

## **Women for Boards**

Women are frequently under-represented in management and senior level positions despite consisting of 45% of the total workforce in Australia. This often has a significant impact on the performance of numerous companies due to their inability to entice an extensive talent pool and a variety of perspectives, subsequently affecting their reputation.

- Only 18.2% of the ASX 200 board have women
- 2% of the total CEOs in the ASX 200 are female and 3% Chairs
- Females comprise of 10.3% of ASX 200 directors
- 41 boards throughout the ASX 200 do not contain any women

### **Importance of women on boards**

- Ensures varied skills and a widespread range of talent
- Offers diverse thinking and valuable insights to assist with greater problem solving
- Enables improved board functioning to lead to superior financial performance
- Allows companies to better understand and adapt to the market through a varied customer base

US based non-profit research organisation Catalyst suggested that there is a direct correlation between female board directors and company performance as companies with a higher number of women on their board are shown to have higher financial performance.

In 2011 Reibey Insitute research organisation found that in over three and five year periods, ASX500 companies who contained women directors had a considerable higher return on equity (ROE) in comparison to companies who did not have any women on their boards. This was seen through a 6.7% higher ROE over a three year period and an 8.7% increase over a five year period.

Lord Mervyn Davies, Trade Minister and previously Chairman, Standard Chartered stated that “when women are so under-represented on corporate boards, companies are missing out, as they are unable to draw from the widest possible range of talent.”

## United Kingdom

In the FTSE 100 boards, 20.7% are women, an increase from 12.5% in 2011, leaving only 2 all male boards. The representation of women in the FTSE 200 is at 15.6%, up from 7.8% in 2011. In 2011, of the FTSE 250 all male boards, 83 have now hired at least one woman onto their boards. Major companies in the UK are on track to have at least 30% women on boards by 2015.

## New Zealand

Around 14.75% of the NZX top 100 listed companies have women directors. Through a Deloitte New Zealand survey, it is apparent that 59% of New Zealand directors stated that to achieve a suitable board composition they have introduced diversity procedures and targets.

## United States

It is apparent that there has been a limited increase in the number of women on boards in the US as seen in the 2013 Catalyst Census of companies in the Fortune 500. Only 16.9% of board seats were held by women, showing little change from the 16.6% in 2012. Throughout 2012 and 2013, less than one quarter of companies had over three women directors working together.

“Inclusive and diverse boards are more likely to be effective boards, better able to understand their customers and stakeholders and to benefit from fresh perspectives, new ideas, vigorous challenge and broad experience. This in turn leads to better decision making“- Lord Mervyn Davies, Trade Minister and previously Chairman, Standard Chartered

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