

# Gender Equality at Work 2020

## Excerpt: Corporate leadership

### Key outtakes:

1. There are nine companies with female CEOs, down from 11 in 2019 and 12 in 2018;
2. There are 12 CEOs named Andrew and 11 named Michael;
3. 18 companies are chaired by women, up from 14 in 2019 and 10 in 2017; and,
4. There are 28 female CFOs up from 24 in 2019 and eight in 2016.

*All evidence sourced from ASX declarations and company reports.*

*References to companies etc is limited to ASX200 companies as at close of trade 28 February 2020.*

The focus on women in leadership in corporate Australia has fruited a distinct increase across key strategic roles. While female executives are still primarily found in support functions (legal, HR and communications), there has been a distinct increase in the latter half of the decade into the CFO role.

While parity between men and women in decision-making roles is unequal, there has been a notable embracing of gender diversity reflected in these statistics and other evidence.<sup>1</sup> I believe this is the result of three things:

1. **Time and career arcs:**

In the 1980s there was an influx of women into universities, especially in business-focused courses like law and commerce, a trend that has continued.

There is now a consistent pipeline of women across various age groups with their own pathways who have reached seniority.

2. **A concerted effort by corporate Australia to embrace diversity:**

Corporate Australia seems to have been catalysed by three different events in the past decade to act on gender equality.

Chronologically, these are Julia Gillard's prime ministership and the normalisation of women in senior political roles (Julie Bishop, Marise Payne, Tanya Pliibersek, Nicola Roxon etc), which forced them to consider where senior women were in their own organisations. International movements, specifically the 30% Club in the UK which galvanised companies and primarily chairs to do the best thing for their shareholders and promote women. Finally, when the gender pay gap reached a 20 year high in 2014 this caused a point of deep reflection and for organisations to commit to reduce this and to show that, in a sense, they were better than the rest.

3. **Public conjecture and interest:**

Workplace gender equality is now a staple of news reporting and specialist media outlets now focus on the issue. Additionally, questioning of business and political leaders on the issue is assumed.

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<sup>1</sup> "Senior Executive Census 2019", Chief Executive Women, 19 September 2019. <https://cew.org.au/wp-content/uploads/2019/09/190905-Census-FINAL.pdf>

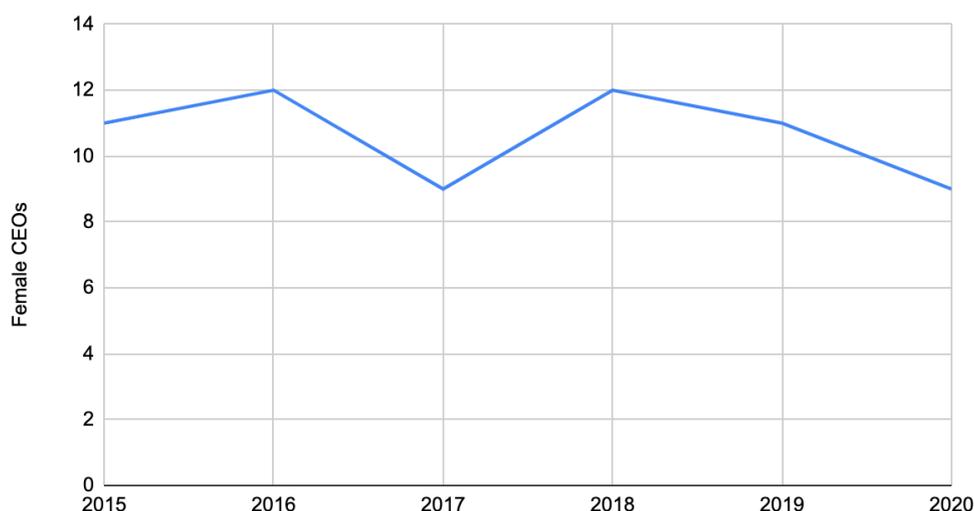
I have specifically not considered women on boards generally as there is already quality work being done to monitor this.<sup>2</sup> I do consider the role of the chair as this is the key board role and does not receive the same attention. My main focus here is the CEO and CFO roles.

There are now a record number of women chairing ASX200 companies, at 18 (a rate of 9 per cent). This has been a consistent increase over the decade. For example, Margaret Jackson AC is largely considered the first female chair of a large Australian company, Qantas which she was elected as chair in 2000.

The steady increase in female chairs shows that having a critical mass of experienced women on company boards can result in women sitting at the head of those tables.

The number of female CEOs has dropped to a five-year low, also recorded in 2017, of nine (a rate of 4.5 per cent). It seems to be the case that women are circumnavigating CEO roles for directorships, as that is where a strong emphasis has been over the last decade.

ASX200 female CEOs, across years



In general, 20-25 per cent of CEO roles become vacant each year. The majority of these are filled internally and by executives with significant business unit experience. However, as the statistics show, women aren't being appointed. This is likely to do with the roles women typically fill in organisations. However, the higher number of female CFOs is a hopeful sign this may change.

The breakdown of CEOs shows that of the ASX200 companies shows that there are more men named Andrew and Michael than women.

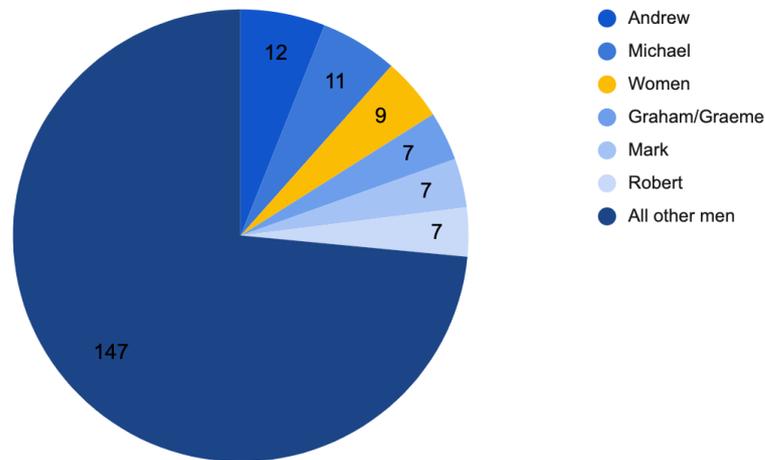
This is a shift from names in previous years which were more likely to include Peter and David, which may be more popular with an older age group.

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<sup>2</sup> "Board Diversity Statistics", Australian Institute of Company Directors, 31 December 2019. <https://aicd.companydirectors.com.au/advocacy/board-diversity/statistics>

The steady decline since 2018 of women in CEO positions is concerning. This is likely the result of the focus of women on boards. However, day-to-day influence in companies is held by executives. Culture may be set by the board, but culture is implemented by the executive, especially the CEO.

Names, gender of ASX200 CEOs, 2020



One increase of women in strategic roles that has received little attention is that of the CFO role.

In 2016, there were eight female CFOs of ASX200 companies and now there are 28. While this is only 14 per cent of all CFOs, it does show a significant increase. At this juncture it is hard to understand why there has been such an increase in a short period and more work needs to be done to understand the careers and development of these women.

CFOs are a unique role within organisations. While it is a pathway to the CEO role, it is also a career-peak on its own. Also, while it is one of the more senior executive roles, it goes between sitting across business units and acting as a support-role. Additionally, it is often viewed as the deputy to the CEO.

The state of women in corporate leadership and decision making roles has unequivocally improved over the past decade. While this past two years has been challenging for the number of women CEOs, the signs exist for a resurgence and opportunities for appointment.

As women circumnavigate the CEO role into the boardroom, and eventually the chair's seat, it will likely result in more women becoming executives and CEOs. The fruits of the focus on women on boards is being realised, it is now time to look at women in executive roles again.

**Disclosure:**

This is an excerpt of "Gender Equality at Work 2020", the full document will be released in advance of International Women's Day 2020.

This is part of a periodic analysis of various workplace and economic issues of contemporary national and industry interest. All efforts are made to present the evidence as impartial, independent, fair and not misleading.

The author, Conrad Liveris, is a corporate adviser and economist, focusing on the labour market and workplaces. Considered one of Australia's leading employment and workplace experts, he works closely with decision-makers across sectors on a range of HR, management and economic issues. He is alumni of the US State Department's programs and the UN, and is an Associate Fellow of the Royal Commonwealth Society (London). He completed his Bachelor of Arts at the University of Notre Dame Australia, a Master of Commerce at Curtin University and has received scholarships for management education at the Governance Institute of Australia and the University of California, Los Angeles.