

Women on Boards Strategy 2015-20

A FIVE-YEAR PLAN FOR IMPROVING GENDER EQUITY
ON TASMANIAN GOVERNMENT BOARDS AND
COMMITTEES

Contents

FOREWORD	3
INTRODUCTION	5
THE CURRENT SITUATION	7
GOVERNMENT BOARDS AND COMMITTEES	7
BUSINESS CASE FOR INCREASED GENDER DIVERSITY	8
CURRENT STRATEGIES	9
Cabinet gender equity guidelines	10
Executive search for Government business boards	10
promoting and supporting the governance and leadership capabilities of women	11
NEW STRATEGIES	12
STRATEGY 1:	12
Gender Equity Targets	12
STRATEGY 2:	13
Identifying women for board appointment	13
STRATEGY 3:	14
Contemporary communication tools are used to promote board vacancies and maintain information about women seeking board membership	14
STRATEGY 4:	15
Relationships with representatives, sector bodies, and key stakeholders are developed	15
STRATEGY 5:	15
Mentoring, training and networking for women is supported	15

Foreword

MESSAGE FROM THE MINISTER FOR WOMEN

Equal participation of all members of society is critical to reducing disadvantage, enhancing economic growth and democratic governance, as well as increasing the wellbeing of all Tasmanians.

However women, who represent over half of our population, are consistently recognised as a group who experience inequality across a range of economic, social and professional spheres, especially leadership and decision making.

This is why the Tasmanian Government is committed to a target of 50 per cent representation of women across Tasmanian Government boards and committees by July 2020.

Redressing gender imbalance in leadership and decision-making is about highlighting and capitalising on individual qualifications, expertise and competence. It is an opportunity to achieve governance and management advantage through the benefits that come from using and responding to a range of views, experiences and voices.

Moreover, in recent years, there has been an increasing awareness of and focus on 'unconscious bias' when the opportunity arises to engage women in positions of leadership. Unconscious gender bias is when leadership is viewed as a male-only domain. It lies at the heart of why men are disproportionately chosen ahead of women for leadership roles. Changing this bias means changing cemented patterns of thought – for both men and women.



*Jacquie Petrusma MP
Minister for Women*

In this context, this Strategy proposes gender equity targets, some of which will be included in agency performance indicators. We need actions like these to be a circuit breaker to how decisions are made about board membership and appointing women to decision-making roles. The first step needs to be a personal commitment to address gender equity by those who can influence appointments to boards and leadership positions.

Business is responding to mounting evidence of the benefits of diversity of board membership. Gender equity on boards has proven to improve the bottom line as well as the corporate image. Research demonstrates a direct correlation between better performance and financial outcomes, and companies that have a higher proportion of women on their management committees.

The Tasmanian Government wants to see more boards and committees draw on the expertise of Tasmanian women. I believe that the membership of our boards and committees should reflect the rich diversity of our community. The Women on Boards Strategy 2015-20 outlines actions for increasing women's participation on these important governance and advisory bodies to ensure they operate as effectively as possible. It also complements the Tasmanian Women's Plan 2013-18 - Tasmania's gender equality agenda - and will help break down the barriers that produce inequities for women and girls.

Jacquie Petrusma MP
Minister for Women

Introduction

Women continue to be under-represented on boards in the public and private sectors, nationally and internationally.

Women currently make up around one third of the membership of Tasmanian Government boards and committees. This number has stabilised in recent years. This Strategy contains actions to increase women's representation on these decision-making bodies to achieve the Government's commitment of a target of 50 per cent representation of women across Tasmanian Government boards and committees by July 2020.

In recent years, a growing and compelling body of work has reinforced the business case for gender equity on boards. Gender equity has proven to be an asset for corporations, positively affecting their performance, productivity and ultimately their bottom line.

The Australian Census of Women in Leadership 2012¹ found that there were six female chairs in the top ASX 200 listed companies (compared with five in 2010) and 13 in the ASX 500. The percentage of women directors on these boards increased from eight per cent in 2010 to 12.3 per cent in 2012. The percentage of ASX 200 companies with at least one female director increased from 46 per cent in 2010 to 61.5 per cent in 2012. While the improvement is evident, over one third of these companies continue to have male-only boards and more needs to be done.

The Census demonstrates that women continue to be under-represented in decision-making in corporate Australia. The reasons for women being under-represented in positions of leadership, including board membership, vary and are not easily overcome.

Consciously or unconsciously, men are more likely to consider other men to be more suitable for appointment than women, even when women can demonstrate relevant qualifications, experience and skills².



¹ Equal Opportunity for Women in the Workplace Agency (2012). *Australian Census of Women in Leadership*, Sydney.

² Centre for Economic Development Australia (2013). *Women in Leadership: Understanding the Gender Gap*

Bias against women is a factor that works against the promotion and progress of women to positions of leadership. And it is not just men who think men are more suited to appointment than women – women can also share the belief that management and leadership are masculine roles.

Along with preconceived beliefs and attitudes, opportunities for women to be considered for appointment or promotion can be limited because those in decision-making positions choose to recruit from the existing pool of executive managers and board members or candidates who support those people – and they are more likely to be men.

This Women on Boards Strategy places a stronger emphasis and greater accountability on the Tasmanian Government and the Tasmanian State Service to lead by example by appointing more women into board positions.



The current situation

GOVERNMENT BOARDS AND COMMITTEES

There are 126 Tasmanian Government boards and committees with 960 members. As of June 2015, women represented 33.8 per cent of members on these boards and committees. The following table shows the percentage of women on government boards in all jurisdictions:

Jurisdiction	Percentage of women on government boards
ACT	47%
South Australia	47%
Western Australia	42%
Australian Government	40%
New South Wales	39%
Victoria	39%
Queensland	37%
Tasmania	34%
Northern Territory	34%

Table 1: Percentage of women on government boards by jurisdiction as at April 2015

Table 2 below shows the total number of male and female members of boards administered by specific Government agencies.

Department/Agency	Total number of board members	Women	Men	Percentage women members
Premier and Cabinet	60	34	26	56.7
Education	54	30	24	55.6
Macquarie Point Development Co.	6	3	3	50.0
Tourism Tasmania	7	3	4	42.8
Justice	229	93	136	40.6
Health and Human Services	96	37	59	38.5
TAFE Tasmania	6	2	4	33.3
Treasury and Finance	37	12	25	32.4
State Growth	166	47	119	28.3
Primary Industries, Parks, Water and Environment	278	59	219	21.2
Police and Emergency Management	21	4	17	19.1
Total	960	324	636	33.8

Table 2: Gender by Agency – Tasmanian Government Boards
Ref: Boards Database – as at June 2015.

Tasmanian women are relatively well represented on boards relating to education and central agency policy and governance. In every other portfolio area, women are under-represented as board members.

Government agencies that operate in areas that are traditionally dominated by men need to do more to identify and attract women to their boards.



Business case for increased gender diversity

There can be no question that women have the skills needed to perform successfully in positions of leadership including as members of government and private sector boards. However, there are barriers that stop women from reaching these positions.

The *Women in Leadership – Understanding the Gender Gap* report from 2013³, reported that women experienced a number of barriers to appointment or promotion to positions of leadership and influence including:

- an ingrained but mistaken belief that merit will be rewarded;
- a cultural view that management and leadership are masculine traits;
- the existence of conscious and unconscious bias in decision-making, which leads to men in positions of power and influence appointing other men into similar positions;

³ Centre for Economic Development Australia (2013). *Women in Leadership: Understanding the Gender Gap*

- the belief that women need to act like men to be effective managers and leaders, that is, a woman's leadership style is 'illegitimate, ineffective and weak'; and
- the belief that women will be unable to work long hours because of their child-caring responsibilities and the unwillingness of the workplace to allow flexible work arrangements.

The challenge is to highlight these behaviours and beliefs when they occur and support and promote change.

Research shows that when women occupy leadership positions, benefits not only flow to the organisation, but also to other women and the community as a whole. Research has shown that companies with a higher proportion of women on their management committees are also the companies that have the best performance⁴.

A gender gap can have real implications for company performance. Companies that hire and retain more women can also gain a competitive edge. These companies will be able to draw from a broader pool of talent. Research shows a correlation between high numbers of female senior executives and stronger financial performance.

A Catalyst study of the period 1996 to 2000 examined 353 companies on the USA Fortune 500 list and found that the group of companies with the highest representation of women on their senior management teams had a 35 per cent higher return on equity and a 34 per cent higher total return to shareholders than companies with the lowest representation of women⁵.

Current strategies

The current strategies being used by the Tasmanian Government to increase women's representation on its boards and committees include:

- i. implementing the Cabinet Gender Equity Guidelines;
- ii. using an executive search firm to identify suitably qualified candidates for Government business boards and committees; and
- iii. increasing the governance and leadership capabilities of women.

In addition to these specific strategies, Tasmanian Government Ministers are required to demonstrate actions they and their agencies have undertaken to identify and nominate women for board membership when they seek Cabinet endorsement of board appointments.

⁴ Jane Allen, *Women on Boards: Why would you do it?*, Egon Zehnder International, viewed 31 May 2011 <http://www.ceoforum.com.au/article-detail.cfm?cid=6308&t=/Jane-Allen-Egon-Zehnder-International/Women-on-Boards-Why-would-you-do-it>

⁵ Catalyst, *The Bottom Line: Connecting Corporate Performance and Gender Diversity*, January 2004, viewed 31 May 2011 <http://www.catalyst.org/publication/82/the-bottom-line-connecting-corporate-performance-and-gender-diverity>

CABINET GENDER EQUITY GUIDELINES

Under the Cabinet Gender Equity Guidelines, which were introduced in 2011, agencies are required to contact the Tasmanian Women's Register to provide information on the vacancy and skill set requirements for non-commercial boards and to seek suitable nominations.

Where the final gender composition of the board favours men, a Certification Form that informs Cabinet about the measures taken to identify women for an appointment, is drafted by the appointing agency. The Department of Premier and Cabinet (DPAC) reviews the Certification Form and provides comment on the appointment processes, sometimes providing suggestions on how the number of women board members may be increased in the future.

While the process has brought the issue of gender diversity to the attention of agencies and Cabinet members, it has not increased the number of women being appointed to boards.

EXECUTIVE SEARCH FOR GOVERNMENT BUSINESS BOARDS

The Tasmanian Government owns a diverse portfolio of businesses, ranging in size and operating in a variety of commercial markets including the energy sector, port operations, transport, forestry and financial services.

The Government has in place detailed guidelines to ensure that the selection and appointment process for Government business boards is competency based, professional and transparent. These guidelines are available on the Department of Treasury and Finance website at www.treasury.tas.gov.au. All businesses are expected to follow these guidelines when making appointments to government business boards. They detail a range of principles that should guide all appointments, including recognising the importance of diversity in board membership while also ensuring that appointments are made on the basis of merit and that board members have the necessary skills to enable the businesses to function efficiently and effectively.

Appropriate candidates are currently identified from a range of sources, including the use of an Executive Search agency panel that is available to the Government businesses to undertake targeted searches for potential candidates.

Furthermore, as part of the Government's Fiscal Strategy detailed in the 2015-16 Budget, the Government is proposing to undertake a review of board appointment processes, including the arrangements for reviewing board performance and renewing board membership with the aim of increasing diversity. This will include a requirement to demonstrate that the Tasmanian Women's Register has been consulted where proposed appointments create or continue a significant gender imbalance. Processes are also being strengthened to ensure that all Government business board appointments comply with the guidelines and that there is an appropriate balance between continuity of experience and injection of fresh perspectives to all boards.

PROMOTING AND SUPPORTING THE GOVERNANCE AND LEADERSHIP CAPABILITIES OF WOMEN

Between 2008-2014, DPAC partnered with training providers to deliver sessions for women interested in joining government, corporate and not-for-profits boards. This has been a successful partnership and governance continues to be a focus of women's leadership initiatives.

Where resources have allowed, the Government has subsidised the cost of a limited number of places at the national Women on Boards conference and in training provided by the Australian Institute of Company Directors (AICD) in Tasmania. This will continue to occur.

The Government will also look at ways of partnering with other organisations, like the University of Tasmania, to identify ways of promoting women in leadership and gender equity in governance.

There is also an opportunity for the Government to promote diversity in leadership through regular presentations and forums. Public events that feature both women and men who hold positions of leadership in a range of different spheres will be offered. The promotion of these will focus on the experience and achievements of the presenter rather than their gender.



New Strategies

STRATEGY I:

Gender Equity Targets

Rationale:

- The Government recognises that the current number of women on boards is too low and will take time to address.
- The Government is committed to a target of 50 per cent membership of women across Government boards and committees.
- Research demonstrates that gender equity on boards positively affects performance, productivity and the bottom line.
- The current processes used to appoint board members are not increasing the number of women being appointed to boards.

Actions

Ia) Gender equity targets

- The Government will establish a target of 50 per cent representation of women on Tasmanian Government boards and committees by July 2020.
- From July 2015, all new boards and committees will have a target of 50 per cent representation of women.
- From July 2015, appointments to all existing boards will need to factor in the target of 50 per cent representation of women as vacancies fall due and new members are recruited to fill them.

Ib) Cabinet Process for Board Appointments

- An internal review of the Cabinet Gender Equity Guidelines will be undertaken to ensure effectiveness and compliance with the new Strategy.
- A quarterly monitoring report on whole of government progress will be provided to Cabinet, detailing new and re-appointed women on boards.

STRATEGY 2:

Identifying women for board appointment

Rationale:

- Identifying people for board appointments or to fill vacancies is often done through existing personal and professional networks. There is also a view that because vacancies are publicised openly, there should be no need to specifically promote them to women, even where there is a gender imbalance on a board.
- A number of organisations external to government are required to nominate members to specific boards and committees under legislative provisions. These and other organisations, including industry representative bodies or professional associations, may also be invited to nominate members for vacancies where it is appropriate and prudent to do so. A review of board appointments over recent years shows that about one third of nominations from external organisations are women. This helps to perpetuate the status quo in terms of the number of women board members.
- The current processes used to appoint board members are not increasing the number of women being appointed to boards.

Actions

2a) Strengthening and promoting the Tasmanian Women's Register

- Board vacancies will continue to be promoted through the Tasmanian Women's Register and through women's networks.
- The Government will take proactive steps to increase the number of women on the Tasmanian Women's Register, particularly those who work in non-traditional professions and industries, through promotion to professional bodies and industries.
- With approval of those registered, selected information will be provided routinely to Government Business Enterprises and State Owned Companies for consideration as part of their board recruitment process.
- The Tasmanian Women's Register will be promoted by government agencies when they promote board vacancies online.

2b) Online promotion of board vacancies

- All government agencies will promote upcoming board vacancies and the Tasmanian Women's Register on their websites and through social media where available (eg Facebook, LinkedIn).
- Board vacancies will be promoted on government websites and social media that target women.
- The Government will work towards promoting board vacancies on the Tasmanian Government Jobs website.

2c) Appointments to Government Business Enterprises and State Owned Companies

- An executive search firm will be used to identify suitably qualified candidates, women and men, for the boards of Government Business Enterprises and State Owned Companies.

STRATEGY 3:

Contemporary communication tools are used to promote board vacancies and maintain information about women seeking board membership

Rationale:

- The number of women on boards associated with industries or professions traditionally dominated by men (eg forestry, mining, primary industry) are consistently low.
- Women from regional and remote communities remain under-represented on Tasmanian Government boards and committees. A large number of the boards and committees are based in Hobart and, while some host meetings around the State on a rotational basis, most of the meetings are held in Hobart. There are opportunities to employ existing and new technology and facilities, including videoconferencing, to increase participation of women who live outside the capital city and regional areas.
- Social media has an important role in raising awareness and providing information and professional development opportunities. While the use of the Women's Register has its place, an increasing number of people, particularly those working in professional areas, are using social media platforms like LinkedIn to network and communicate. LinkedIn is often used to identify people for appointment to employment and board positions.

Actions

3a) Social media platforms

- The Government will establish a member only group on the social networking site LinkedIn. Women and men will be invited to join the group to receive advice about board vacancies, information about training and development and invitations to attend networking events

3b) Women's website

- The Government will use the women's website to promote board vacancies, as well as leadership, training and volunteering opportunities for women and girls.
- Government agencies will use video-conferencing facilities, including Skype, to enable board members from regional areas to attend board meetings and reduce the need to travel.

STRATEGY 4:

Relationships with representatives, sector bodies, and key stakeholders are developed

Rationale:

- Closer links need to be developed with external bodies that nominate candidates for Government boards and committees. By nurturing these relationships, the Tasmanian Government's gender equity target can be promoted.
- Joint networking opportunities with industry and professional bodies can be explored as part of this Strategy.

Actions

4a) Closer ties with sector and representative bodies

- The Government will invite representatives from sector and professional bodies to networking and leadership events.
- The Government will liaise with officers in agencies who manage board administration and membership support to promote its gender equity target.
- Government agencies will promote board vacancies to relevant professional and industry organisations.

STRATEGY 5:

Mentoring, training and networking for women is supported

Rationale:

- Research shows that women are less likely to express interest in leadership roles if they do not believe they can demonstrate every aspect of the job. Increasing capability through mentoring, corporate governance training and networking is a step towards leveraging the talents of women.
- Networking beyond specific 'women's' forums continues to challenge women. Making the most of a potential career-boost from networks relies on sponsors or mentors to provide access and exposure to the executive levels. Arming women with the skills to have greater impact and be more influential will help them be more confident in talking about and promoting themselves.
- Men need to be active partners in changing the paradigm within which women are viewed. Events and networking opportunities need to involve men as much as women, particularly given the role men play in putting people forward for employment or board appointments.

- The Government has established an effective working relationship with the AICD (Tasmania) and recognises the AICD as a partner in implementing this Strategy.

Actions

5a) Australian Institute of Company Directors

- The Government will continue its working relationship with the AICD to provide development opportunities and partnerships for regional networking events.
- The Government will contribute up to \$50 000 per year for three years towards the cost of scholarships for women to undertake training through the AICD, including the Company Directors Course and Foundations of Directorship course. The Department of Premier and Cabinet will develop guidelines for the administration of the scholarship funding.

5b) Networking events

- The Government will host networking events around the State (at least one per region annually) that focus on generating opportunities for development and introducing women to potential mentors and sponsors, as well as boards that may be seeking to fill vacancies.

5c) Use existing events to promote the Government's policy of gender equity on boards

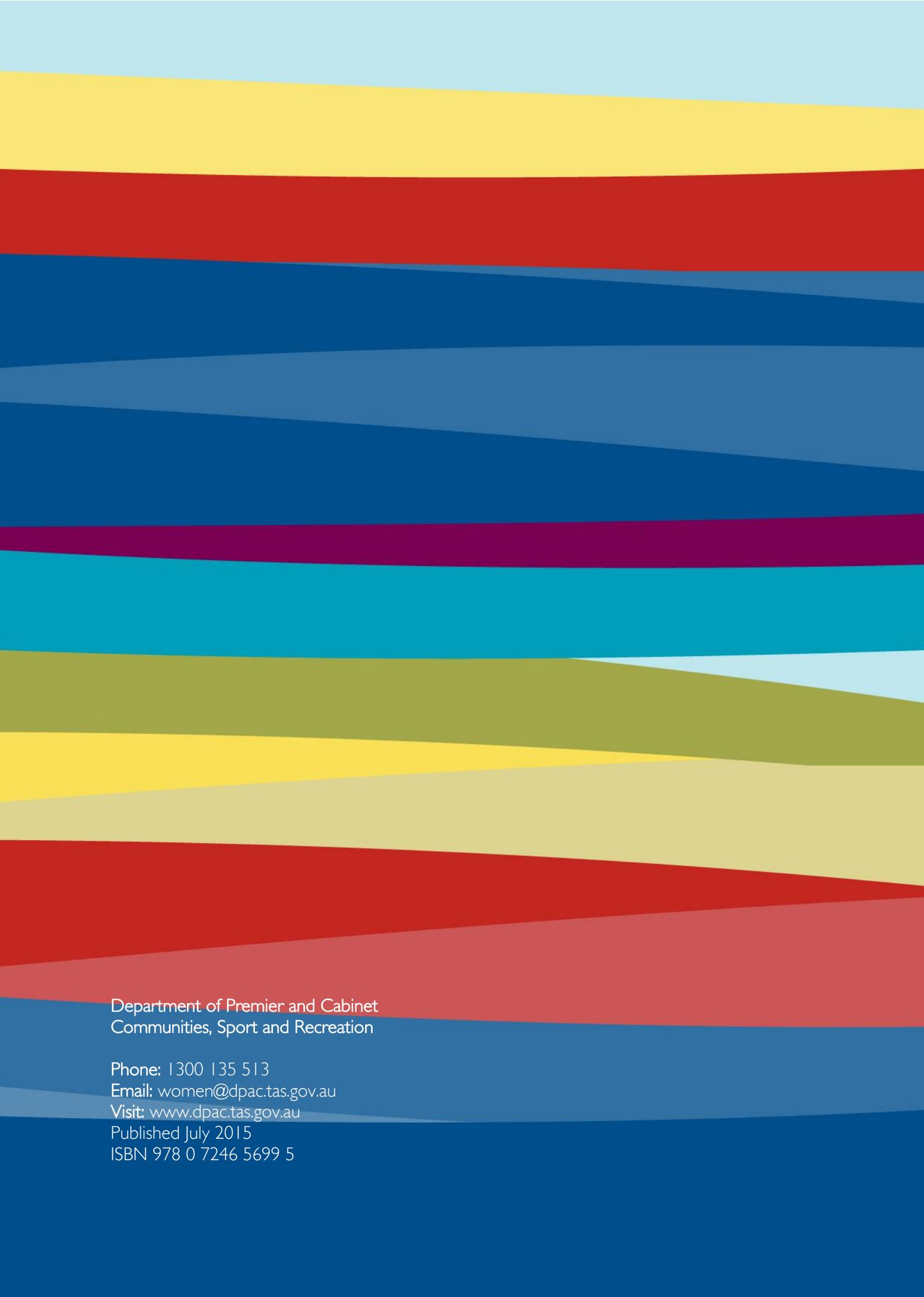
- Government members will highlight women in leadership and gender diversity targets in speeches and promotional material produced for major events and Tasmanian Government functions.

5d) Support women in the State Service to take up Board memberships

- Women in the State Service with potential to take up Board positions will be supported through mentoring and professional development.

5e) Promoting women in leadership

- The Government will look at ways of partnering with other organisations, like the University of Tasmania and Governance Australia, to identify ways of promoting women in leadership and gender equity in the governance of business and government



Department of Premier and Cabinet
Communities, Sport and Recreation

Phone: 1300 135 513

Email: women@dpac.tas.gov.au

Visit: www.dpac.tas.gov.au

Published July 2015

ISBN 978 0 7246 5699 5