
Board diversity

Think outside the square

Initiatives to increase gender diversity on Australian boards



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The business case for a diverse board



Bringing together a diverse range of skills and experience on a board is an essential part of good corporate governance.

Research also proves that it is good for business.

The US-based Catalyst group census (2007 and 2011) on Fortune 500 companies and the Australian Reibey Institute research (2010 and 2011) on ASX 500 companies both report a strong correlation between greater gender diversity at board level and better business performance, on a number of financial metrics.

Further, as noted by the 2012 Bain & Company/Chief Executive Women report, decision making effectiveness in organisations is improved by a diversity of perspectives.

Boards should adopt a range of measures for achieving greater diversity, which are tailored to the needs of the company.

At Company Directors we believe we have a leadership role to play.

Chairmen and boards consistently tell us that practical programs like our Chairmen's Mentoring Program have greatly assisted with achieving change.

Since its inception in 2010, the Chairmen's Mentoring Program has not only proven to be a highly valued professional development tool, but has also played a critical role in highlighting the value of board diversity.

I also encourage you to read our publication *Tomorrow's Boards – creating balanced and effective boards*.

This is the first Australian book to bring together key research on the positive correlation between diversity on boards and in management and improved corporate and financial performance. It also offers practical guidance on the process for selecting the best directors and the importance of considering diversity as part of the board selection process.

It goes into a great deal of detail on how to construct a good board selection process, which is critical in achieving board diversity.

We believe companies should adopt an open approach that aims to select the best possible directors from a diverse range of candidates.

It is not only good social policy but it makes good business sense that our boards and companies benefit from all the talent that is available to them.



John H.C Colvin FAICD

Chief Executive Officer and Managing Director
Australian Institute of Company Directors

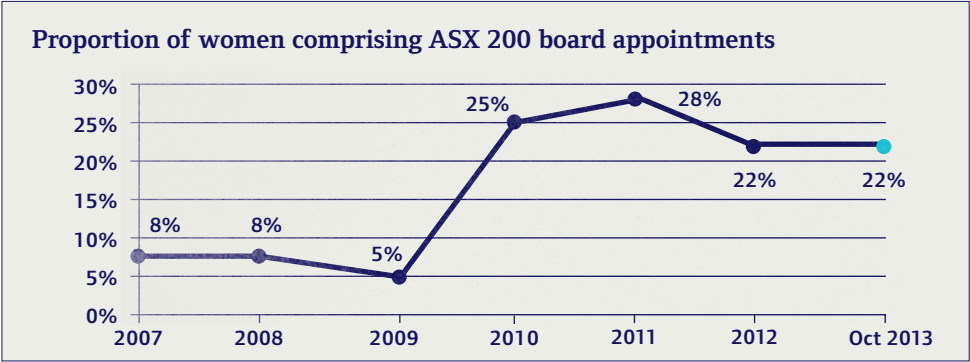
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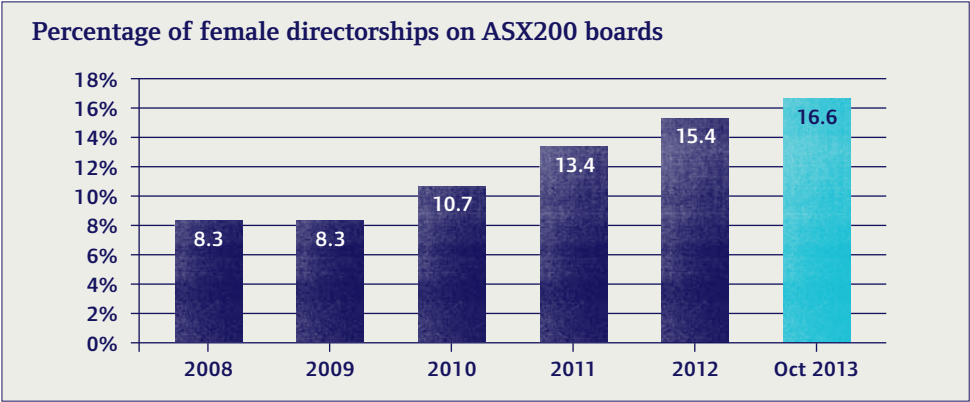
We’ve come a long way, but there is still more work to be done

Since the introduction of programs supporting the appointment of women to board positions, and helping to address the gender gap in senior management, we have seen a real improvement of the statistics in the area of board diversity:

32 women have been appointed to ASX 200 boards in 2013 to date (30 October 2013), compared to 41 women in 2012, 68 in 2011, 59 in 2010 and only 10 in 2009.



Women currently represent 16.6% of ASX 200 directorships (30 October 2013).



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Professional and career development

Mentoring programs

Practical and concrete measures to help achieve a greater representation of women on boards.

Our mentoring programs involve leading chairmen and senior directors of ASX 200 companies, as well as public sector and not-for-profit boards, mentoring highly talented and qualified women over a 12-month period.

Each program provides mentors with exposure to a pool of aspiring female directors, and provides mentees with the opportunity to develop connections with influential business and public sector leaders. Mentees gain valuable insights and knowledge assisting them in developing their director careers on listed boards, as well as public sector and not-for-profit boards and their committees.

Our largest program is the *Chairmen's Mentoring Program*. First launched in April 2010, the Program assists in helping mentees:

- Develop connections with influential business leaders.
- Gain knowledge and skills that will assist the mentees in achieving director appointments, as well as developing their careers generally.
- Increase their understanding of governance issues in listed companies and how listed company boards work in practice.
- Gain valuable insight, advice and guidance on the process of selecting and appointing new directors.



“ This program has given me the opportunity to connect with an array of high talent women who are ready to become directors. It is a privilege to meet and support such women.”

Dr Helen Nugent AO FAICD

Director, Macquarie Group Limited, Origin Energy Limited and Freehills, Chairman Funds SA
Mentor, *Chairmen's Mentoring Program*
2010/11, 2011/12 and 2013/14

“ The mentoring program has been an incredibly rewarding experience. It has enabled me to network with many inspiring seasoned directors and to feel confident that I am ready to meet the challenges of a new and exciting career as a company director.”

Julie Osborne GAICD

Mentee, *Chairmen's Mentoring Program* 2011/12

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Scholarship programs



Providing women with the governance knowledge and skills to help them secure directorships

Company Directors offers a range of scholarships to undertake one of our highly respected courses such as the *Company Directors Course* or *Mastering the Boardroom*.

Scholarships support women in their directorship careers and are offered in a range of industries and sectors, including government, not-for-profits, publicly listed and private sectors.

Our scholarships are generally supported by generous funding through government grants and private sponsorship and are coordinated by our state offices.

Contact your state office for more information about scholarship programs available to you.

“The Company Directors Course was one of the best professional development experiences I have had, and the learning and networks from the program will stay with me on my director journey for years to come.”

Dr Polly McGee

Senior Lecturer in Commercialisation and Entrepreneurship, University of Tasmania
Australian Innovation Research Centre
– recipient, Emerging Female Director Scholarship 2010/11, Tasmania.

“I have already had opportunities to put into practice my learning from the program on the boards I currently serve. This program has not only helped to expand my knowledge and skills, but has also helped the ongoing promotion of women on boards.”

Professor Maree Gleeson OAM, FAICD
Executive Director, Hunter Medical Research Institute – recipient, National Board Diversity Scholarship 2011/12



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Knowledge and skills building

Development programs

Extending the governance understanding and networks of highly skilled women across a range of industries and sectors.

Training and development programs are run in each state and include:

- In-Boardroom training
- Professional skill building
- Profile building opportunities
- Networking skills
- Briefing from industry experts
- Career advice
- Media training
- Our world-leading *Company Directors Course*
- *Mastering the Boardroom* program

Among our most notable development programs is our *Board Ready* program.

Board Ready is a skill-building and development program which sets out to fast-track highly talented executives from a diverse pool of talent for future board roles. Complementing existing leadership programs, *Board Ready* seeks to build board-level capability amongst senior executives in the application of boardroom behaviours and practices, enabling a pipeline of board-ready executives to be built. By doing so, it aids in the development of executives for placement on subsidiary, joint venture and company-associated not-for-profit boards while also facilitating the achievement of corporate diversity goals.

Foundation Partners participating in *Board Ready* during its inaugural year were Westpac, Woolworths, Insurance Australia Group and PriceWaterhouseCoopers. *Board Ready* is now a well-recognised and established program of corporate diversity development for emerging directors.

“Speakers have provided insights into what aspiring directors can expect from a board appointment, practical steps to get there, and illustration of the very real benefits to an organisation of having board diversity.”

Debra Bakker AAICD

Senior Vice President Mining and Metals WA,
Commonwealth Bank of Australia

– participant, Director Pipeline Project,
Western Australia

*“With a workforce of almost 38,000, The Westpac Group has very high levels of diversity in gender, cultural identity and age. We need to ensure we provide every individual with the opportunities and support to realise their full potential. We are delighted to be partnering with Company Directors on the *Board Ready* program, which is designed to increase the strength and diversity of our future leaders.”*

Gail Kelly

Chief Executive Officer, The Westpac Group
– partner, *Board Ready* program, NSW

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Events and networking

Bringing the experts together to share ideas and build career connections

Through our events and networking opportunities, experienced chairmen and directors share their insights into the benefits, challenges and opportunities that organisations face in building a diverse board.

Reflecting on their experiences, speakers also provide practical tips on how organisations can develop a diverse talent pool both at the board and senior executive level.

Key themes discussed in these events include:

- Benefits of diverse board.
- Board culture.
- Complying with the recent changes to the ASX Corporate Governance Council's *Principles and Recommendations on Diversity*.
- The board selection process and the importance of transparency in board recruitment.

Our events provide aspiring women directors with a unique opportunity to meet with high-profile chairmen, directors and industry participants in intimate settings.

Events are open to members and non-members who network with like-minded professionals across the not-for-profit, private and public sectors. Detailed information is available at companydirectors.com.au/in-my-state

“The diversity event was refreshing and more than I expected. The speakers, all high profile and successful women, shared the highs and lows of their journey to becoming successful directors. The discussion and questions were complex and sophisticated, creating a foundation for exploring the diversity issue, not only through the lens of gender, but through the supply and demand for skills and capabilities, representative models and culture.”

Dr Nadine White

Director, Molonglo Financial Services

– participant, Board Diversity Event Series, Victoria.

“These events are opportunities to promote yourself as a mentor and potential board member. They enable you to openly discuss the issue of board diversity with media, educational institutions and mentees and to share your experiences – achieving and enjoying a 360 degree promotion, communication and satisfaction circle in one go. A great pleasure and achievement!”

Dr Martine Pop FAICD

Risk management professional and Non-Executive Director – participant, Board Diversity events, Queensland

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Directorship Opportunities

Achieving board diversity by promoting an open and transparent board recruitment process.

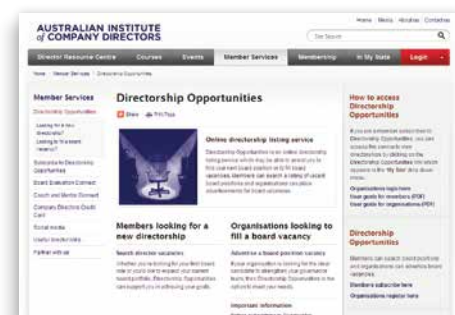
As part of our commitment to achieving this, we have developed *Directorship Opportunities* – an online directorship listing service assisting members in finding board positions or filling vacancies. Members can search a listing of vacant board positions and organisations can place advertisements for board vacancies.

If you are looking to fill a board vacancy, *Directorship Opportunities* provides access to a highly targeted audience of our members.

As a member looking for a board position, *Directorship Opportunities* provides access to around 30 vacancies per month from a large variety of organisations in the private, public and not-for-profit sectors.

“I gained my second directorship through Company Directors’ *Directorship Opportunities*. The company is a not-for-profit housing provider with a very professional skills-based board.”

Susan Williams MAICD
Managing Director
Biz-Point Solutions. NSW



For more information or to advertise a board vacancy visit companydirectors.com.au/directorshipopportunities

"Directorship Opportunities provided me with a window to become a Director and Treasurer of the STaR Association. I appreciate the support Company Directors shows to not-for-profits along with major corporations, all with an eye to the aspirations of individual members."

Diane Green GAICD
Treasurer
STaR Association, NSW

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Want to find out more?

Visit companydirectors.com.au/boarddiversity

Our website details initiatives developed to help achieve a greater representation of women on boards. It provides the latest statistics on gender diversity on boards in Australia, links to articles and research papers, details our events and links to services that are relevant to board diversity.

Read one of our publications on diversity


Our information booklets – *Tips for getting started* and *Early adopter case studies* explain the changes to the ASX Corporate Governance Council's *Principles and Recommendations on Diversity* which were introduced in 2010 and provide case studies of companies which were among the first to adopt the new recommendations. These publications provide practical tips to help entities develop diversity policies and get embed diversity within the culture of their organisation.



Our publication, *Tomorrow's Boards – creating balanced and effective boards*, brings together key research on the positive correlation between diversity on boards and in management and improved corporate and financial performance, as well as offering practical guidance on the process for selecting the best directors and the importance of considering diversity as part of the board selection process.

Order your copy at companydirectors.com.au/boarddiversity

Contact us

Get in touch with your state office for the latest diversity events in your area (see back page for details) or contact our national office and as  speak to our Board Diversity Advisor.

t: 02 8248 6600

e: diversity@companydirectors.com.au



Australian Institute of Company Directors
Contact details

General enquiries

t:1300 739 119
e:contact@companydirectors.com.au

Overseas enquiries

Overseas Member Relations
Executive
PO Box 7050
Cloisters Square WA 6850
t:+61 8 9320 1706
e:overseas@companydirectors.com.au

National Office

Level 30, 20 Bond Street
Sydney NSW 2000
t:02 8248 6600
f:02 8248 6633
e:contact@companydirectors.com.au

Australian Capital Territory

GPO Box 1371
Canberra ACT 2601
t:02 6248 5954
f:02 6248 8409
e:act@companydirectors.com.au

New South Wales

Level 30, 20 Bond Street
Sydney NSW 2000
t:02 8248 8400
f:02 8248 8444
e:nsw@companydirectors.com.au

Queensland

GPO Box 73
Brisbane QLD 4001
t:07 3222 5500
f:07 3012 8328
e:qld@companydirectors.com.au

South Australia/Northern Territory

GPO Box 482
Adelaide SA 5001
t:08 8236 2800
f:08 8236 2833
e:sa-nt@companydirectors.com.au

Tasmania

PO Box 1090
Sandy Bay TAS 7006
t:03 6224 0559
f:03 6223 1468
e:tas@companydirectors.com.au

Victoria

PO Box 380
Collins Street West VIC 8007
t:03 9211 9255
f:03 9211 9266
e:vic@companydirectors.com.au

Western Australia

PO Box 7050
Cloisters Square WA 6850
t:08 9320 1700
f:08 9322 6545
e:wa@companydirectors.com.au