

'Seeing the light or feeling the heat' on gender diversity

Reweti Kohere

Fri, 21 Jun 2019

Michele Embling

Global Women chief executive Siobhan McKenna says “people either change because they see the light or they feel the heat.”

But no matter what prompts the private sector to change the gender makeup of its boards and executive teams, McKenna says she will be happy so long as a change is made.

The Ministry for Women released its annual *Gender Stocktake of State Sector Boards and Committees* figures, which showed 47.4% of women were appointed to government boards and committees last year. The record high, which was up from 2017's 45.7%, ran alongside the fact that more than half of state sectors were run by women.

Minister for Women Julie Anne Genter said the result showed significant progress toward the government's target of 50% of women on state sector boards and committees by 2021.

More than 2600 appointments were made to state sector boards each year, including large state-owned enterprises, conservation boards and community trusts.

McKenna said the result was a cause for all to celebrate the fact government agencies were just as likely to be headed by a woman as a man.

New Zealand was “once again leading when it comes to engaging women's minds in national decision-making, just as the nation did when thousands of Kiwi women turned out to vote in 1893,” she said.

2018 Gender stocktake of state sector boards and committees

Ministerial portfolio	Boards	Ministerial appointed members	Women ministerial appointed members	Percentage of women
Minister for Treaty of Waitangi Negotiations	1	2	2	100.0%
Minister of Defence	1	1	1	100.0%
Minister of Fisheries	1	1	1	100.0%
Minister for Women	1	9	7	77.8%
Minister for the Community and Voluntary Sector	2	12	9	75.0%
Minister for Food Safety	1	3	2	66.7%
Minister of Workplace Relations and Safety	4	29	18	62.1%
Minister of Internal Affairs	31	155	95	61.3%
Minister of Health	56	517	311	60.2%
Prime Minister	5	10	6	60.0%

Source: Ministerial portfolio

The 10 ministerial portfolios where the number of women appointed exceed men.

Call to arms

But amid the improvement were calls for the private sector to lift its game. According to the latest NZX diversity data, the percentage of women directors on listed company boards increased from 19.7% to 22.5% in 2018.

Although the percentage had been increasing for some years, McKenna said progress was “at a glacially slow speed.”

McKenna said gender parity in senior leadership mattered because it reflected the world people lived in and companies had better discussions

and more problem-solving thinking when women and men worked together.

“This isn’t a women-only agenda. This is about balance and it’s about appropriate balance that reflects the society we’re in and frankly reflects our customer base almost always.”

McKenna cited research from worldwide consulting firm McKinsey & Company, which found that for every 10% increase in gender diversity, earnings before interest and taxes rose by 3.5%. If people wanted to talk numbers, then “one Google search will find you many studies,” she said.

Champions for Change co-chair Michele Embling said it would be a lovely day when gender diversity was the norm. She just hoped those conversations were not being had in five or 10 years' time.

Embling, who is PwC's chairperson, said the Champions for Change group of 54 chief executives and chairs, including Spark chairperson Justine Smyth and Westpac chief executive and Champions co-chairperson David McLean, was very much focused on ensuring the “face of leadership” changed to make it inclusive.

Embling said one of the biggest decisions that could be made when appointing was the direction given to the recruitment and HR agencies.

“Don’t just go and tap the shoulders of everyone we’ve known and seen before. We know what that looks like but go broader and wider. Look for talent that isn’t the same names and in the same places and put that into the mix,” she said.

Champions for Change debuted its *Gender Diversity Report* last year, surveying gender and ethnicity at all employment levels. It found organisations within the group had, on average, 35.4% of women at board level and 33.5% of women heading companies.

Genter said that ensuring equal representation at the top in the public sector would inspire the private sector to lift its game.

“We’re encouraging organisations across New Zealand to challenge current workplace cultures and support women into leadership roles, not just because that’s the fair thing to do, but also because diversity helps organisations function more effectively.”



Minister for Women Julie Anne Genter.

Diversity's counterarguments

McKenna was unconvinced by the argument that the best person, irrespective of gender and ethnicity, should get the job.

“I just don't believe there's not that much diversity. There's not just one best person. It doesn't work like that. I think it's a decision we need to make, that we want gender balance. It makes business sense. It reflects the world we live in.

“And this idea of it comes down to just finding the one person who's right, regardless of [gender and ethnicity], it's just not that cut-and-dry. It's a non-argument for me.”

McKenna said there were ample women who were able and willing to do senior leadership roles, and no shortage of opportunity for those looking to select a balanced board to do that.

Just yesterday a Z Energy shareholder asked the fuel company's senior leaders at its annual shareholders' meeting whether gender balance was needed as it was about the best person for the job, “no matter what race, what diversity they are.”

When asked what she thought about that thinking, Embling said fresh ideas were needed as the way things had been done in the past would not ensure the sustainability of an organisation going forward. While the right person was important to avoid someone unqualified to contribute, looking at the capability within the team was also important.

Institute of Directors chief executive Kirsten Patterson said 68% of directors reported diversity was a key consideration in making appointments to their board, according to the institute's 2018 Director Sentiment Survey. But diversity should always be approached through the lens of demonstrated competence.

“Embracing diversity does not mean compromising on skills, experience and professional qualifications of board members. It's about appointing people on merit who also bring diversity of thought and perspective to enhance board decision making, which in turn helps drive better outcomes and long-term success for the organisation.”

Patterson said the institute encouraged boards to think about how they could improve diversity through their organisation, and get the “best mix of talent, diverse thinking and capability.”

Genter said diversity and competence was not an either/or situation.

“If you're going out and looking for the best person for the job but not also looking for diversity and women, you're probably missing out on talent.”

2018 Gender stocktake of state sector boards and committees

Ministerial portfolio	Boards	Ministerial appointed members	Women ministerial appointed members	Percentage of women
Minister for Arts, Culture and Heritage	11	63	22	34.9%
Minister for Building and Construction	6	43	15	34.9%
Minister of Transport	7	42	14	33.3%
Minister of Corrections	3	6	2	33.3%
Minister for Infrastructure	1	6	2	33.3%
Minister of Tourism	3	16	5	31.3%
Minister of Local Government	2	8	2	25.0%
Minister for Racing	2	8	2	25.0%
Minister of Forestry	1	9	2	22.2%
Minister responsible for Pike River Re-entry	1	1	0	0.0%

Source: Ministerial portfolio

The 10 ministerial portfolios where the number of women appointed was fewer than the number of men.

State sector improvement

Women in some ministries, such as Health, Internal Affairs and Workplace Relations and Safety, had more women appointed than men. On the other hand, there were fewer women than men in areas such as Corrections, Forestry and Arts, Culture and Heritage.

Genter said the government was aware of the challenge of getting more women interested in those areas.

“Obviously we can’t force the issue so we’re not expecting them to jump to 50-50 overnight but steadily making progress. Ensuring that we are finding the women out there who have the skills to be on those boards is the first step.

“We definitely need to dig a bit deeper and find women and give them the opportunity, if they haven’t already got lengthy experience to prove themselves. Sometimes having a fresh pair of eyes and a fresh voice at the table is exactly what’s needed.”

Alongside gender, the government wanted to next look at ethnic diversity. Genter said the Minister for Ethnic Communities, Jenny Salesa, was working toward making ethnicity data available for boards next year.

“This government knows that boards should represent and reflect the communities they serve, and we are working toward that.”

All content copyright NBR. Do not reproduce in any form without permission, even if you have a paid subscription.



Reweti Kohere