• Limited tracking of gender balance for outside hires
		• Target of 50% representation in graduate intake
		  – Intervention if not on track
		  – Consequences embedded in review process for not achieving
		• Focused action to develop and promote women with clear results
		  – 3 Management Board members
		  – 3 country CEOs
		  – Senior women leading key businesses and operations
		• New expectations for service providers including policy for at least one woman on all recruitment slates with tracking

Learning	• Women skill-building and networks • Discrimination/sexual harassment training	• Capability building focused on building inspiring and inclusive leadership; embedded in core competencies for advancement • Targets and tracking of women representation in key leadership programs

Pipeline	• General understanding of talent pipeline
	• Promotions tracked and monitored as part of diversity strategy
	• Limited reporting or corrective action
	• Target share of women consistent with share of roles
	• Limited opportunities to intervene on exits
		• Targets for key talent and accelerated development programs
		• Detailed understanding of senior women including
		  – Individual, early and activist career and development plans
		  – Succession planning for business critical/line roles
		  – Senior sponsors
		  – Close tracking of retention and promotion rates
		• Commitment to and actions plan to achieve gender pay equity

Retention	• Gender Action Network
	• Mentoring programs
		• Building vibrant and diverse teams a key element in People strategy
		• Detailed understanding and promotion of the conditions and culture that enable women to advance and succeed
		  – Inclusive and values-based leadership and culture
		  – Flexibility and support through career cycles
		  – Gender education and awareness sessions for all senior leaders
		• Commitment to advancement of women in society through financial capability and employment programs.

11: Target setting: Lessons learned from Citi

	From July 2010	To July 2011
Goal characteristics	• General, company-wide aspiration • Difficult to measure	• Simple, achievable and specific goal • Focused on direct reports of CEO • Easy to measure
Words used	• 'Create an inclusive workplace through actively demonstrating commitment to the attraction, retention and development of a diverse talent pool'	• 'Hiring a minimum of one senior woman into an approved, open role'
Communications	• Focused on inclusiveness and being 'the right thing to do' • Leaders asked to cascade goal to overall organisation	• Highlighting business case, including reporting requirements, and current external climate of quotas • Communication of impact on key metrics • CEO spoke personally to all direct reports about goal
Accountability and support	• Very difficult to measure • Unclear consequences for achieving • No specific support offered	• Simple to measure • Embedded in direct reports' performance reviews • Search firms hired to support 'hard to crack' groups • If goal not achieved, reasons to be shared with senior management team, diversity council
Impact: 9% increase in women in top 2 levels (from CEO) • More than 75% of groups achieved their goal early • Others are on track, and have clear plans to meet aspiration • Increased confidence and appetite for further increases		**Lessons learned:** General goal does not work, better to have: • Focused audience • Easy to measure target • Support mechanisms where needed

12: Sponsorship at Goldman Sachs

Context and Objectives

Leaders were disappointed with the promotion rates of senior women, which lagged rates of their male counterparts. Many women were seen as having a lower profile than their male counterparts. They also had fewer advocates on average from outside their business.

Goldman Sachs in Australia is working to close this gap, through a formal sponsorship program for senior women. The firm has already experienced a successful rollout of the program in Asia.

Actions Taken

- Executive Directors assigned two Managing Director sponsors

- Sponsors required to provide coaching focusing on impact, profile and platform

- Feedback sought from sponsors regarding candidates' responsiveness to feedback and their suitability for promotion

Lessons Learned

- In the first year, Goldman Sachs in Asia promoted the highest percentage of women to Managing Director

- Promotions continue to be strictly merit-based, but the program helps close the 'profile' gap between the functional contribution high potential women make and broader recognition and visibility in the organisation

- Sponsorship programs provide leaders exposure to women that they might not have otherwise met and in some cases builds their own leadership skills

13: NAB Diversity and Inclusion Service Provider Principles

Summary of expectations for search and recruiting firms

Supporting NAB's aspirations

Service providers will:
- Be true partners in supporting NAB's aspirations by
  – Providing a written strategy to improve their own diversity in terms of gender, age, work flexibility, ethnicity, disability, sexual orientation, etc.
  – Reporting on gender diversity in their own organisations across all levels and any targets in place
- Providing evidence that they are able to support NAB's diversity aspiration by utilising
  – Inclusive language and imagery
  – Channels that target diverse labour pools
  – Validated short-listing processes that weed out biases
  – Objective interview processes
- Employ a robust approach to training recruitment consultants on diversity and inclusion, cultural awareness, non-English speaking background, bias in selection, EEO and anti-discrimination. This includes training provided to consultants on the service provider's diversity policy, NAB's Diversity and Inclusion Policy and unconscious bias

Metrics to track success

Service providers must also provide progress updates, including KPIs to NAB on a quarterly basis that cover:
- Gender metrics for all roles (successfully filled or not) which include the gender ratio for each phase of the process including
  – Initial pool of candidates
  – Selected for Interview
  – Shortlist provided to NAB
  – Selected to interview by NAB
In addition, shortlists for senior management roles must include at least one woman of sufficient quality/suitability recommended for interview. If such a candidate is not presented, a written explanation is required each time

For example, McKinsey & Company interviews with over 100 remarkable women leaders globally found that for many female leaders there was a key individual who believed in them. This sponsor shaped their professional destiny by pushing them hard, opening the right doors, and giving them honest feedback when they were veering off track. These efforts went well beyond ordinary mentoring relationships—sponsors stuck their necks out—they looked for and created opportunities for these women because they wanted their protégées to succeed.

Many of us also believe that sponsorship is particularly important in the first 3-5 years of a woman's career, not just when they are close to achieving a senior role. Sponsorship during these early years where expectations are being set—both the organisation's and the woman's—can make a difference in their early trajectory, and in the likelihood that they will strive for senior roles later on.

At ANZ, this means building the expectation that sponsorship is a key role of senior leaders and emphasising its importance for women. All executive teams are expected to know the women in their division who are part of talent and graduates programs. Leaders are encouraged to engage and sponsor women through meaningful work experiences, by identifying and building career paths, and through regular people planning processes.

As Exhibit 12 shows, Goldman Sachs is rolling out a program that holds senior executives responsible for the success of specific women. *'Sponsorship is about moving from coffee chats and advice, to actually backing our women, and feeling responsible for their career success. It's a real mindset shift'*, says Stephen Fitzgerald.

Andrew Stevens of IBM spoke at and attended various activities over three days of the company's women's leadership training earlier this year, *'It was deeply satisfying. Fifteen of the eighteen senior women attending have had real breakthroughs since then. Many have said my attendance helped. It also allowed me to get in touch with, and to some extent, remove, barriers. It also sent a message about just how important elevating women's leadership is to me.'*

14: Telstra's female employment brand

Context and Objectives

Leaders identified a need to be more proactive and deliberate in attracting talented women given the strong focus on building a diverse and inclusive culture.

Actions Taken

- Reviewed Employee Value Proposition and recruiting approach
  – Messages and relevance, particularly to women
  – Communications channels
- Developed a women-focused Employee Value Proposition 'Connecting women with real opportunities'
  – Built on existing employment brand
  – Respect and inclusion
  – Focused on female Telstra role models at all levels of the business
  – Individual stories
  – Support for flexibility/work life balance

Lessons Learned

- Terrific feedback by women involved in the process
  – Reinforced inclusiveness of culture and commitment of leadership
- Within 3 months of launch, applications from women increased by 80% in areas of focus

SOURCE: Telstra HR leader interview and survey

(iv) Ensure your attraction engine is delivering. Some of our companies are working to increase the number of women brought in through external appointments, especially into areas that are particularly male dominated. As we focus on women talent, our search partners need to as well. Most of us are now insisting on women candidates for all senior external searches, where in the past, it was common for none to be presented at all.

For example, NAB has introduced Diversity and Inclusion Service Provider Principles that apply from 2012. These principles, outlined in Exhibit 13, require recruitment partners to provide information regarding their diversity strategy. Areas to be covered include strategic actions, training and processes that will achieve the supplier's stated diversity strategy. Reporting on the gender ratio along each step of the recruiting process must also be submitted, including the initial pool of candidates, screening, selection, and short-listing for all roles. There is also a requirement that at least one woman of sufficient quality will be recommended for interview.

Many of us are re-thinking our own recruiting strategy, in the hopes of attracting more women at all levels. Exhibit 14 describes Telstra's recent efforts to improve its recruiting approach, which resulted in the creation of a segmented employment brand for women. This approach has more than doubled applications within targeted areas, in the first three months of its implementation.

Citi is taking an innovative approach to leveraging its networks to attract women, including former employees of the company. Senior leaders, particularly women, are regularly asked to provide referrals from their networks.

In addition, a new program planned for launch focuses on engaging with Citi alumni. Alumni will receive regular updates from leaders on knowledge, new developments and opportunities at Citi. While the mission is broader than recruiting, there is a belief that staying in touch with former employees, many of whom are on extended career breaks, will be a powerful tool for attracting new employees or referrals, particularly from women.

5. Surface barriers and biases. During this phase, we work to surface, rather than drive underground, the fears, mindsets and behaviours that work against reaching our aspiration. We might do this through surveys and focus groups, and through individual conversations. It is important to get a sense of things that stand in the way of meeting our goals.

Treating diversity on par with other business objectives makes a significant difference and allows opportunity for real action. In this phase, we are getting good at identifying barriers and intervening to offset their impact.

For most of us, in this second phase we still see obstacles to reaching our ultimate objective—an environment where supporting gender diversity is ingrained within the very culture of our business.

Questions we would encourage you to think about:

How do you signal the importance of this issue to your organisation in the way you commit your time, and in the conversations you have?

Do high potential women inside your organisation or currently on career breaks have real sponsors?

Can you identify the top three priority areas where you and your top team need to personally intervene?

'Our strategy is to stay ahead of the curve on talent, by building a culture that is truly inclusive. I tell people that we shouldn't rest until we reach census levels—50/50. When I see hesitation or resistance, I know I'm onto something. I find it energising!'
Andrew Stevens, IBM

'The success of our strategy depends on having a vibrant workforce, with people who understand and can connect with our customers and markets wherever we operate. With more women in our leadership pipeline and senior executive ranks, we are tapping into a much broader range of leadership styles, experiences and skills to manage our business and achieve our goals.'
Mike Smith, ANZ

'Qantas is an iconic brand. It's about the legacy you leave and diversity is a key part of that. This covers gender, indigenous, disability, age, sexual orientation. If I do it right, Qantas will be much more rounded, more representative for a national icon and much stronger for the next 90 years. If I leave with the right diversity in place, then it's a job well done.'
Alan Joyce, Qantas

'The key to changing behaviours has been our consistent focus across multiple generations of the APS. There is now a groundswell of people leaving a legacy. It's become part of our culture and now, is just the way we do business.'
Annwyn Godwin, Merit Protection Commissioner, Australian Public Service Commission

'We know that a diverse workforce creates value and we need to ensure we reflect the customers and communities we work with. NAB sees our focus on the advancement of women as a never ending journey. Early progress has been pleasing, however, we need to ensure we stay the course.'
Cameron Clyne, NAB

'Success is about sustainable gender diversity, not just a few key roles filled at a moment in time.'
Sue Morphet, Pacific Brands

'For me, this is all about, how we build great leaders. It's a broader shift. How do people lead other people? How do you work with each individual to make them successful? How do you create an environment which is inclusive, where everyone can perform to their potential? That's why this is so important.'
David Thodey, Telstra

'We need to make leadership appointments, not technical ones. It will require focus, but it's absolutely the right thing to do for the business. Our culture and performance will be all the better for it.'
Grant O'Brien, Woolworths

'We've been focused on building a strong inclusive culture for many years now to ensure that we can attract and motivate the best talent possible, regardless of gender, ethnicity, religion or sexual preference. This requires the courage to try new things and challenge long held mindsets and unconscious bias. It also requires unwavering commitment.'
Ian Narev, CBA

Capturing the diversity advantage

For most Australian companies, the transition from Phase 1—Getting in the game, to Phase 2—Getting serious, will be most relevant. However, a number of our companies have been in Phase 2 for some time. Some of us see a path to continued improvement, with a payoff that will go further than just gender balance. Woolworths and CBA's experiences, starting on page 30, show how individual companies have navigated Phases 1 and 2, and how they are beginning to think about the next phase of their journey.

Our collective experience tells us that after steady wins, many of us reach a plateau. Most of us have weak spots in our organisations where we've still made little progress.

Why do we reach this plateau? We believe it is because deeply embedded cultural factors get in the way. Many of us speak of members of our own management teams who don't share our confidence in the vision. Exhibit 15 suggests that our efforts haven't yet fully translated into initiative-taking in the broader organisation. As such, the shift from Phase 2 to Phase 3 is about tackling the underlying cultural barriers that work against the goal of greater representation of women in leadership.

While some organisations and their leaders will struggle with the business imperative to shift beyond Phase 2, most of us hope for real gains beyond the plateau. Part of the challenge of describing this phase of the journey is that few of our companies would claim to have achieved the aspiration of a culture that fully supports gender balance.

Given this, we can take encouragement from other cultural transitions we have made in areas such as customer service, collaborative leadership and safety. This requires an integrated change program.

Taking a safety analogy, we know that safety cultures take decades to build. However, leaders do not negotiate safety objectives. In safety cultures, safety metrics receive focus akin to financial ones.

Data is shared openly with an expectation of accountability. In a safety culture, the CEO is a role model. The CEO complies with on site policy, even when in the CBD head office. Before descending every staircase, force of habit sees them conclude their phone call, and return the handset to their pocket.

In safety cultures, there is a belief that every injury is preventable and accidents are not met with an attempt to excuse. Every person in the organisation, from newest to most experienced, is responsible for safety. Safety cultures are blindingly obvious to new joiners—a three-day safety induction builds capability and sets the tone. Safety 'shares', where recent incidents are highlighted, provide regular reminders and reinforce accountability. In a safety culture, people with poor records are not promoted—a contractor who jaywalks outside the head office is not invited back.

Consider what our organisations would look like if gender balance was ingrained in our culture the way safety is. We wouldn't shy away from a 'zero defect' type of goal. We would not tolerate behaviours that were careless or inconsistent with a culture of gender balance. No leader would be promoted if they had a poor record on diversity. We would be open about failure—we would conduct challenging reviews of our mistakes to ensure we didn't repeat them. We would operate with more flexibility.

We also don't believe that the imperative for cultural change will be solely elevating the

representation of women in leadership in itself. It is more likely to be part of a broader transformational change. Says Ralph Norris of CBA, *'What really matters is changing underlying mindsets and behaviours. We've come a long way in our journey towards a customer service culture. I believe that diversity is a big part of the next stage in our cultural journey.'*

This shift in culture requires engaging a much broader cross section of the organisation. In Phase 2, the centre of gravity shifted from HR to senior leadership. Now the whole system is engaged—from top to middle to front line.

To unlock the benefit of gender balance as part of a broader change, there are a number of actions to focus on:

1. Develop inclusive leaders who harness talent. Telstra believes that building leadership capability is at the foundation of its culture and future success. Says David Thodey of Telstra, *'in my mind, gender (diversity) and inclusiveness is a broader leadership issue. Great leaders know how to get the best out of their people regardless of their gender, ethnicity or sexual orientation.'*

We know that the highest performing leaders are inspiring. They bring out the best in others. They motivate others by creating common purpose and building on individual strengths. They foster collaborative leadership and decision making. They engage others and they turn difficult situations into learning moments. They also create the energy to sustain change.

As a result, these leaders do things differently. They develop others and build accountability through coaching and feedback. Most importantly, gender does not get in the way. They also build high performing teams to execute faster and get better results.

Giam Swiegers at Deloitte says, *'I'm most proud that our efforts to build a team that values gender diversity are paying off. It's common now for our Practice Leads to proudly share stories and evidence of their successes in developing, sponsoring and promoting female talent.'*

2. Weed out entrenched biases. We find that corporate and individual mindsets, particularly biases, can be hard to shift. Our experience is consistent with McKinsey & Company research in the US that provides evidence of common biases, and how they sabotage promotions processes.

For example, this research shows that many managers commonly overlook women for certain jobs. One cause of this is 'best intentions'—wanting to prevent a woman from failing because 'everybody knows you can't put a woman into that particular slot' or 'that slot could never be done part time'.

Another aspect outlined is that often women are seen as more risky choices for open positions, and therefore managers look more to their experience than their potential (whereas men are more confidently promoted on the basis of potential).

There is also a sense that women must watch what they say—in a masculine world, they can seem aggressive when men seem assertive. This can create real self-consciousness and a sense that women are not truly accepted in their organisations. It can also reduce perceived and actual performance. Also, men will often give more direct and personal feedback to men than to women—often with best intentions—but with significant lost development opportunities.

As a first step, many of us have introduced training or workshops that seek to surface unconscious bias that gets in the way of merit-based appointments and flexibility. Cameron Clyne at NAB believes it is a critical issue to address, *'How do we counter it, how do we change the way we select, recruit, induct to overcome that unconscious bias within an organisation that may lead us down a more narrow recruitment and development path.'*

This year, almost 200 senior leaders at NAB will complete their Consciously Addressing Unconscious Bias program. The lessons learned will then be applied in everyday decision-making processes that commonly occur in the workplace. As a part of this program, each leader receives one-on-one coaching to support them in
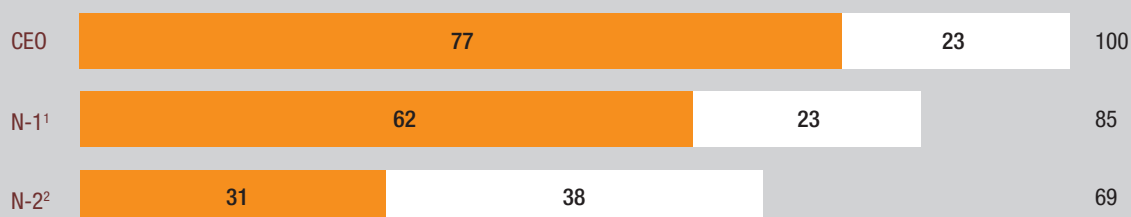
Exhibits

15: Building commitment to gender diversity is challenging

Question: How would you rate your management team's commitment to gender diversity?
Percent of total respondents

■ Very high level of commitment[3]
□ High level of commitment[4]

	Very high level of commitment	High level of commitment	Total
CEO	77	23	100
N-1[1]	62	23	85
N-2[2]	31	38	69

1. N-1 = Direct report to CEO
2. N-2 = Direct report to direct report of CEO
3. Visibly committed to the topic, actions to foster gender diversity and communication on results
4. Visibly committed to topic, actions to foster gender diversity in place, no communication on results
SOURCE: HR leader interviews and survey

16: Shifting culture to build gender diversity at Rio Tinto Alcan Bell Bay

Context and Objectives

- In 2006, Rio Tinto leadership became focused on the need to expand talent pool
  - Shortfall of quality candidates
  - Women less than 6% of workforce
  - Enhancing management team skill
- Leadership team set goal to
  - Double share of employees within 3 years
  - Achieve EOWA preferred employer of choice
  - 20% of supervisory roles within 5 years

- To accomplish this goal, the management team recognised need to
  - Redesign recruiting and people processes (e.g. recruiting, interviewing, training)
  - Shift culture towards one more consistent with diversity (e.g. mindsets and behaviours)

Actions Taken

'The Basics'
- Deployed a recruitment strategy explicitly targeted at women
  - Ensured comprehensive communication around business case and 'merit-backstop'
  - Addressed significant barriers (e.g. built separate bathrooms where they didn't exist)

'The Extras'
- Set clear KPIs and baked them into annual plans alongside other business goals
  - Maintained energy through FAQs and updates
  - Ensured interviewers were trained to overcome bias

'The Magic'
- Developed a truly compelling business case
  - Ensured that the story was owned and delivered with conviction by management
- Deployed a targeted campaign to explicitly dispel underlying myths and fears
  - Proved no correlation between gender and safety incidents
  - Factually established women's capacity to do physical tasks required

Lessons Learned

- Goal met, almost doubled share of women in 2008

- Strong feedback that culture and work environment has improved for all

- A merit based approach, not just focusing on mandated targets is the correct approach

- Having a 'critical mass' of women employees is essential in establishing social networks
  - An important component for engagement and retention

recognising their own biases and addressing these on an individual level.

ANZ recently sponsored an Australasian tour of a diversity expert that focused on the business case for building more inclusive companies. Awareness sessions with 800 leaders, including ANZ's top 200 executives, community groups and clients, served to surface issues and encourage additional actions to address mindsets that might work against women's advancement. This approach will be cascaded across the organisation, asking leaders to develop personal plans for building a more inclusive business.

Telstra's efforts have focused on moving from a compliance-based approach to a culture that builds inclusive leaders. This approach has involved vigorous work to change attitudes and behaviours both internally and externally. Engaging men, and all leaders across the organisation, has been a priority. One example of this approach is 'Kitchen Table', a series of group-level discussions, aimed at fostering conversation and shifting mindsets around diversity and inclusion.

In advance of a 'Kitchen Table' discussion, senior leaders in each Business Unit are sent granular data about their specific groups' diversity objectives, performance against them, and gaps that might exist. Leaders are engaged in an open discussion about their own group's story and dynamics. They are invited to come up with the reasons and biases that might be getting in the way, together with solutions to improve.

The focus is on shifting mindsets and individual behaviours by holding a mirror to each part of the organisation and the role individual managers play, rather than applying 'one-size fits all' programs. Action plans are then owned by the group's leaders, not by HR, with leaders directly accountable for inclusive approaches in their everyday team leadership.

Rio Tinto Bell Bay provides an example of shifting mindset and behaviours to those more supportive of gender balance. Exhibit 16 details how Bell Bay doubled the share of women working on site

within two years. This story highlights the investment required to shift mindsets, and the payoff for doing so.

At Bell Bay, many workers believed that having more women on site would hurt the site's safety record. To address this, rosters were analysed for correlation between gender and accidents. Others expressed concern that women weren't strong enough. In response, a consultant looked at physical requirements for roles and at how women's capabilities met these requirements.

In these instances, the management team worked hard to listen—without immediately refuting staff concerns. In Rio Tinto's fact-based culture, the key was providing evidence that more women wouldn't lead to more incidents or to the job not being done properly.

Armed with this information, and supported by diversity champions with experience of working with women, management was able to build a culture that would support greater diversity—with very strong results.

Rio Tinto Bell Bay managed to reach its goal of moving the share of women from six to almost twelve percent in the two year timeframe. Management and staff alike felt strongly that Bell Bay was a better place to work.

So, we can all agree that improvement requires changing underlying mindsets and behaviours across the organisation. To do so, we must understand what exactly it is in our culture that is standing in the way. Is it a rigid image of what success and a career path looks like? Is it fear of working with people who are different? Is it tradition? Is it fear of change?

3. Take flexibility from marginal to mainstream. Research tells us that the two biggest barriers to women progressing in organisations are the 'anytime/anywhere' business culture and the 'double burden' on women who are likely to take up more family commitments outside of work hours.

Exhibit

17: IBM flexibility example

Context and Objectives

Over the last decade, IBM has worked to foster a culture where flexibility is viewed as a positive work choice with individual, team, organisation and client benefits. Flexibility is a core part of IBM's retention and engagement strategy for both men and women.

Actions Taken

The focus is twofold: first, on how the world of work is evolving; and second, on IBM's goal of building an inclusive work environment.

- Highlight successful role models: Individuals who have made choices across the spectrum of flexible work are showcased. Each October, IBM has a 'work-life' month.

- Education, tools and support for employees: Materials are deployed for employees who wish to consider a flexible work arrangement. These written and online materials cover what works and what doesn't. Employees are encouraged to seek out colleagues who have experience of working flexibly.

- Education, tools and support for managers: Educating managers on why flexibility is important has been a priority. Training such as 'Get Balanced' and 'New World of Work' communicate the business case for IBM and teams of having a person working flexibly. It also addresses bias and gives advice.

- Monitor flexible work arrangements for impact: IBM has a clear process for application and review of flexible work arrangements. Regular reviews are recommended to ensure the arrangement is working.

- Infrastructure: IBM has invested in hardware, software and collaborative tools and resources to support flexible work.

- Mindset: shift the focus from time in the office to a results-driven culture.

Lessons Learned

- IBM has seen significant progress on flexibility:
  – 15% of female workforce work part-time
  – In a recent survey, 87 percent of women said that improved flexibility improves their productivity
  – Employee confidence regarding support for flexibility has continued to grow, with 78% of female employees saying their manager supports it

- Building flexible work practice is a cultural journey that requires:
  – Getting the case for change right and communicating it
  – Having the tools to support requests for flexible work arrangements
  – Supporting and educating leaders as they learn to manage people on flexible work arrangements
  – Sharing stories on how to make it happen

Our companies agree that a genuine commitment to flexibility is fundamental to elevating the representation of women in leadership.

Says Gail Kelly of The Westpac Group *'Flexibility needs to be mainstreamed—it's the key to unlocking a huge part of our talent pool.'*

While we all have flexible work policies in place and provide options for women and men who are balancing work and family life, it remains unusual for men to take advantage of them, or for women to take advantage of these policies at senior levels. This suggests that there remains a prevailing bias in our organisations, that you cannot be successful as a senior executive on a flexible program. There may be fear among men and women that choosing a flexible work arrangement creates the perception that they are no longer serious—that they are 'opting out'.

Many women (and men) feel forced to trade off work and family. We will have fully captured the diversity advantage when those trade-offs aren't as stark, and perhaps don't have to be made at all. Says Andrew Stevens from IBM, *'Is it career or family? Let's make it both.'*

For more than 10 years, IBM has worked hard to build flexibility into its culture. This has required education for both managers and employees alike, as shown in Exhibit 17. It has also particularly helped with the retention of women. Most of us are a long way from having flexibility so ingrained in our cultures that women (and men) will always see a way to stay engaged in the workforce.

Pacific Brands provides an early glimpse of what it might look like when 'flexibility goes mainstream'. There is a strong belief across the company that with today's technology, going home for dinner often should be possible for most, including senior leaders.

There is also a shared understanding around how appointments are made at Pacific Brands. As Sue Morphet says, *'first we find the best person for the role, based on capability, and then if we can, we will work to adapt to suit any specific need that the person might have for flexibility'.*

Unusually, Pacific Brands has achieved this without a formal set of programs and initiatives—but rather through embedded cultural norms and role modelling. While the organisation believes it has a long way to go before it captures the full 'diversity dividend', it has achieved real progress.

Sue Morphet believes that ultimate success will be characterised by organisations structuring working models with the assumption that men and women equally carry the responsibility of managing the household. In that state, the work and family trade-off will be less stark. There will be enough senior roles that can accommodate gender balance.

In this third phase, we aspire to a cultural shift. We recognise the need for inclusive leaders who harness talent. We counter biases—both conscious and unconscious. We also aspire to free our employees from the trade-off between work and family by providing a path to senior roles that allow flexibility.

Where mindsets are deeply entrenched, it will take years and perhaps multiple CEO terms to sustain the journey. It takes more than the CEO and top team, the whole organisation must engage in the cultural shift. However, by eliminating cultural barriers, companies can move beyond the plateau. Diversity will become part of our organisations' DNA, and the way we operate. It will be sustainable and will enable us to capture the leadership advantage.

***

Questions we would encourage you to think about:

If you had to design your organisation from a clean sheet so that you eliminated barriers to women's representation in leadership, what would it look like?

Given that most of your executives are unlikely to be deliberately sexist, what are the more subtle or unconscious biases that get in the way of elevating the representation of women in leadership?

Where have you had success in achieving cultural change in your career? What did you do? How would those actions translate to creating a culture supportive of greater female representation?

As with any fundamental change, the path to achieving greater gender balance is not easy or smooth. Not all levers are likely to be at the disposal of even the largest companies. We all know that long-term investment is required. We also know that if we take the pressure off we risk making no progress, or worse, sliding backwards.

Some of us believe that fundamental policy reform at a national level is key to progress. They point to changes in policies around childcare, immigration and tax as essential enablers to elevating women's representation in leadership.

We all believe that changes to the broader Australian culture would also help. However, our collective experience tells us that there is much improvement to make before these obstacles are true constraints.

We don't have all the answers, but we hope that by telling our stories, other Australian companies can advance themselves along this journey, and in return share with us their own lessons and breakthroughs.

CBA'S GENDER DIVERSITY JOURNEY

Getting in the game
—up to 2008

By 2008, CBA had begun to place increasing emphasis on elevating the representation of women in leadership. Although women were approximately 60 percent of CBA's workforce, they represented just 23 percent of executive manager and more senior roles. CBA believed that an increase in women leaders would benefit the business.

In 2006, a diversity council was established to serve as an advisory body. Its members comprised internal and external people with diversity experience. This group educated leaders and informed human resource strategies.

The human resources team had worked to put in place a number of elements to support the aspiration. Initiatives on health and well-being were launched in 2006. Programs and policies that support family life—such as flexible work policies and childcare—were also a focus. Women's skill-building programs, with a focus on mentoring, career development, networking and career resiliency, were invested in. Diversity awareness programs also engaged the broader organisation.

CBA had also set out on a journey of overall culture change in 2004. Leadership engagement and collaboration began to be embedded as imperatives.

Accountability was strengthened—performance metrics were clearly articulated and aligned to organisational goals. A by-product was to provide a positive organisational context that would support elevating the representation of women in management.

Getting serious
2008–2011

There was a strong sense that in order for the diversity objectives to be met, they needed to be integrated into the broader change that was already occurring.

In 2009, to reflect an increased emphasis on diversity, including elevating the representation of women in leadership, CEO Ralph Norris realigned the diversity council, of which he was Chair. The full Executive Committee became its members. Those responsible for generating the strategies also became responsible for their implementation and oversight.

In 2010, CBA set a target to increase the proportion of Executive Manager roles and above held by women from 26 to 35 percent by 2014.

To arrive at this goal, CBA closely examined the drivers of gender disparity, breaking down its diversity maths to a granular level. This diagnostic enabled a targeted focus, and allowed leaders to identify interventions that would make a meaningful difference. To ensure sustainability, CBA's goal focused on actions taken, as well as progress achieved.

CBA's more penetrating approach to managing diversity included clear actions taken by Ralph Norris, CEO. For example, diversity is a standing agenda item for monthly one-on-one discussions with

direct reports. Diversity KPIs are embedded into the performance management plans for the senior leadership team. Group Executives are expected to generate initiatives most effective for their own groups, while the centralised diversity strategy team contribute by identifying cross-group programs and initiatives. Individual leaders are responsible for the identification and development of key talent within the organisation.

In the nine months following the announcement of the target, the representation of women above Executive Manager rose from 26 percent to 28 percent.

Capturing the diversity advantage 2011 and beyond

Going forward, CBA's management team believes that progress requires diversity goals to continue to be integrated into the broader program of cultural change. Developing inclusive leaders who harness talent is a core feature of the organisational culture, with learning and development programs aligned with this aspiration. Tough conversations are also happening around how to further embed accountability.

CBA is also working to address bias as part of their cultural change program. A comprehensive 'unconscious bias' program involves the bank's top 380 leaders. This program aims to remove blind spots and address systemic bias.

As new CEO Ian Narev states, *'We've been focused on building a strong inclusive culture for many years now to ensure that we can attract and motivate the best talent possible, regardless of gender, ethnicity, religion or sexual preference. As part of this, we know that to improve the representation of women in senior leadership roles we need unwavering commitment. This requires the courage to try new things and challenge long held mindsets and unconscious bias.'*

CBA aspires to a culture where diversity in talent is assumed, and is not a separate conversation. The aspiration is that leaders will be equipped to develop talent—regardless of gender, age, ethnicity, sexual orientation, or previous experience and background. The belief is this culture will support true meritocracy in the recruitment and development of CBA's leaders.

WOOLWORTHS' GENDER DIVERSITY JOURNEY

Getting in the game
2004–2007

In 2004, Woolworths began to place increasing focus on gender diversity. The business was in a growth phase and the need for the next generation of talented leaders was obvious. At that time, although women were 55 percent of Woolworths' workforce, they represented only 16 percent of the top team. The opportunity for and benefits of having more women in leadership were clear.

During that time, effort was placed into understanding the 'numbers' at a more granular level than ever before. The team mapped out its talent pipeline in greater detail–from junior to the most senior levels, and across each business. Root causes of why women were not reaching the senior ranks of the company were identified.

To respond to these root causes, a number of new programs were put in place. These included strengthened policies around flexible work and parental leave. Focus was also placed on women's individual development, with senior women joining CEO mentoring programs run by Chief Executive Women (CEW). Career resilience training was put in place for women lower down in the organisation—to encourage them to continue to aspire to leadership at Woolworths.

As a result of these actions, the proportion of women in senior roles grew from 16 percent in 2004 to 20 percent by 2007.

Getting serious
2007–2011

Michael Luscombe, appointed as CEO in 2006, continued to focus on building Woolworths' women in leadership. Michael focused the organisation on attracting and retaining talent, and challenged the prevailing view of what a 'good leader' at Woolworths was.

The assumption at Woolworths had always been that the best leaders spent 20 years developing technical expertise in a specific area. Michael emphasised that Woolworths needed to have a more diverse talent pool, with leaders who could challenge the status quo, and stay ahead of market and consumer trends. This leadership model would allow more women to be brought into the consideration set for senior roles.

Michael signalled his commitment to this new leadership model, through two promotions of outstanding women leaders to the team top– Julie Coates (as Head of Logistics, then Head of Big W), and Debra Singh (Head of Consumer Electronics).

Another significant development was the introduction of paid parental leave in June 2008. Through both the key appointments and the paid parental leave, Woolworths signalled its commitment to attracting, retaining and developing talented women. By 2011, the proportion of women in top roles had increased to 27 percent.

Capturing the diversity advantage
2011 and beyond

For new CEO Grant O'Brien, attracting and developing leaders who can inject new thinking and energy into the organisation is a core component of his strategy. He believes that leaders must truly understand the evolving needs of customers. Over the last few years, and in a variety of areas, he has seen how talented women leaders can rise to this challenge. He's seen direct evidence of why diversity in management is important, *'These leaders give permission to other Woolworths' employees to act differently. They create an environment where it is more acceptable to challenge the way things are done.'*

Momentum has been created, and a culture that values a new style of leadership is cascading throughout the organisation. Even in the more traditionally male dominated areas of the business, such as operations, managers are more regularly appointing women into leadership roles.

This shift in mindsets and behaviours is encouraging. The discussion of gender diversity is now fully integrated into regular talent discussions, supported by a granular view of key drivers—such as sourcing of external candidates, retention and promotion rates.

All of this gives Grant O'Brien the confidence that a further increase in women's representation in leadership is possible, and that Woolworths will achieve its 2015 goals. *'It will require focus'*, says Grant, *'however, it's absolutely the right thing to do for the business. Our culture and performance will be all the better for it'.*

Male Champions of Change Charter 2011

As Male Champions of Change, we commit to actively advancing gender equality across our business and to acting as public advocates. This includes:

Business leadership

- Building gender equality into the strategy of the company operations, driven by the CEO and leadership team.

- Changing workplace culture and mindset and empowering both women and men to advance gender equality in the company.

- Adopting and implementing employment policies and practices that eliminate gender discrimination in areas such as recruitment, hiring, pay, and promotion.

- Committing to increasing women on our boards, executive committee and line management.

Recruitment of talent

- Recruiting, developing and retaining diverse candidates as a priority.

Health, safety and freedom from violence

- Prohibiting all forms of violence in the workplace, including verbal, physical, or sexual harassment.

Work and family

- Developing mechanisms to foster balance between work and family life for women and men.

Public advocacy

- Through the Male Champions of Change network, sharing experiences and strategies for advancing gender equality within Australia's corporate sector.

- Creating a catalogue of best practices for achieving gender equality.

- Being spokespersons for the promotion of gender equality, both individually and collectively.

Build the CEO Champion network

- Work together to increase the dialogue among our peers—and create peer pressure—to build our network of CEO Champions, including a 'plus one' strategy for next year's Women's Forum (each CEO to bring one or more of their peers).