



blenheim partners

no limitations

Executive Search & Board Advisory

TOKENISM HAS NO PLACE IN THE BOARDROOM OR MANAGEMENT



"The most effective way to do it, is to do it" Amelia Earhart

Token: adjective: used to refer to something that is done to prevent other people complaining, although it is not sincerely meant and has no real effect.

TOKENISM: NOUN: The practice of making only a perfunctory or symbolic effort to do a particular thing, especially recruiting a small number of people from underrepresented groups to give the appearance of racial or sexual equality within a workforce. *

It's hard to believe that the "tokenism conversation" is still happening in boardrooms and amongst senior management in most sectors of Australian business.

If we extend the Oxford Dictionary definition above: It is the effort of including a token employee to a workforce to create the impression of social inclusiveness and diversity to deflect accusations of social discrimination.

Don't believe me? Then look no further than the Cambridge dictionary where the example given for the use of the word in a sentence is: *The truth is that they appoint no more than a token number of women to managerial jobs.*

blenheim partners

In essence it is a word that can be used to describe many minority groups but in recent times seems to be focused by some on women in senior leadership positions.

We have seen companies such as the Australian Institute of Company Directors (AICD) call on boards to ensure that 30 per cent of their directors are female and urge ASX 200 companies to meet this target by the end of 2018. As of 31 March 2018, there are 79 ASX 200 companies that have reached the 30 per cent target.

Quotas to improve the representation of women in business and politics have been implemented in many parts of the world. In 2008 Norway obliged listed companies to reserve at least 40% of their director seats for women on pain of dissolution. The law has been seen as a success in the sense that listed Norwegian companies now have at least 40 percent women on their boards.

However quotas are often initially met with strong opposition from business leaders. In Norway the quota prompted some firms to delist rather than comply; the same may have occurred in other markets where quotas were later introduced such as France or Italy. While quotas may be the quickest and most effective way to address gender disparities as far as numbers are concerned, "their positive benefits may be short-lived," argues Peggy Drexler, former Gender Scholar at Stanford University.

"The quota system – or, more specifically, the women pulled into power because of it – can suffer from the perception that companies are getting the best of a single and specific gender, and not the best, period". She argues that these women are successful for reasons other than the fact that they are women, "and the quota system discounts that".

If a company adds three eminently qualified women to their board, and it is characterised as a gender play or way to avoid a firestorm of criticism, is that progress? Why is it assumed that these women were chosen simply because they are female to avoid the negative press that public companies can provoke for not having any women on their boards?

When the public challenges the lack of gender diversity in the boardroom, it does incite public companies to recognise women as both their shareholders and their customers. It is the responsibility of public companies to add qualified women to upper management and their boards. This may mean they need to offer women's development and/or board preparatory programs to their mid- and senior-level women employees toward building a pipeline of strong candidates.

There is also a growing amount of research displaying greater shareholder value, higher sales and stronger decision-making and governance with more diverse leadership teams and boards. Social pressure is driving greater diversity in larger companies, resulting in the need to increase the volume and frequency of public promotion of more women on boards and within the executive ranks. A recent Credit Suisse study of over 3000 companies has shown that the more women that you have in senior management roles, the better your business will perform. The study found that "where women account for the majority in the top management, the businesses show superior sales growth, high cash flow returns on investments and lower leverage".

blenheim partners

It is imperative the women selected for these board and executive roles are recognised for their merit rather than as a PR ploy for companies to avoid public criticism – that only undermines their qualifications. Rather this research must be reinforced as there are women ready and able to add great value to executive teams and boards. And most importantly, gender diversity must not be demeaned as tokenism or avoidance, but acknowledged as a best business practice to drive results.

While official quotas remain a divisive issue, most agree that the underlying issues behind unequal representation need to be addressed. As a country, the best way forward, is advocating and building the ratio of women representation required to truly reap the benefits of gender diverse leadership positions. Only then, will the tokenism conversation finally end.

Blenheim Partners specialise in:

- Executive Search;
- Non-Executive Director Search;
- Board Strategy and Structure Consulting;
- External Succession Planning; and
- Executive Re-Engagement / Transition.

Founded in 2012, our team have acted as specialist adviser to many of the world's leading corporations on Board and Executive performance, capability and succession planning.

Our consultants have worked with clients from all sectors and a broad range of geographies. They include over 80 of the ASX 100, 10% of the FTSE 100, Private Equity, Multinational, Private Family and Mutually Owned Companies.

Our work includes assignments that are both local and international in scope.

Our team consists of senior Search Consultants, Human Resource Directors,

Psychologists, Coaches and exceptionally experienced Researchers.

Blenheim Partners is continually investing in knowledge and understanding as exemplified by our Thought Leadership "The Challenges of Attaining Growth", Industry Papers and monthly Market Intelligence reports.

Our philosophy is to develop deep and committed relationships with a select number of clients and help them deliver a superior performance by optimising the composition of their Board and Executive team.

Our culture is built on pride, professionalism, esprit de corps and client service.

Confidentiality

This report and the information contained in it are confidential and proprietary information belonging to Blenheim Partners. The report contains confidential and proprietary information based on data from public and private sources, including Blenheim Partners' proprietary database of information. The recipient will not use or disclose, or permit the use or disclosure of, this Report by any other person or for any other purpose. The information contained in this report is preliminary in nature and subject to verification by Blenheim Partners. Blenheim Partners does not guarantee its accuracy or completeness.



blenheim partners

no limitations

Executive Search & Board Advisory

Contact us

Sydney p +61 2 9253 0950

Melbourne p +61 3 9653 9510

w www.blenheimpartners.com