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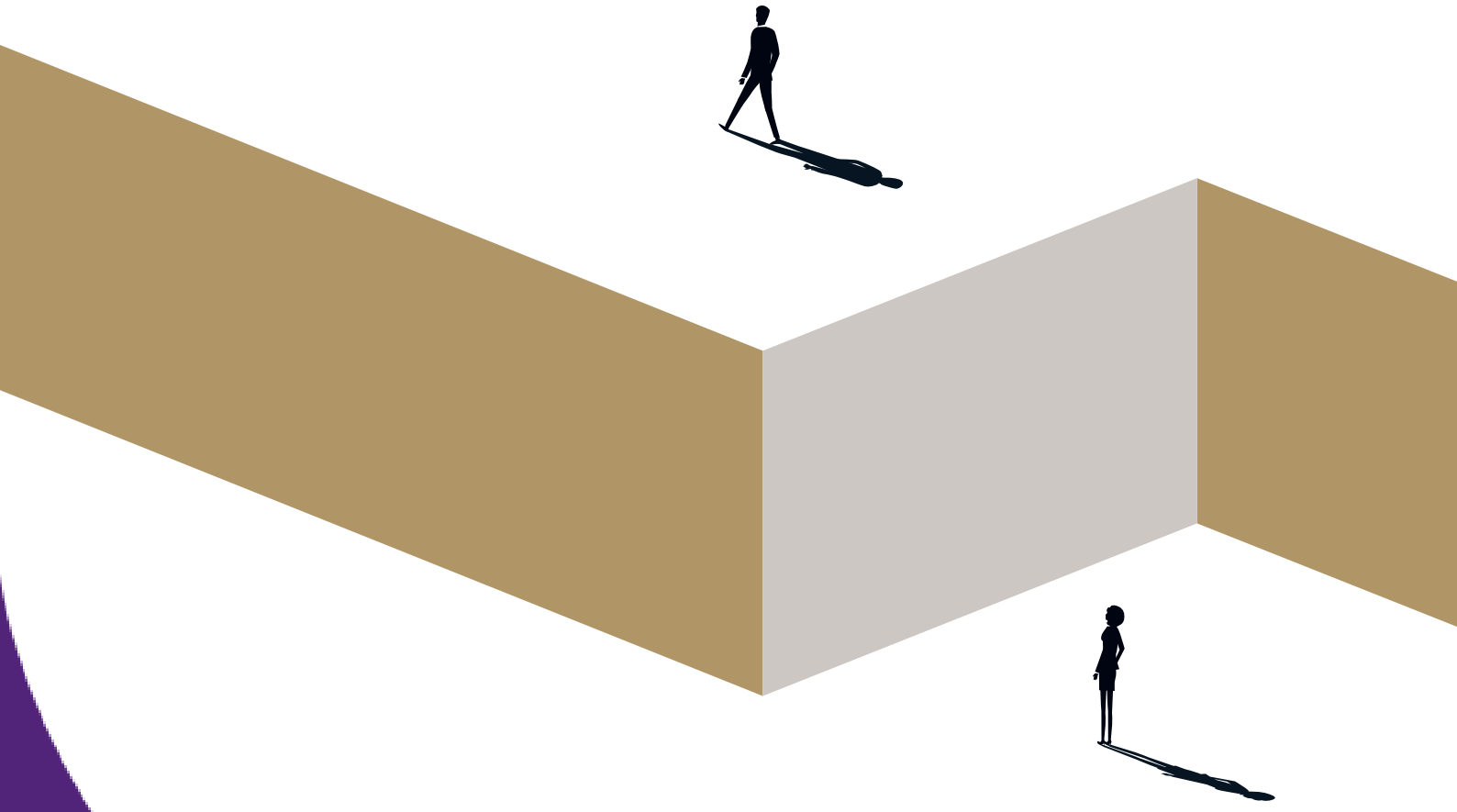
Towards Board Gender Parity

Lessons from the Past – Directions for the Future



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Australian Institute of Company Directors

AUSTRALIAN GENDER EQUALITY COUNCIL
working for balance

Towards encouraging the use and citation of this report it should be referenced as:

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Foreword

Angus Armour
CEO and Managing Director, AICD

The University of Queensland and the Australian Gender Equality Agency approached the AICD to support this research project just weeks before the COVID-19 pandemic hit Australia. At that point, Australia had surpassed the target of 30 per cent women on ASX 200 boards, but the future was clouded by the uncertainty of the pandemic. Boards were grappling with a huge disruption and many suspected the focus on diversity would suffer as a result.

Now 18 months later, we are pleased to help launch this report noting the continued upward trajectory of women represented on ASX 200 boards. Furthermore, we have seen similar improvement further down the ASX, with the ASX 300 reaching 30 per cent representation at an aggregate level in November 2020.

The Australian experience is a fascinating example of corporate-led change without government intervention. This warrants investigation – so that other jurisdictions might gain insights from our experience. This report speaks to the many individuals and organisations that stepped up to ensure action and advocacy within their spheres, and the result is a historic milestone.

The AICD is proud of the role we have played in this story, demonstrating a long-standing commitment to the increased representation of women on boards. I would like to call out the contributions of colleagues and previous AICD leaders whose commitment and foresight cemented our diversity leadership role.

It is particularly pleasing to note the impact of the Chair's Mentoring Program. The program was ground-breaking at the time of its launch and counts many of Australia's leading directors among its alumni. It has also inspired similar programs in other countries. We will continue to ensure that the program remains future-fit and contributes to an even playing field for future cohorts of accomplished women.

For the AICD and many boards, the business case for increased board diversity is clear and has never been more important. Boards are adapting to disruption as an inherent feature of the 'new normal', with implications ranging from new technologies, digitisation and AI to financial and political uncertainty.

Diversity of thought, experience and perspective can only be an asset, enabling fresh insights and challenging thinking – prerequisites for both adaptation and innovation. Investors and the community have made clear that company performance on leadership diversity is reflective of a readiness to face future challenges of a modern world.

Complacency is a constant threat to progress, so we must remain

vigilant. Strategies we found to be effective in the past may not continue to be effective today. We need to reflect on this journey – spanning a decade – and learn from our past to consider what worked and why. This research report provides us with that history.

However, Australia's continued improvement in board diversity sits in stark contrast to our diminishing position in terms of most other gender equality indicators[1], including gender diversity among top executives.

This phenomenon is replicated in countries where quotas on boards have led to the highest rates of female board participation, such as France, Sweden, and Germany. These markets also continue to see stubbornly low levels of female executives.

CEO recruitment is the responsibility of the board, and boards must also turn their mind to ensuring that C-suite roles across their organisation are attracting female candidates. Improved gender representation across the C-suite will ensure we continue to build a pipeline of qualified women for future board careers.

Our hope is that this report will help invigorate the conversation on diversity and the work still required to improve outcomes for women. It provides guidance on the direction of our future efforts and points to an opportunity for greater alignment.

We are grateful to The University of Queensland and the Australian Gender Equality Council for producing this important piece of research and look forward to engaging with the director community on the path forward.

1 World Economic Forum Global Gender Gap Report 2021

Foreword

Coral Ross AM
Chair, AGEC

It is often said that you have to know where you have been to know where you are going.

This report provides a fascinating understanding of how Australia, without gender quotas, became one of only three countries in the world to exceed 30 per cent female representation on boards. By examining how we got to where we are, this report recommends a way forward to reach gender parity in the board room.

The report provides valuable insights and lessons as we work towards gender parity at the board level and other facets of Australian society. The achievement of more than 30 per cent of women on boards is even more remarkable given Australia's lack of progress in other gender equality measures.

Researchers interviewed more than 30 people, from a broad range of companies and organisations, to gain a full understanding of how Australian boards increased from 8.3 per cent women in 2008 to the current figure of 33.6 per cent[2].

The report examines what led to the increase; whether the current trajectory will continue towards board gender parity; the barriers to achieving board gender parity; and lastly, the mechanisms needed if Australia is to reach board gender parity.

In particular, the report puts 2009 into a historical context and looks at the events that led to the increase in women on boards. But the report also includes some wonderful insights by ASX board chairs into the value of women on boards and how they improve decision-making.

What became apparent during the research was that there was no single institution or group of institutions that coordinated the changes and initiatives that led to the increase of women board members. Rather, "it's the mosaic of all the players that has enabled this change".

There were some pivotal events, namely the ASX Corporate Governance Council recommendations in relation to reporting on diversity and the Australian Institute of Company Director's (AICD) Chair's Mentoring Program. There were also a host of other influencers, including investors, investor representative bodies, industry superannuation funds, 30 per cent Club Australia, Chief Executive Women, Champions of Change, Women on Boards and individual chair champions, which drove both the equity and business case for having more women on boards.

The report details the pivotal roles influencers played.

Several inhibitors to future progress were identified. The systemic

2 http://aicd.companydirectors.com.au/advocacy/board-diversity/statistics

barriers to women's progression in the workforce remain unaddressed and are responsible for a shrinking pipeline of women into leadership positions. The two greatest barriers highlighted were the lack of universal affordable childcare and persistent gender role stereotypes. A further identified barrier was the current board skills matrix, which favours CEO experience for board positions – when just 5 per cent of CEOs are women.

There was a broad consensus from interviewees that continued progress required the broader involvement of government, society and business to address the systematic barriers. Targets were also seen as necessary and the AICD Chair's Mentoring Program needs to remain a focus as a key mechanism in bringing more women to ASX300 roles and beyond.

Participants highlighted the lack of clear and tangible goals at a national level for workplace gender equality, one saying that Australia has a systemic problem with gender and that the lack of an equality agenda was a systemic issue for all of our society.

Insightfully, the report states that continued efforts are required to sustain progress.

The report makes seven recommendations, including the need for a national workplace gender equality strategy and a formal Alliance of Influencers. An alliance would identify and address the broad and systemic barriers facing women with the object of increasing the pipeline of women into executive and board positions. It also recommends the Alliance adopt a board gender target and a media strategy. Plus, it identifies the need to address the gender pay gap and the provision of universal affordable childcare.

This report provides the data and research to chart the way forward to board parity and makes important recommendations, which, if implemented, will reduce the time needed to achieve parity. It is an essential resource for the future.

Disclaimer

Inherent Limitations

This report has been prepared by The University of Queensland Business School. The data used to produce this report comprises responses to interviews undertaken by the research team and independent archive data comprising news media stories, reports, statistics and other documents accessed through the internet. While we have cross checked these sources in most cases, we have not sought to independently verify those sources.

No warranty of completeness, accuracy or reliability is made in relation to statements and representations made in the interviews or the independent archive data that have been quoted or cited in the report.

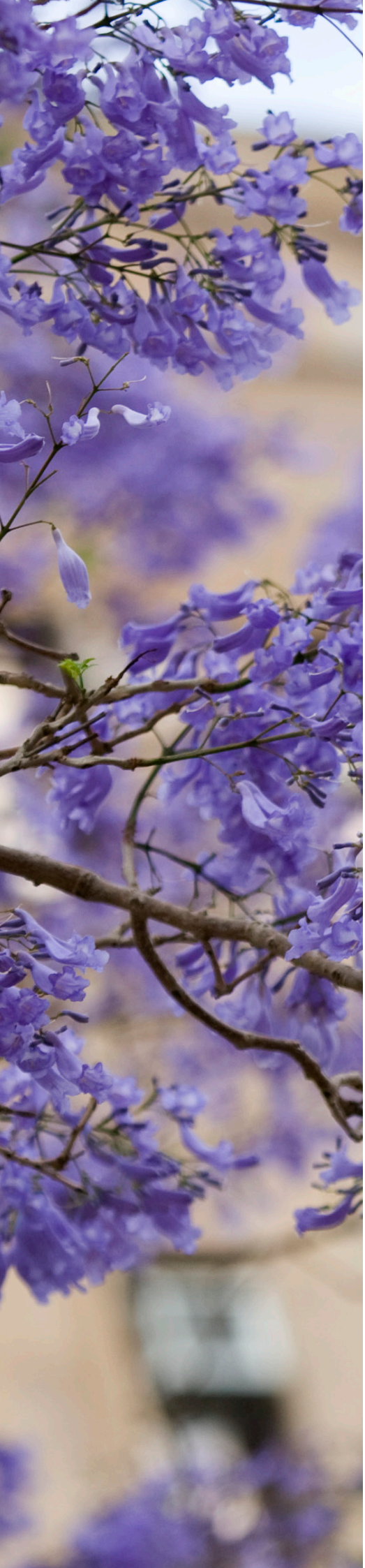
Third Party Reliance

Neither the Australian Institute of Company Directors, the Australian Gender Equality Council nor any employee of The University of Queensland undertakes responsibility arising in any way from reliance placed by a third party on the information contained in this report. Any reliance placed, is that party's sole responsibility.

Acknowledgements

This report is compiled using interview data and archive data maintained by the Australian Financial Review, Australian Institute of Company Directors, 30% Club Australia, Women on Boards, Chief Executive Women, Champions of Change, Workplace Gender Equality Agency, Office for Women, Australian Securities Exchange, World Economic Forum and Catalyst. The interpretation of the data and views contained in this report, however, are those of the authors and should not be attributed to those organisations listed above or their employees. This research was funded by supporting grants from The University of Queensland Business School.

The authors would also like to acknowledge Victoria Weekes, former Chair of the Australian Gender Equality Council, and Nicola Wakefield-Evans, current chair of the 30% Club Australia, for their early support in conducting this research project.



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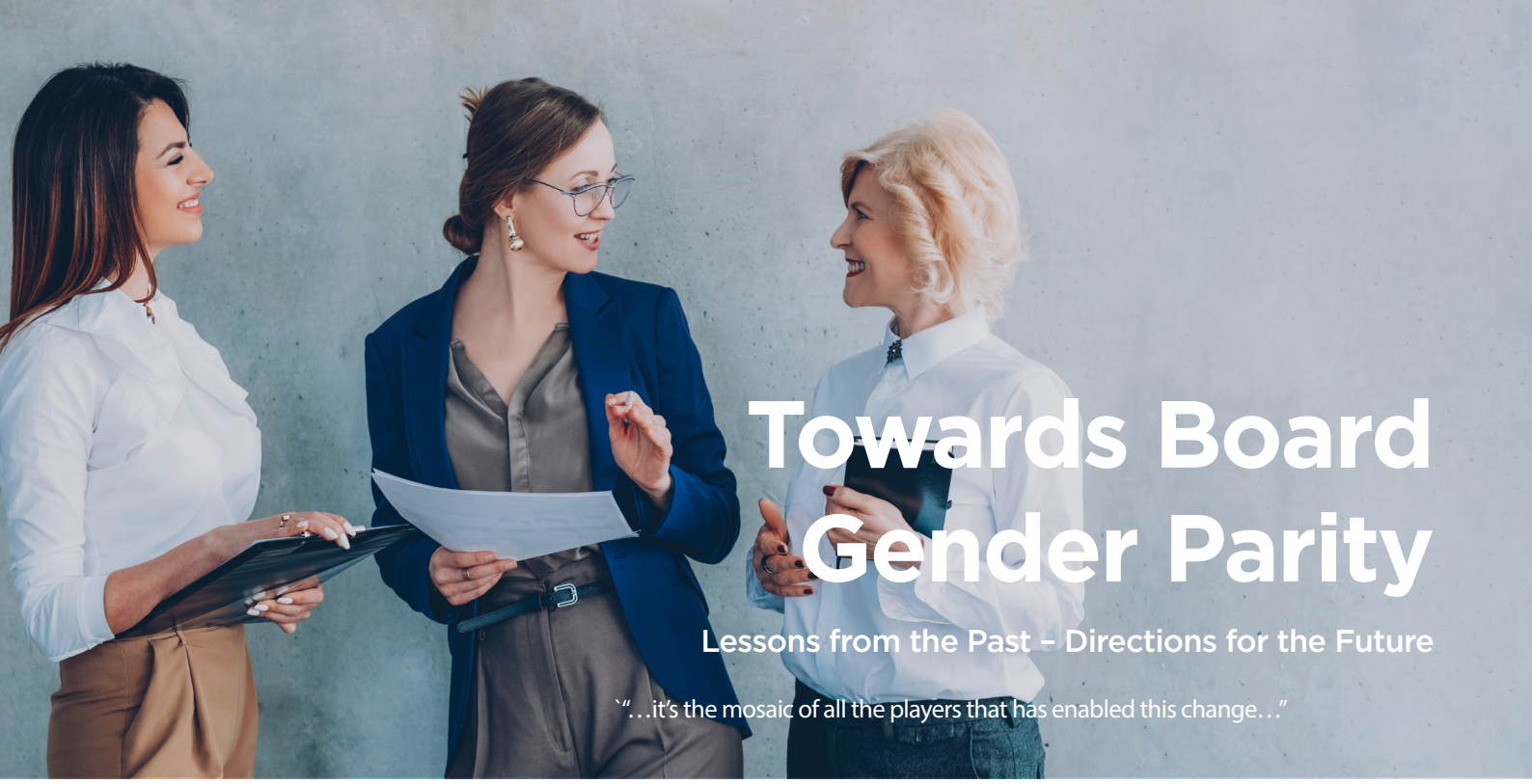

Towards Board Gender Parity

Lessons from the Past – Directions for the Future

`"…it's the mosaic of all the players that has enabled this change…"

Summary of key findings

Overview and the catalyst for change

Australia lags behind most of the Western world on statistics surrounding workplace gender equality. Our ranking in the World Economic Forums' annual *Global Gender Gap Report* has slipped from 15th in the world in 2006 to 50th in 2021. Our nearest neighbour, New Zealand, currently ranks 4th in the world. It is against this background that corporate Australia has achieved a remarkable, trend defying result. Australia is one of only three countries in the world to have achieved greater than 30 per cent of its top listed company board members being women without legislated board quotas. It did so over a ten year period from 2009 to 2019. As a testament to the ongoing work of a mosaic of individuals and organisations, the proportion of women board members continues to rise beyond 30 per cent.

In 2009, corporate Australia was confronted with statistics from the Equal Opportunity in the Workplace Agency that showed the already low proportion of women in ASX200 boardrooms was moving backwards. In the same year, Norway reached 40 per cent women on its listed company boards by imposing legislated quotas. Through the voices and actions of the financial press, prominent ASX50 chairs, Women on Boards, the Australian Institute of Company Directors (AICD), the Federal Sex Discrimination Commission and members of the ASX Governance Council, two significant outcomes emerged to underpin progress for the next decade: ASX Corporate Governance Council Principles and Recommendations in relation to reporting on diversity and the AICD Chair's Mentoring Program.

Perhaps equally remarkable to this story is that no single institution or group of institutions co-ordinated the changes and initiatives that emerged between 2009 and the present and delivered this change. While there were individuals and institutions the report identifies as direct influencers, there were also dozens of indirect influencers who, as a mosaic of players, drove the broader workplace gender equality narrative and underpinned the cultural shift necessary for this change to occur. It is these indirect influencers who have continued to drive both the equity and business case for having more women on boards.

The direct and indirect influencers of change

The direct influencers include the ASX Corporate Governance Principles and Recommendations, the AICD, investors and investor representative bodies and the 30% Club Australia and its individual chair champions.

The ASX Corporate Governance Principles and Recommendations were critical in two regards. Firstly, Recommendation 3.2, which came into effect in 2010, represented the first corporate sector institutional response to the issue of bringing more women on to boards. Secondly, it

sent a clear message to the corporate community about community expectations in general and the expectations of investors and corporate sector representative bodies, more specifically. Further refinements to these Recommendations in 2014 and 2019 continue to defined and reinforced these expectations.

The AICD, as the professional body representing company directors and corporate governance standards in Australia, played a prominent role in the provision of forums and messaging regarding the need for change. In addition, the AICD voiced opposition to quotas and later, support for a 30 per cent target accompanied by metrics to track progress. Perhaps one of the greatest contributions to change was its initiation of the Chair's Board Mentoring Program, which has seen many women emerge from the program to go on to ASX200 boards and, in turn, become ASX200 board chairs. As an institutional leader in the corporate field, AICD sent a powerful message to boards regarding community and investor expectations.

Since 2015, the 30% Club Australia has played a significant role in promoting targets as a mechanism for driving change. Its working groups, partnerships and empowerment of business leaders as advocates has provided consistent messaging and engagement with ASX200, and later ASX300, chairs on the issue of women's board representation.

Since 2015, institutional investors have played a growing role in advocating and progressing more women on to ASX200 boards. Of note is the stand of industry superannuation funds, whose growth in assets over the past decade has seen them control approximately 10 per cent of the market capital of the ASX200. These funds, through the co-ordination of the Australian Council of Superannuation Investors (ACSI) and direct contact with board chairs, began voting their shares against company chairs with poor diversity track records, sending a powerful and direct message regarding their expectations around board gender diversity.

There are over thirty national bodies across Australia devoted to advocacy for the progress of women in the workplace. Of greatest note to those interviewed in the study were the roles played by Chief Executive Women, Champions of Change Coalition (formerly the Male Champions of Change) and Women on Boards. Each of these organisations provide key forums, sponsor significant research reports and press for change to enable the progression of women into leadership roles. These institutions, along with over thirty others, drive the need to address structural barriers that act to prevent women from achieving career progression.

The media in Australia were regarded as generally supportive in promoting the need for change towards board gender equality and were pivotal in the catalysing year of 2009. The key role of the media has been to publicise data, reports and opinion pieces produced by influencers identified in the study. A source of concern voiced by nearly all engaged in the study was the apparent double standards applied to reporting upon women in leadership roles in some sections of the print media. This double standard is driving some women to avoid or reconsider undertaking prominent leadership positions and public facing roles.

Individual research reports and the production of ongoing series data have played a critical role in anchoring both the equity and business cases for more women on ASX200 boards, as well as providing tracking data for targets. In recent years, the quality of evidence and the methodological sophistication of the mechanisms used to gather and report upon it have increased dramatically, highlighting that there is no longer any doubt about the link between greater diversity and increased firm performance. Additionally, fine grained series data is now being used to identify industry sectors and individual firms requiring greater attention.

State and federal government targets for women on government boards played a significant role in signalling expectations to the private sector. In 2020, the federal government achieved board gender parity on federal government boards and each state, with the exception of NSW, has set either a 40/40/20 or 50 per cent target. Each of the States, with the exception of NSW, has achieved at least 40 per cent women on their boards. Additionally, two federal government agencies, the Workplace Gender Equality Agency (WGEA) and the Federal Sex Discrimination Commission and their respective leaders, have played a very prominent role in progressing the workplace gender equality case more broadly.

Strategies that have driven the change

Despite there being no overarching or co-ordinating body driving the change, the mosaic of participating individuals and organisations have drawn upon and leveraged each other's efforts. In a sense, each new data set and research report, each change to governance provisions, each positive media story or intervention by an investor group gave 'permission' for other influential voices, particularly those who are widely respected in the corporate field, to join those already involved, generating a consistent momentum for change.

Many of those interviewed for the study referred to the 'carrot and stick', or demand side approaches to driving change. Research evidence has driven the business case for having more women on boards. Likewise, the communication of the personal experiences of chairs involved in the AICD's mentoring programs and those

having appointed women to their boards has drawn attention to the positive impact of moving towards board gender parity. Conversations, publications and case studies around the equity and business cases were identified as 'carrot' strategies that have driven chairs to want to recruit more women to their boards. The adoption of a target of 30 per cent was also seen as a positive strategy to quantify and drive progress when it was introduced. However, in terms of a contemporary target, most individuals and institutions now believe that board gender parity should be defined by a 40/40/20 paradigm and targets should be adjusted to reflect this.

The ASX Governance Council's Principles and Recommendations established an 'if not, why not' obligation on company diversity reporting and were pivotal in providing transparency and spelling out community expectations for boards to report against. In terms of the 'stick', this transparency, in addition to series data maintained by key influencers, enabled 'name and shame' campaigns and shareholder voting sanctions against companies seen as lagging in board gender diversity. These punitive strategies were identified as being highly effective. The impact of these strategies was significantly increased when picked up by the media due to consequent declines in consumer sentiment towards these companies. The media amplification increased the likelihood that women would not view these firms as employers of choice for the progression of women, thereby affecting access to the employment talent pool.

Finally, an important supply side strategy was the AICD's Chair's Mentoring program, which increased the visibility and readiness of women to undertake board roles. It also produced significant additional effects such as signalling the preparedness of the AICD and the chairs of most of the ASX50 firms to invest significant time and resources into the progression of women on to ASX200 boards. Additionally, it indirectly generated board role sponsorship opportunities for women for years following participation in the program.

Inhibitors to future progress

The greatest inhibitors to future progress were identified as systemic barriers to women's progression in the workforce, which remain unaddressed in Australia. These barriers are responsible for a shrinking pipeline of women into CEO and senior executive operational and line roles from which most board members are currently drawn. The two greatest barriers identified were firstly, Australia's current early childhood education system in terms of affordability, access, opening hours and quality of care, and secondly, ongoing and persistent gender role stereotypes. Stereotypes are identified as being the root cause of Australia's gender segregated economy and responsible for pushing an unequal burden of domestic responsibilities on to women, thereby creating an unequal playing field for the acquisition of career capital needed for progression into executive and CEO roles. There is a widespread concern that Australia lacks a national strategy for workplace gender equality and that until one is in place, these issues are likely to persist.

A further barrier is the current composition of the board skills matrix, which favours CEO or senior executive line role experience for most board role positions. This is somewhat driven by current legal prescription creating personal liability to directors for corporate failures. Australian liability on directors is among the most onerous in the world. It is also driven by pragmatism in so far as being a mechanism for identifying those who have personally been responsible for making many of the decisions for which boards provide governance oversight. Director legal liability in Australia inhibits board training mechanisms, such as board shadowing or observership programs, and further acts to reduce the pool of selectable women.

Pushback was identified as still being a factor among a minority of men. Given the dominance of men on boards for the past century, many believed that there was still a sense of entitlement among the older generation that men should succeed to the board after a successful executive career and the number of women coming on to boards was undermining that entitlement.

Despite the success of progression of women on to ASX200 boards, a level of fatigue was identified, particularly in relation to the requirement to constantly reimagine or reinvigorate messaging to maintain momentum on the issue. This is particularly salient given the underlying structural barriers in the Australian economy, and society in general, which act against workplace gender equality and require constant effort to combat.

What needs to happen to sustain change?

A key finding of the study was the informality of connections between influencers over the past 12 years. A variety of largely informal coalitions had formed, reformed, disbanded and re-emerged throughout the period. There was a broad consensus that continued progress required broader involvement of government, society and business to address the systemic barriers to workplace gender equality to ensure the pipeline of women coming on to boards was expanded in future years. A national workplace gender equality strategy and dialogue by a formal grouping of influencers was seen as the best way to achieve the next steps around necessary changes. A deeper engagement with the media was also seen as being an essential component in commencing this dialogue.

Targets and metrics supporting progress against a 40/40/20 board gender equality paradigm was seen by a majority of those interviewed as needing to continue, while not losing sight of those firms who have failed to reach a 30 per cent target. The pipeline, board role composition and overall numbers also need to continue to be measured objectively and constantly monitored. Such metrics provide the means by which effective 'carrot and stick' mechanisms can continue to be applied by key influencers.

The highly effective board mentoring program run by the AICD, and others like it, need to remain a focus as a key mechanism in bringing more women to ASX300 roles and beyond.

Childcare, parental leave, division of domestic labour, pay setting across sectors, and gender stereotypes are all critical issues that will need to be addressed if Australia is to continue progress and embed the progress made to date.

Further work is required in bringing boards, executive recruiters, promoters and investors together on shared understandings of board skill matrices and board role expectations around experience and how and where to identify appropriate candidates.

Key recommendations addressing each of these factors to sustain progress towards board gender parity are outlined at the end of this report.

Introduction

Australia is among only a few countries in the world to have exceeded 30 per cent women on their top listed company boards in aggregate without legislating quotas[3]. Canada's TSX60 has 31.5 per cent[4] women board members and the United Kingdom's FTSE350 has 34.3 per cent[5], joining Australia at 33.6 per cent[6].

This represents a remarkable achievement, which is all the more remarkable relative to Australia's generally poor track record on other global gender equality metrics. For instance, the World Economic Forum *Global Gender Gap Report*, undertaken annually since 2006, in its 2021 report places Australia 50th in the world on combined economic participation, political representation, education and health statistics for women[7]. Relative to leading gender equality countries, Australia also has a persistent gender pay gap that has hovered above 20 per cent[8] for the last two decades, as well as very low numbers of women in CEO and executive roles in our ASX200 companies. Currently only 5 per cent of ASX200 CEO's are women and only 12 per cent of executive line roles are held by women[9].

Against this backdrop, the purpose of this report is fourfold:

1. To understand exactly how Australia reached and exceeded 30% of women on its ASX200 boards after a long period of no progress prior to 2009.
2. To understand whether the current trajectory of women joining ASX200 boards will continue towards board gender parity, as well as what is understood to be parity.
3. To understand what are the barriers to achieving board gender parity?
4. To understand what mechanisms will be needed if Australia is to reach board gender parity in its ASX200 companies and beyond?

In answering these questions, The University of Queensland Business School has been supported by the Australian Institute of Company Directors (AICD) and the Australian Gender Equality Council (AGEC) in identifying and interviewing those individuals who have played a pivotal role in the events which have brought women's participation on Australia's ASX200 boards to where it is today, as well as to gain their views about board gender parity and how we might achieve it (See Appendix 1 for interviewee demographics). Additionally, in researching this report, hundreds of studies, news articles, reviews, series data and other documents have been accessed and many of these are cited in the footnotes throughout this report.

3 https://www.egonzehnder.com/global-board-diversity-tracker/customize-the-data?report=Board+seats+held+by+women&subgroup=Global&year=2020

4 https://www.osler.com/osler/media/Osler/reports/corporate-governance/Diversity-and-Leadership-in-Corporate-Canada-2020.pdf

5 https://www.theguardian.com/business/2021/feb/23/number-of-ftse-100-women-directors-rises-by-50-in-five-years

6 http://aicd.companydirectors.com.au/advocacy/board-diversity/statistics

7 https://www.weforum.org/reports/global-gender-gap-report-2021

8 https://www.wgea.gov.au/publications/australias-gender-pay-gap-statistics#national-gpg

9 https://cew.org.au/topics/asx200-census/

1. EOWA 2008 Census of Women in Leadership
2. CAMAC Report
   Quotas vs Targets debate
   WOB 2nd Annual Conference
   ASX Governance Council Decision
3. AICD Chairman's Mentoring Program
   2010 ASX Corporate Governance Council Recommendation 3.2
4. McKinsey & Co Report linking diversity to corporate performance
5. Women on Boards "Traffic Light Index"
6. 2014 ASX Corporate Governance Council Recommendation 1.5
7. ACSI Letter to ASX200 Chairs
   30% Club Australia Launch & AICD policy supporting a 30% target and Quarterly Board Gender Diversity Reporting
8. CEW ASX200 Senior Executive Census
9. ACSI Policy of voting against boards with poor gender diversity
   2019 ASX Corporate Governance Council Recommendation 1.5 (30% target)
10. Bank West Curtin Report evidencing causality of Diversity to Performance

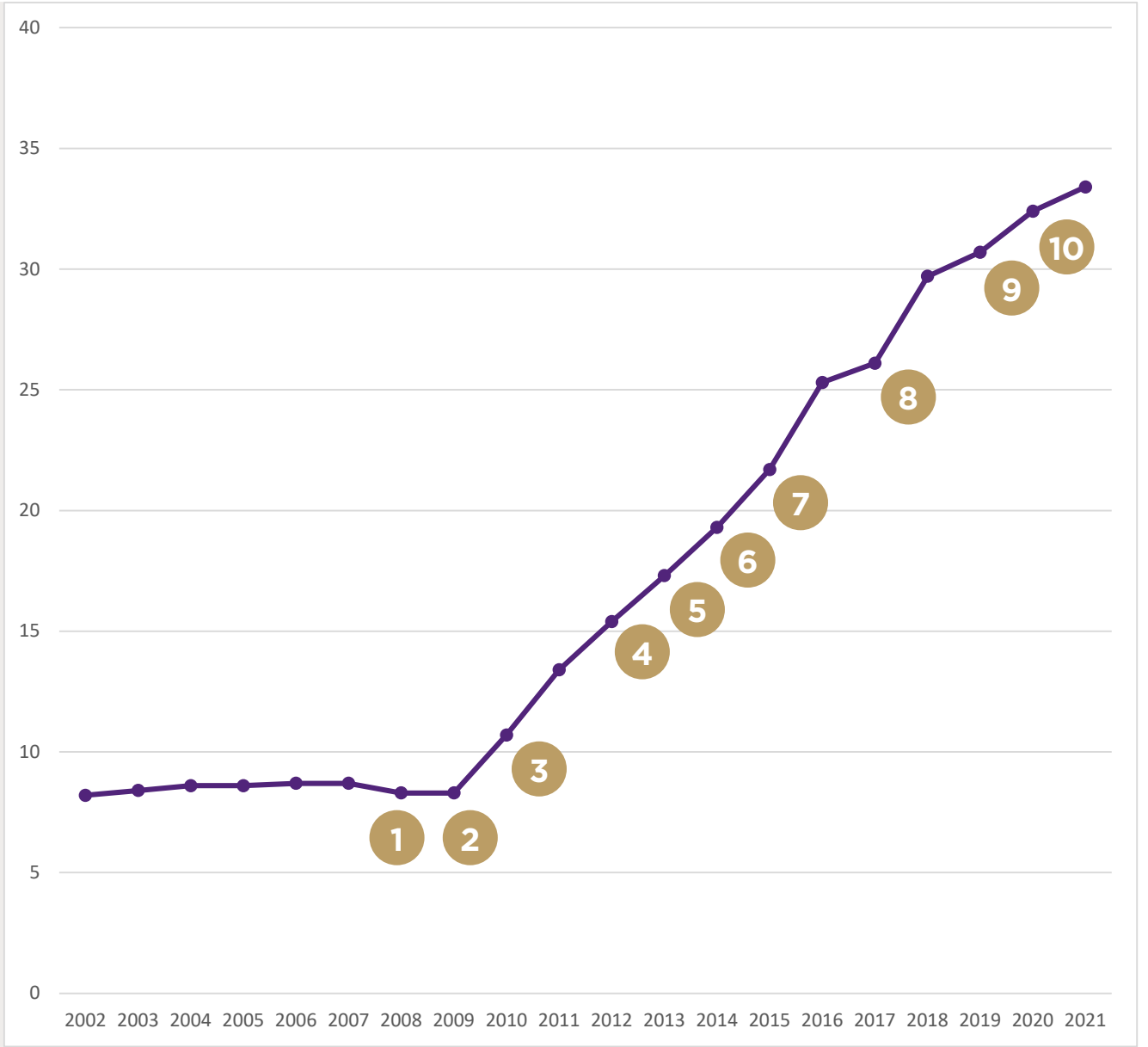

Figure 1. Percentage of Women on ASX200 Boards and Key Events Driving Progression.
Note that arrows point to the year in which these events took place.

What happened in 2009?

As shown in Figure 1, there was little to no movement in the proportion of women on ASX200 boards for the decade preceding 2009. However, after this date the rate of progress on the issue has been relatively constant. This begs the question, 'What happened in 2009?'

Compiled using Equal Opportunity for Women in the Workplace Agency (EOWA), ASX and AICD data[10], Figure 1 shows a timeline of events in the progression of women on to ASX200 boards. What is immediately apparent is the lack of movement from 2002 to 2009, after which time there is a clear and almost linear trajectory of 2 per cent+ per annum increase from 2009 to 2021. Clearly something momentous must have occurred in 2009.

Before proceeding to the specific events of 2009, it is worth recalling the context of that year. In particular, Australia had its first female prime minister, the Hon Julia Gillard, and we also had a female Governor General, Dame Quentin Bryce. Australia, and the rest of the world, was in the depths of the Global Financial Crisis, set off in September of 2008, with the bankruptcy of Lehman Brothers. By mid-2009 the media in many countries were highlighting the lack of diversity on the boards of the larger institutions identified as more responsible for the crisis. Also highly significant was the widely reported reaching of the 40 per cent quota for women on listed public company boards in Norway in mid-2009. This came with the introduction of a legislatively mandated 40 per cent quota for women on boards in Norway in 2007, after voluntary provisions enacted in 2003 had failed to produce significant change.

and news stories from the period.

Most of those interviewed agreed that the pivotal catalysing event for the changes that followed, dated to October 2008 was the release of the EOWA's *Census of Women in Leadership* report. The report (see Figure 2) showed that the percentage of women on ASX200 boards had decreased to just 8.3 per cent, from 8.7 per cent in 2006. In 2008 more than half of ASX200 boards had no women on them at all.

While the official release date for the report was October 2008, the EOWA were aware of the statistics earlier. They had been in contact with the office of Senator the Hon Nick Sherry, Minister for Superannuation and Corporate Law. The Minister wrote a letter on the 9th of September 2008 to the Corporations and Markets Advisory Committee[11] (CAMAC) requesting a review of the women on boards situation and asked for recommendations as to how to address the issue.

On the 2nd of March 2009, the report titled 'Diversity on Boards of Directors'[12] was issued to Senator the Hon Nick Sherry by CAMAC. Of significance, the report suggested a change to the ASX Corporate Governance Council Principles and Recommendations such:

"...that a specific reference to board diversity be included in the commentary which deals with the board nomination committee. The Advisory Committee considers that the board nomination committee should be mindful of the need to consider appropriate board diversity..."

10 EOWA *Census of Women In Leadership* 2002-2012, ASX Company Database Accessed 28th February, 2013, 2014 & 2015 and AICD 'Gender Diversity Progress Report 2015-2021

11 https://www.camac.gov.au/ The Corporations and Markets Advisory Committee was set up in 1989 to provide a source of independent advice to the Australian Government on issues that arise in corporations and financial markets law and practice. CAMAC members are appointed on the basis of knowledge and experience in business, financial markets, law, economics or accounting. CAMAC is assisted by a Legal Committee, whose members have expertise in corporate law. Members of CAMAC and the Legal Committee serve on a part-time basis. They are supported by a full-time Executive.

12 https://www.camac.gov.au/camac/camac.nsf/byheadline/pdffinal+reports+2009/$file/board_diversity_b5.pdf

The report further suggested:

"One means open to companies to develop the skills and experience of women (and other identified groups) and advance their opportunities for advancement to boards is the promotion of mentoring and other networking programs for women..."

During the period between the Minister's office receiving the CAMAC report (2nd March, 2009) and its public release (13th August, 2009), two further reports were issued. In June 2009, the 'Pay, Power and Position' report was issued from the EOWA, and a study by Thomson Reuters' Connect 4, sponsored by the Australian Financial Review, was also issued. As reported in the Australian Financial Review (AFR) on the 23rd of June 2009[13], both reports focused upon the pipeline of qualified and capable women for board roles, concluding that these studies "...shore up existing evidence that women in this country are well qualified and capable of top roles."

The public release of the CAMAC report on the 13th of August was noted in a feature news story by the AFR the next day, noting that "Nick Sherry had expressed concern that Australian Boards were largely composed of men with similar ethnic, education and professional backgrounds." The Federal Sex Discrimination Commissioner at the time, Elizabeth Broderick, noted in the same news report that "while the report was a useful addition to the debate about gender balance it did not go far enough." Also in response to the report, Deputy Premier of Victoria at the time, Rob Hulls, was reported as writing to the Company Secretaries of the ASX200 including the conclusions of the report as well as "encouraging these business leaders to be more proactive in promoting women..."

The four months following the release of the CAMAC report saw a surge in media stories and events focused upon the issue of getting more women on to ASX boards, as well as whether quotas or targets should be the main mechanism for achieving this (see Figure 3). For example, the AFR's 'Perspective' section on the 29th of August 2009[14] reported on the upcoming visit of Arni Hole, Director of the Ministry of Children and Equality in Norway, who would be speaking on the topic of the success of Norway's quota legislation at the upcoming Women on Boards Conference. Reporter Catherine Fox noted that Arni Holes' visit was widely anticipated because "Voluntary compliance through bodies such as the EOWA had not delivered widespread change and many observers wonder if a circuit breaker is needed through more direct intervention."

A key event of 2009, which was raised by many of those interviewed for the report, was the Women on Boards 2nd Annual Conference held at the Sheraton in Sydney on the 1st – 3rd September. This conference featured key note addresses and panels which included prominent ASX50 chairs: the Chair of the ASX, David Gonski; CEO of the Business Council of Australia, Katie Lahey; the Federal Sex Discrimination Commissioner, Elizabeth Broderick; and Arni Hole, Director of the Ministry of Children and Equality in Norway; as well as the editor of the AFR's BOSS magazine, Narelle Hooper.

The discussions at the conference were reported[15] as 'robust' with advocates for quotas and those for targets putting forward their arguments. Elizabeth Broderick was quoted as saying that the lack of women on boards "...is not just a problem – it's a national outrage" and that significant intervention was required. She was also cited as saying that changes to the ASX Corporate Governance Council Principles and Recommendations was one way to address corporate culture. David Gonski and Katie Lahey argued that the Australian business community would strongly oppose legislated quotas. However, David Gonski also went on to say "an 'If not why not' system that named and shamed companies that did not have a minimum amount of women in senior roles would be preferable to quotas." He also noted that "It's time to have some real leadership on this issue – it's positive, it's logical, and it's time."

In September/October 2009 the Productivity Commission urged reforms to deepen the 'limited pool of directors', while two federal parliamentary inquiries were launched to consider measures to boost gender equity[16]. In October, at the AFR Chanticleer lunch – a prominent and well attended business event, Kevin McCann, the chair of Macquarie and Origin Energy as well as Chair of the AICD Corporate Governance Committee, noted that in 2010, board room diversity would be a key issue. He was further quoted as saying "Frankly, I think we are going to have to name and shame."[17]

On the 23rd of October 2009 the ASX Corporate Governance Council met to discuss expanding its recommendations to include diversity and reporting on how organisations were acting to progress it.

On the 28th of October, former Qantas chair Margaret Jackson went on ABC Radio National to say that "...voluntary targets should be set for the number of women on boards. If we don't get there, let's have quotas." On the following day a

13 'Lack of Representation shows change still needed' Catherine Fox 'Workspace' Section of the Australian Financial Review 23rd June, 2009

14 'When men are made to move over' Catherine Fox 'Perspectives' Section of the AFR 29th August, 2009

15 'Australia lags in women's board places' Marsha Jacobs 'News' Section of the AFR 3rd September, 2009.

16 'Boards face shaming on glass ceiling' Catherine Fox, Narelle Hooper & Damon Kitney 'News' Section of the AFR, 23rd October, 2009

17 'Boards face shaming on glass ceiling' Catherine Fox, Narelle Hooper & Damon Kitney 'News' Section of the AFR, 23rd October, 2009

feature story in the AFR by Elizabeth Broderick reinforced this same point[18]:

"It has become imperative that we implement special measures to accelerate the progress of women. It is becoming clearer and clearer that if we are to secure increased participation by women, it will be necessary to set numerical goals such as targets and quotas…Publicly listed companies should set their own three – five year gender diversity targets at both board and executive level…If there is no significant progress over the next five years, then the government may find that it has no other choice than to consider the imposition of quotas."

On the 5th of November 2009 the AICD Board met to discuss the issue of women on boards. On the 24th of November the AICD made two major announcements. The AICD released formal recommendations for boards to set goals and report annually on policies and progress in increasing gender diversity at board and senior management levels. In addition, the AICD announced a mentoring program for women led by some of Australia's most prominent ASX50 board chairs. Launched in 2010 as the 'ASX 200 Chair's Mentoring Program'; then 'Chairmen's Mentoring Program' in 2013, this program would go on to become the 'AICD Chair's Mentoring Program' from 2015, which is discussed in more detail later in the report.[19]
On the same day, a 'Getting on Board' seminar hosted by Women in FINSIA in Sydney, and including several prominent women ASX directors, made the news because of the intensity of the debate around the need for quotas.[20]

In the days immediately preceding the AICD announcement, AFR Chanticleer columnist Alan Jury, on the 20th of November 2009 named and shamed prominent ASX100 firms that did not have any women on their boards[21]. More naming and shaming articles appeared in the following weeks by other AFR columnists and reporters[22].

On the 7th of December 2009 the ASX Corporate Governance Council announced that it would be releasing a draft for comment early in the new year and that it would be implemented on the 1st of July 2010. This draft became Recommendation 3.2[23], the first in a series of diversity recommendations released by the ASX Governance Council. These recommendations are considered in more detail further in the report. Elizabeth Broderick was quoted as saying in regard to the forthcoming Recommendation:

"This move by the ASX is historic and could be a major turning point for women's leadership in business. This transparent reporting will allow the Australian public to see, for the first time, what companies are really doing to progress gender diversity".

This intense period of debate and action by key individuals and institutions in the corporate sector in the second half of 2009 was the catalysing event for the changes that were to follow as well as establishing the dominant mechanisms, whereby the proportion of women on ASX200 boards would go from 8.3 per cent in 2008 to 33.6 per cent[24] in 2021.

Figure 3. A Selection of 2009 Board Gender Diversity Articles Featured in the Australian Financial Review

18 'Make room at the table for women' Liz Broderick 'News' Section of the AFR, 29th October, 2009
19 'Gender imbalance gets a seat on the board' Catherine Fox 'News' Section of the AFR, 24th November 2009
20 'Quotas can help fill the boardroom gender gap' 'Workspace' Section of the AFR, 24th November, 2009.
21 'Diversity is the name of the game' Alan Jury 'Chanticleer' Section AFR, 20th November, 2009
22 'ASX push for more women at the top' Ingrid Pyne & Patrick Durkin, 'News' Section AFR, 8th December, 2009
23 'ASX push for more women at the top' Ingrid Pyne & Patrick Durkin, 'News' Section AFR, 8th December, 2009
24 http://aicd.companydirectors.com.au/advocacy/board-diversity/statistics

Key Drivers for Women on Boards – The Business and Equity Case

Before examining the relative contributions of various organisations to the progression of women on to ASX200 boards, it is worth examining why the issue was so hotly debated and contested in 2009. In our interviews for this report we asked 'What were the drivers of change for you with regard to progressing more women on to boards? Why should Australia have more women on ASX200 boards?'

When describing the reasons for firms working towards increased gender equality on boards, interviewees posed a range of reasons largely centred on the 'business case', the 'moral imperative', the 'personal motivators' and 'stakeholder / client expectations'.

In some cases, gender equality in business and on boards was seen as 'the right thing to do'. However, this moral argument was often described in the context of evidence substantiating the positive benefits gained by having more diversity in group decision-making. In general, interviewees employed multiple and converging justifications for promoting more gender equality on boards. As one ASX100 Chair commented, the case for gender equality on boards is both an equity and business case issue.

When describing the business case, interviewees drew upon the contribution that gender diversity makes to increased profits, or the 'bottom-line'. As one representative from an industry member organisation described:

"My own view and I've looked at a lot of the research and … I do have a view that companies perform better if they have diverse leadership and the leadership is both on the board side, but also the executive side."

As with any complex issue, it was also widely understood that a multitude of factors combined to produce a cohesive and robust rationale for gender equality on boards and a case that was acceptable to a variety of audiences. As one ASX100 NED remarked:

"I think the rational argument was very important and helpful, but as always, insufficient in its own right and then there was this huge personal element, whether people came from just a belief that it's the right thing to do; some are concerned about the opportunities for their wives and their daughters and; then, there's a whole area of lived experience."

There were also interviewees who connected the business case with the consumer experience and expectations. One ASX100 Chair remarked:

"… there's the expectation of your client groups generally that … if you're calling yourself out to be an organisation … that is doing the best for your customers or your shareholders and you're ignoring the fact that diverse groups make better decisions and you're ignoring … a huge talent base, then you're not doing the right thing by your customers or your shareholders."

There was also the perspective that boards should reflect and be representative of the communities that they serve, with diversity extending beyond the parameters of gender for many interviewees.

A further underpinning factor in the business case was the evidence of the benefits of more divergent thinking and robust decision-making available to more diverse boards. The majority of participants interviewed cited a variety of resources and evidence-bases to substantiate this view about the benefits. As one ASX100 Chair commented:

"I actually fear often when I go on boards that there are a lot of people there who are the same as me and I don't think that's good for decision making, as good decision making requires a diverse set of backgrounds, diverse ways of thinking and a diverse way of handling issues and that's why I strongly support it. I've no doubt it's morally right. But that's not what comes into my mind."

Another ASX100 Chair raised the volume of reports, studies and further anecdotal evidence about the specific benefits afforded through gender equality when reflecting on board decision quality and board outcomes, stating:

"I think that women contribute as effective directors, they bring different perspectives. I know there's a lot of literature about companies performing better with more women on boards, whether it's going way back to the McKinsey research, or other research. I think it's true … women bring a different dynamic, different

perspective, different focus and definitely a more open attitude to things, so no doubt that it does bring a diversity of thought, diversity of approach …"

It was also the case that many interviewees extended the business case for diversity beyond their boards including one ASX100 Chair who offered:

"You want the best decision-making processes and leadership at the top of companies. If you want that you need diverse backgrounds, diverse thinking and questioning of each other. Otherwise, you go to sleep, or you produce the same every year."

Finally, ASX100 industry investors were also cognisant of the positive benefits of diverse groups in the boardroom on the fiduciary risk posed, relative to more homogeneous boards. Moreover, as one ASX100 industry investor representative remarked, greater diversity was also taken as evidence for improved governance and the use of risk-reduction when exploring investment options:

"… we see a lack of diversity as a financial risk and we see good diversity as an indicator of good governance and because we believe it contributes to that cognitive diversity and decision-making and longer-term performance."

The business case, comprising of improved decision-making, more divergent thinking and meeting consumer and stakeholder expectations, was differentiated from the 'moral case' or a case underpinned by a fundamental concern with equality of opportunity. Those interviewees who expressed a moral case for gender equality in the boardroom were also likely to present and reflect upon the business case. These were seen as compatible and complementary rationales to be used for garnering greater engagement across varying audiences. As one ASX100 Chair indicated:

"… one is societal, that we should have an equality of opportunity for women to pursue careers as company directors and the other is economic if you like that, given talent is in short supply … why would you turn your back on 50 per cent of the population, and particularly in areas where women academically have done extremely well and therefore, we would benefit from them on boards. I play that depending upon the audience. There are some people who are attracted to the societal point and there's others who look at it through the economic lens."

Others linked each of these cases for gender diversity on boards into a more cohesive depiction of gender equality. One representative from an advocacy body remarked:

"… irrespective of where you start, where you end up is that both those things are important, if you want a profitable, sustainable business, and if you want to be on the right side of history, then, both the human rights argument and the business case are important."

There was also a cohort of those interviewed for whom the reason for gender equality was more personal in nature, reflecting a lived experience. It was frequent for many women interviewees to reflect on their personal experiences and challenges in navigating their access to high-profile senior executive roles and board directorships in explaining their motivations for pursuing more publicly the need for more gender equality on boards. Others explored the impetus for gender equality through the lens of benefits for future generations, with one representative from an ASX100 investor organisation stating:

"On a personal level, I have a son and a daughter. I want them both to have exactly the same opportunities to do whatever they aspire to do and to be judged on their talent, to get to whatever, wherever they want to be. I wouldn't want it to be based on their gender…"

Interviewees also talked about their awareness of how personal experiences and impacts of gender equality had shaped the motivation and vigour that others showed towards progressing increased gender equality on boards. One ASX100 Chair remarked:

"… if I think about most people who believe it deeply, there is something personal about it, deeply personal about it, it usually means it is equity. You know, it's fairness, and not just the business of equity from a personal perspective, but equity from a capability perspective, equity from a societal perspective. So if half our society is women and we run these companies which ultimately deliver to all of society, you know, so it's an equity issue in that, you know, societal context."

Finally, these varying perspectives and cases on the need and importance of more gender equality connected people to each other in informal alliances to establish more gender equality on boards. Interviewees were keenly aware of the importance and impact of sharing their personal stories, experiences or research evidence to help audiences to understand the importance of progressing gender equality amongst their peers and stakeholders.

Direct and indirect influences on Board Chairs 2009-2021

The following section of the report examines the roles of individual organisations, organisational groups and sectors in progressing women onto ASX200 boards. This section is divided into two parts: 'Direct influencers' and 'Indirect influencers.' Direct influencers are defined in this report as those institutions that have engaged directly with ASX200 chairs on the issue of progressing more women onto their boards and are shown in the centre of the oval comprising Figure 4.

Indirect influencers are those who have not directly engaged with ASX200 chairs, however, like direct influencers, have driven an environment for change and are shown in the outer ring of the oval in Figure 4.

This report identifies four direct influencers and eight indirect influencers, as shown in Figure 4. In the sections below, we have grouped the eight indirect influencer groups shown in Figure 4 into four broader categories:

Direct Influencers – Direct Interaction with ASX200 Board Chairs

1. ASX Corporate Governance Recommendations
2. Australian Institute of Company Directors
3. 30% Club Australia
4. Investor Groups

Indirect Influencers – The Environment for Change

1. Advocacy Bodies
2. The Media
3. Data, Academic and Professional Reports
4. Government Departments and Instrumentalities

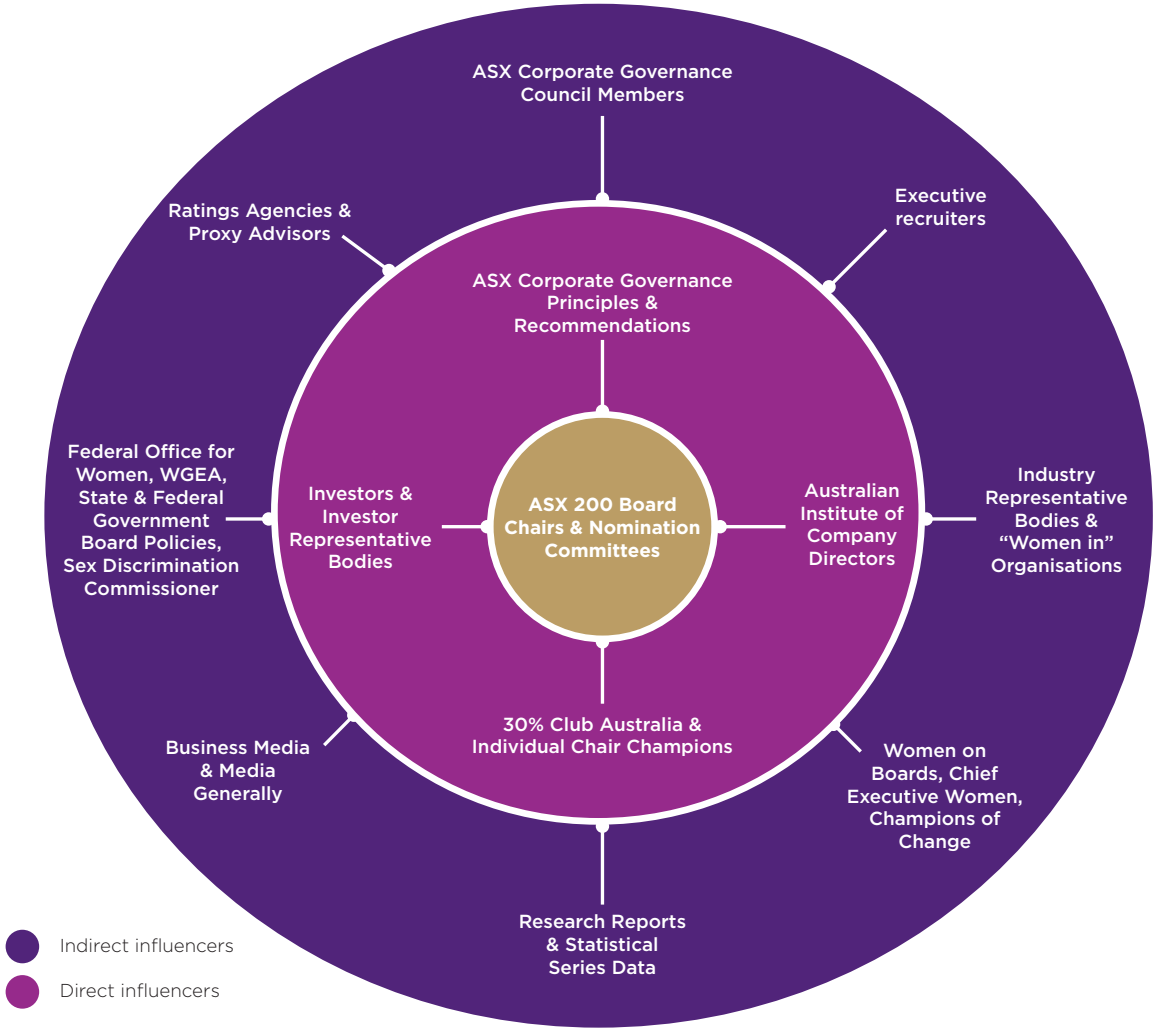

Figure 4. Influences upon ASX200 Chairs and Nomination Committees

Direct Influencers on ASX200 Chairs

Role of the ASX Corporate Governance Council Principles and Recommen-dations

As many of those interviewed commented, the impact of the ASX Corporate Governance Principles and Recommendations in relation to board diversity has been considerable. The level and reach of the reporting recommendations have increased with each new edition of the Principles and Recommendations. The first recommendation in relation to diversity was issued in 2010[25] and further strengthened and defined in 2014[26] and again in 2019[27]. The recommendations contained in the 2nd Edition (2010) represent the first corporate sector institutional response to the issue of bringing more women on to listed public company boards in Australia.

The ASX Corporate Governance Council was formed in 2002 and in 2010 consisted of 21 business, investment and shareholder groups.[28] The Council's mission is to ensure that the principles-based framework it developed for corporate governance provides a practical guide for listed companies, their investors and the wider Australian community. Its recommendations are intended to promote investor confidence and to assist listed entities to meet stakeholder expectations in relation to their governance.

A key feature of the Principles and Recommendations is the 'if not, why not' approach surrounding which governance practices a listed entity chooses to adopt, which is fundamentally a matter for its board of directors.

However, it is a listing requirement that if a company chooses not to institute a Governance Principle, it must disclose why it has chosen not to. This approach ensures that the market receives an appropriate level of information about the entity's governance arrangements so that investors and other stakeholders can have a meaningful dialogue with the board and management on governance matters. The market can also factor the information provided into their decision on whether or not to invest in the entity and how to vote on particular resolutions.

Nonetheless, many people at the time criticised the new 2010 Recommendation 3.2 in relation to reporting on diversity as 'lacking teeth'. In the years following the introduction of this recommendation, several reports seemed to support this view by identifying the relatively poor quality of corporate reporting on this recommendation for the years 2010-2012[29].

Despite poor reporting in the years following the 2010 introduction of Recommendation 3.2, it was a first step and representative of community expectations in general, and the expectations of investors and corporate sector representative bodies more specifically.

Corporate Governance Principles and Recommendations (with 2010 Amendments) 2nd Edition ASX Corporate Governance Council

Recommendation 3.2 was the first recommendation to be made with respect to diversity as follows:

"Recommendation 3.2: Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity for the board to assess annually both the objectives and progress in achieving them."

The ASX Governance Council were also keen to fast track reporting on this issue, noting that 'especially in the case of diversity, listed entities with a balance date of 30 June 2010 should be able to establish a diversity policy and report against the new recommendations in respect of the year commencing 1 July 2010.'

Many of those interviewed were also critical of Recommendation 3.2 due to its lack of specificity

25 https://www2.asx.com.au/about/regulation/corporate-governance-council
26 https://www2.asx.com.au/about/regulation/corporate-governance-council
27 https://www2.asx.com.au/about/regulation/corporate-governance-council
28 https://www2.asx.com.au/about/regulation/corporate-governance-council
29 KPMG, 2013. KPMG Report - ASX Corporate Governance Council Principle and Recommendations on Diversity: Analysis of disclosures for financial years ended 31st December, 2011 and 30th December, 2012. http://www.kpmg.com/AU/en/IssuesAndInsights/ArticlesPublications/Documents/asx-corporate-governance-council-principles-diversity.pdf

Box 3.2: Suggestions for the content of a diversity policy

Companies may find it useful to consider the following matters when formulating a diversity policy

1. Commitment to diversity and articulation of the corporate benefits arising from employee and board diversity, and the importance of benefiting from all available talent. This should promote an environment conducive to the appointment of well-qualified employees, senior management and board candidates so that there is appropriate diversity to maximise the achievement of corporate goals
2. Commitment to identifying ways to promote a corporate culture that embraces diversity when determining the composition of employees, senior management and the board, including recruitment of employees and directors from a diverse pool of qualified candidates.
3. Identification of factors that should be taken into account in the selection processes and whether professional intermediaries should be used to identify or assess candidates.
4. Identification of programs that assist in the development of a broader pool of skilled and experienced board candidates, including initiatives focused on skills development. This could include executive mentoring programs or more targeted practices relating to career advancement such as those that develop skills and experience that prepare employees fro senior management and board positions.
5. Articulation of a corporate culture that not only supports workplace diversity but also recognises employees at all levels of the company may have domestic responsibilities.
6. Transparency of board processes, review and appointments.
7. The extent to which the achievement of measurable objectives should be tied to Key Performance Indicators for the board, the CEO and senior executives.

Figure 5. Suggestions for the content of a diversity policy in respect to reporting against Recommendation 3.2

around board diversity and particularly regarding targets. Nonetheless, as the suggestions at points 1, 2 and 4 in Figure 5 show, the ASX Governance Council clearly had board gender diversity in mind in terms of matters which firms should report on.

Taken in isolation, this Recommendation was seen by a few of those interviewed not to have been a critical driver of women on to ASX200 boards. However, the majority of people interviewed highlighted the power of the message behind the Recommendation, coming from a widely respected part of the corporate establishment, which was being sent to listed companies. As one ASX20 Chair reported:

"Principles related to gender diversity were very significant. And I think it was in three ways. One, it made it something that wasn't, just what some men thought, or some women wanted, it actually was almost a tenant of what you should be doing. The second thing is it put some compulsion, because you'll recall, with the corporate governance provisions, it was, 'if not why not'. So I think that, 'if not why not', was a very compelling thing. And the third thing is it took it out of the cupboard. It was clearly a question to be asked, clearly a question that you had to at least reply on, and that your investors, who often will represent women, would seek. That was the concept."

The 2010 recommendations also need to be remembered in the context of the CAMAC report and the public debates in 2009. The measures had wide support within the ASX Governance Council and its 21 members at the time. Their views represented not only public sentiment generally but also that of the investor and governance community specifically. As several interviewees who were represented at the time on the Council reported, the Recommendation had been widely socialised. As the members had the opportunity to see the strength and breadth of support, they were emboldened to take this first step. It was deliberately sending a signal that this is an expectation, both of society and the organisations that oversee the governance of corporate society.

In support of the Recommendation, in 2010/2011, ASX Compliance, through a series of public events held in collaboration with many ASX20 firms, provided follow up case studies surrounding what ASX20 firms were doing and what was considered to be best practice.

Corporate Governance Principles and Recommendations 3rd Edition ASX Corporate Governance Council (2014)

Following a comprehensive review in 2012-13, the 21 members of the ASX Corporate Governance Council ("Council") agreed that it was an appropriate time to issue a Third Edition of the Principles and Recommendations. The existing Recommendation 3.2 was elaborated and refined in the new Recommendation 1.5., effective from

the 1st July, 2014:

"Recommendation 1.5 A listed entity should:
(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;
(b) disclose that policy or a summary of it; and
(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either:
(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or
(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act."

The 2014 recommendations are significant in their requirement, for the first time, to report actual proportions of the number of men and women on the board, in combination with measurable objectives for achieving gender diversity. Again, as above, the intent of the Recommendations is spelt out in the Commentary to Recommendation 1.5, where it becomes clear that boards are expected to be driving board gender diversity through targets. For example, the Commentary to Recommendation 1.5 notes:

"The measurable objectives the board sets in furtherance of its diversity policy should include appropriate and meaningful benchmarks... These could involve achieving specific numerical targets (e.g., a target percentage) for the proportion of women employed by the organisation generally, in senior executive roles and on the board within a specified time frame..."

The Commentary to Recommendation 1.5 is also significant in being an institutional acknowledgment detailing the business case for board gender diversity as follows:

"Research has shown that increased gender diversity on boards is associated with better financial performance. The promotion of gender diversity can broaden the pool for recruitment of high-quality employees, enhance employee retention, foster a closer connection with and a better understanding of customers, and improve corporate image and reputation."

As one executive from an investor representative body noted in relation to the need to report on board diversity and the adoption of a target:

"So that creates a conversation for investors to say, well, why have you chosen not to follow the ASX guidelines of good governance and why would you not do that. And so I think it comes back to being a great tool for investors to have to be able to lean on organisations to get them to match the recommendations. I think, in getting them to move in the right direction, to have something more tangible than just a general commitment to wanting more women on their board."

Another ASX50 NED summed up the view of many of those interviewed in relation to the 2014 recommendations:

"...provided a huge wake-up call for chairs of boards and senior executive teams, who had previously not taken the Recommendations seriously, because they suddenly had to publish the data."

Corporate Governance Principles and Recommendations 4th Edition (2019)

The 4th Edition reporting requirements took effect for reporting years commencing after 1st January, 2020. Importantly, the Foreword to the 4th Edition notes that it "addresses emerging issues around culture, values and trust, fueled by recent examples of conduct by some listed entities falling short of community standards and expectations."

In terms of board gender diversity these recommendations amended Recommendation 1.5 and are highly significant in setting a minimum representation for women on ASX300 boards at 30% as follows:

"If the entity was in the S&P/ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period."

The inclusion of the Recommendation around a specific target is highly significant in several ways:

1. Despite having reached 30 per cent women on ASX200 boards in aggregate, in November 2019, the Recommendation makes 30 per cent a minimum standard for all firms in this list. Currently firms in the ASX100 are making greater progress above 30 per cent than firms in the ASX100-200. Thus, while the aggregate figure is greater than 30 per cent, there are still some ASX200 firms with only one or no women on their boards.
2. The inclusion of a definitive minimum target sets a specific expectation by the governance

community as to the minimum level of diversity required, not just of ASX200 firms, but going more deeply to the ASX300.

3. As noted later in the report, there is a risk that by setting a minimum target below what might be considered to be board gender parity, firms will turn their attention away from this issue once having achieved the 30 per cent target.

Each of the three Editions of the ASX Corporate Governance Principles and Recommendations has made an impact upon the number of women on ASX200 boards, commencing with the 2010 amendments to the 2nd Edition. It is difficult to assess the relative quantum of impact of each successive version. However, most people interviewed for the report noted that, as an institutional response to the issue, the Governance Principles and Recommendations were foundational in driving progress. They provided systemic support for institutions, advocates and governance bodies for the need for more women on ASX200 boards.

Role of the Australian Institute of Company Directors (AICD)

Nearly all respondents to this research identified the AICD as a key influencer and contributor towards the progression of women onto ASX200 boards. The role of the AICD in the issue of women on boards is a particularly salient one. A major reason is that the vast majority of ASX200 chairs, who are largely responsible for the appointment of directors to their boards, are members of the AICD.

At the same time, respondents reported that the role and impact of the AICD in progressing the issue of more women onto ASX200 boards has varied over time. Its role, commencing with AICD's strong support of the introduction of Principle 3.2 through the ASX Governance Council in 2009, is viewed as having two distinct phases:

The first phase 2009 – 2014 is characterised by three activities:

1. Initiation and expansion of the AICD Chair's Mentoring Program
2. Provision of forums for the discussion of board gender diversity
3. Representing the opposition of the corporate sector to the introduction of mandated board quotas for women, as seen in Norway.

The second phase in 2015 – 2021 is characterised by two further activities:

1. A shift towards advocacy for greater numbers of women on ASX200 boards and the adoption of a 30 per cent target
2. Alignment with the 30% Club Australia.

Interviewees' views about the roles played by the AICD in both phases are now examined in more detail.

Phase One 2009 - 2014

Chair's Mentoring Program

Those interviewed believed that the AICD Chair's Mentoring Program had a major impact on the progression of women onto ASX200 Boards. In particular, the first few years was a point of focus, following the announcement and launch of Principle 3.2 of the ASX Corporate Governance Principles in 2009/10.

In 2009 the AICD Board discussed responses to the Governance Provisions and rising community expectations around women's representation on listed company boards. In 2010 the AICD established the Chair's Mentoring Program (originally launched as the ASX 200 Chair's Mentoring Program), leveraging the participants of the existing Chair's Forum, an advisory group newly established by the AICD and comprising the chairs of the ASX20, as its first mentors. A guiding principle for the Chair's Mentoring Program was to have people who could make a difference and make the appointments as part of the program. In the view of the AICD:

"...you needed to have the top chairs of the top companies arguing the case and then not only arguing the case, but implementing the strategy".

As one chair involved in the program noted:

"We needed to create a mentoring system, where the job of the mentor is to help the mentee break through with us the glass ceiling."

Another ASX50 chair reported that:

"But I think actually the mentor/mentee program has been very successful from the perspective not just of encouraging individuals who were

fortunate enough to go through the program, but also is again signalling an environmental change. So you had prominent Chairs investing time in an individual, but also seen in the community saying this is actually something we need to do."

In establishing the program, the AICD extended an invitation to a further 40+ chairs predominantly in the ASX50 to become mentors in the program. Much of the early movement in the numbers of women on ASX200 boards can be attributed to appointments made in the ASX50 boardrooms. The ASX50 remain leaders in women's representation in the boardroom today[30]. For example, mentees from the program accounted for nearly half of the 21 chair positions held by women in the ASX200 in 2021. The AICD Chair's Mentoring Program was the first of its kind globally and has been the catalyst for similar programs in many countries[31].

The AICD also extended the reach of its education programs to more women through its Diversity Scholarships Program (jointly funded with the Commonwealth Government – Office for Women).

The objectives of the Chair's Mentoring Program were threefold:

1. To introduce mentees to chairs and other experienced directors of ASX200 listed companies to assist them in developing connections to influential business leaders
2. To gain knowledge and skills directly related to achieving director appointments, including insight, advice and guidance on the process of selecting and appointing new directors
3. Career development to increase understanding of governance issues in listed companies.

As one executive recruiter to ASX200 firms noted:

"Well, the ASX200 mentoring program is probably the gold standard of AICD's activities. The ASX mentoring programs are a really strong, solid example of helping women create the skills and the networks to land the board roles, so that remains a really solid piece of work by AICD."

As a woman ASX100 NED mentored in this program reported:

"If I look back at the outstanding women and the mentors, many of whom are still mentors today, from that first cohort of chairs mentoring program participants, I can see people today who chair or are now absolutely recognised for their superior governance contribution and hold extremely senior roles since that the first and second year of that program."

The mentoring program was acknowledged by interviewees to several positive outcomes. First, a significant proportion of the current women chairs and NEDs sitting upon today's ASX200 boards have been directly involved in the Chair's Mentoring Program. Second, the contribution of the program extends beyond increasing the pipeline and visibility of women participants. The program also had several significant effects that have indirectly contributed to appointments of women to ASX200 boards, including:

1. The program represented a significant and highly visible investment of time and resources by the largest corporate governance body in the country, sending a clear signal that this was a priority for the sector.
2. The program, and particularly its leadership by predominantly ASX50 chairs, sent a powerful signal to the market that the boardroom environment was changing. The participation by prominent corporate leaders who invested time into individual women's development sent a message to the corporate community that this was something that the rest should also be investing in.
3. The early appointment of women from the program into ASX200 boards showed that board chairs were converting their commitment to the program into demonstrable action in the board room.
4. As a consequence of participation, many chairs learned about the particular issues facing women's progression into the board room that needed to be addressed further for women to progress in equal numbers to men.
5. A form of reverse mentoring took place that also created a growing community of male advocate chairs who were looking at diversity and board governance in new ways. They were communicating the need for change to their boards and shareholders.
6. The program enabled prominent male chairs to share their positive experiences with women on boards, which enabled them to articulate the business case for women on boards more effectively.
7. Many male chairs began to explicitly advocate for/sponsor mentees as they became aware of board roles opening in the months and years following the conclusion of the mentee's engagement in the program.
8. Even for women not engaged directly in

30 AICD. 2021. *Gender Diversity Progress Report* - November 2020 to February 2021. Sydney: Australian Institute of Company Directors.

31 Details and background of the early years of the program were reported in Wilson, P. (2015). Make mentoring Work. Melbourne: Major Street Publishing. See particularly pages 184-191.

the program, it acted to legitimise progression onto ASX200 boards as being a viable option for executive women and thereby increasing women's confidence about going on to boards.

As one ASX50 Chair put it:

"Because it basically created an obligation on a group of 50 or so chairs, not just to push their own candidate, but also they realised by listening to these excellent women that really, they should be pushing the whole cause. So it mushroomed and went that way."

Forums for the discussion of board gender diversity 2009-2014

In this Phase 1 period, the AICD facilitated various platforms for the discussion of women on boards including regular director lunches and forums, the AICD's annual conference and through its Company Director magazine. Respondents recalled that the issue of board gender diversity featured at these events and received increasing coverage and attention from 2009. From 2009-2014 events tended to be focused towards:

1. the success and learnings from the Chair's Board Mentoring program
2. education on the business case for more women on boards
3. understanding what actions overseas jurisdictions were undertaking
4. highlighting early research surrounding the positive impact of women on boards, including governance impacts
5. communicating AICD's position in opposition to board quotas.

The AICD website was also a source for articles and data regarding women on boards. As one female respondent summarised the AICD's involvement:

"It's probably been a top-three priority for the AICD over that 12 years to consistently communicate the importance, and the CEOs and presidents have always been hugely supportive of that. And I think almost every conference they have, which is the signature event, the AICD director's conference they have a number of sessions on diversity and inclusion as part of it. It's just deeply embedded in all of their communications, all of that training and everything they do."

In 2011, the AICD appointed a board diversity coordinator to oversee its efforts around the board mentoring program, as well as its other internal board diversity initiatives.

Despite being approached in the various sections of the mainstream and business press during this time, the AICD did not present a position or policy on a definitive target for what constituted a diverse board in terms of women board members.

Opposition to Quotas

As noted in the CAMAC report (2009: 47-48), there was widespread and often strident opposition in the corporate sector to the introduction of quotas for women on listed company boards. At this time the introduction of quotas was very much a live issue and one that had been mooted by the then Federal Labor Government (2007-2013).

Most respondents we interviewed noted AICD's early leadership of the issue through practical activities, such as the introduction of the Chair's Mentoring Program in 2010. However, they also noted the dominance in its communications surrounding opposition to quotas and a reluctance to advocate publicly on targets between the introduction of the program and 2014.

There are various factors that might explain AICD's reluctance to quotas to promote gender parity on boards. First, the AICD is a member based body comprised largely of directors, and in 2009, over 75 per cent of its members were men. Potentially there was a risk, real or perceived, that if the AICD did anything publicly, it would disenfranchise its members. As such the AICD was faced with navigating the issue of "pushback" amongst a proportion of its member base, and not only in relation to the issue of quotas, but also the foundational issue of whether women should be promoted onto boards. The issue of pushback is not unique to the AICD, and remains a significant issue confronting many organisations working towards greater gender diversity.

As one female ASX100 NED commented:

"You looked at the AICD magazine, there were more articles about how important gender diversity was, but we should never have quotas. And actually, I remember at the time being a bit cranky."

Phase Two 2015-2021

AICD advocacy and support of a 30 per cent target

The public position of the AICD on targets changed dramatically in April 2015 with the announcement that the AICD were adopting a target of 30 per cent women on ASX 200 boards by the end of 2018. This announcement was followed just one month later with the AICD's alignment with the 30% Club Australia and the provision of secretariat services for it by the AICD.

In the same month, May 2015, the AICD together with the 30% Club Australia, released the first in

an ongoing series of quarterly Gender Diversity Progress Reports. These quarterly reports tracked the number of women on ASX200 boards, and more recently to ASX300 boards. The reports also highlight companies with no women on their boards.

Media releases and engagement by CEOs and Chairs of the AICD in the years following these initiatives established board gender diversity as a foundational issue. According to many interviewees, the AICD was judged to be unequivocally advocating for more women on boards, highlighting the benefits women bring to boards, as well as clearly communicating that this issue is a priority for the AICD. The tenor of communications also reflected a changed position in the AICD in respect of "pushback".

While the position of the AICD on quotas remained unchanged, the AICD was now working with its members to progress the 30 per cent target. As one ASX100 woman NED recounted it was labelled as "unapologetic" and "different AICD leaders shifted the dialogue over time" on the need for targets and the changes required to progress the issue of bringing more women on to boards. Likewise, AICD's Company Director Magazine reflected through its covers, stories and pictures, the growing representation of women on boards – particularly after its relaunch in 2017.

In 2014, in preparation for its new initiatives, the AICD appointed a Board Diversity Manager to facilitate its existing programs to support its new initiatives and those of the 30% Club Australia. A definitive target and resourcing of personnel, coupled with the quarterly reports, enabled the AICD to engage in regular, targeted conversations with board chairs. These conversations included perceptions about the progress by the AICD on the issue; their level of comfort in addressing it; offering help, while identifying and addressing areas of reluctance; transmitting the latest data, research and market pulse on the issue; and frequently communicating the AICD's expectations.

As one ASX20 NED recounted:

"Oh, we wouldn't be where we are now without the AICD. We have the information and active involvement, and so I think that's been absolutely critical. And I think that's what a professional body can do, which is saying this is where we want the profession to get to, they've got the authority, they've got the moral authority, but also the capacity to help make change happen."

In February 2019, the AICD Board endorsed the policy position to encourage all boards to adopt a 40:40:20 model for board composition. Under this approach, boards aim for at least 40 per cent of the board being men and 40 per cent being women, with flexibility over the remaining 20 per cent of seats[32].

According to those interviewed, the impact of these initiatives upon women on ASX200 boards is significant in several ways:

1. Institutions such as the AICD and the ASX are held in high regard and considered as institutional leaders within the corporate field. The adoption of a target by the AICD, though not a first mover on this number, was a clear signal to listed companies (and the public generally) regarding expectations of real progress.
2. The production of detailed quarterly reports identified where resources and initiatives should be targeted, enabling direct contact with chairs in firms that were seen to need to address the issue.
3. The publication of rankings provides a benchmark and clear positioning of the firms which need to improve. Rankings provide investors, proxy advisors, investor representative bodies and global indexing groups (among others) with clear data in making CSR-based investment decisions.

32 https://aicd.companydirectors.com.au/-/media/resources/membership/pdf/gender-diversity-report-mar-2021-a4-18pp-(1).ashx

Rankings also added additional pressure to those boards being slower to change.

4. Increasingly, the lack of women's representation on boards has come to be seen as being at odds with community expectations. Significantly, the naming of companies with no women on their boards has drawn media attention on these firms, which can have negative consumer perceptions in relation to those firms. This also signals to women that these may not be employers of choice for female progression, adding additional pressure to change.

As one ASX50 chair remarked:

"It's the data saying this is where people are going. This is what the expectation is, and this is where you sit, your place in the rankings. Are you comfortable with how you are addressing this? I think that I don't like the frame, 'name and shame' because again, that's not who I am. But it is about benchmarking. And I think the target was really instrumental in the shift."

Alignment and support of the 30% Club Australia

The work of the 30% Club Australia extends beyond direct engagement with board chairs and directors. An examination of various sources reveals the Club's interaction with the broader business community. Its work is judged to be a valuable corollary to AICD's existing initiatives and a natural extension of its adoption of a 30 per cent target for women on boards[33]. The 30% Club Australia's committees, working groups, networks and initiatives involve a significant administrative workload to be effective. According to many of those interviewed, the AICD's support of the 30% Club Australia, included provision of a secretariat , which enabled the 30% Club Australia to undertake its activities.

As a CEO of a large investor representative body reported:

"There's a lot of people doing a lot of work, and it's not always evident the work everyone's doing. But I suppose, if I sort of thought about what I have seen as the key drivers in Australia to the success that we've had in the last five years, I would credit the 30% Club (Australia) and AICD with that outcome."

33 http://aicd.companydirectors.com.au/advocacy/board-diversity/30-club-launches-in-australia

Role of the 30% Club Australia

Across the interviews there was a strong agreement that the 30% Club Australia has been a key contributor towards attaining the 30 per cent target set in 2015 for women on ASX200 boards.

The 30% Club Australia is an international movement dedicated to reaching at least 30 per cent representation of women on all boards and C-suites positions globally. The Chair and CEO pledge to work towards better gender balance at senior levels and throughout their organisations. Inspired by meetings with the London founders of the 30% Club, the 30% Club Australia launched in May 2015 with the primary objective of campaigning for 30 per cent women on ASX200 boards by the end of 2018.

In March 2019, the 30% Club Australia announced a new objective for 30 per cent women on ASX300 boards by the end of 2021. The 30% Club Australia continues to focus on the boards of ASX200 companies that have not reached the 30 per cent target.

The impact of the 30% Club Australia derives from three key functions of the organisation:

1. Adoption and oversight of targets
2. Key influencer working groups
3. Empowering business leader members as advocates.

In sum, the 30% Club Australia was seen to be a strong influence over time, championing greater gender diversity on Australian boards. As one ASX100 NED put it:

"The key with that was everybody decided what 'good' was. I think with the 30% Club, we knew what we were aiming for. It was logical as to why that was a good number and we measured it."

Adoption of Targets

The 30% Club Australia was a key proponent and supporter of the quarterly AICD Gender Diversity Progress Reports. As noted above, the reports provide benchmarking against the 30 per cent target. As one ASX100 Chair and ASX20 NED reported:

"...the beauty of the 30% Club (Australia) is that it made the goal. If there's one thing my experience has taught me is, targets matter, targets really count. Particularly in times like this, where you say this is what we're trying to do across the organisation. But each individual board should be striving to get to this goal as well. So I thought it was really a very simple and straightforward objective..."

The 30% Club Australia steering committee and members, along with the members of the AICD executive team make regular, direct contact with board chairs. A significant number of ASX300 chairs are now connected with the 30% Club Australia either through membership or engagement with the 30% Club Australia programs and people. Backed by research undertaken by the 30% Club Australia and regular quarterly reporting, more defined and targeted conversations have been able to occur with board chairs about their progress.

Nearly all of the participants interviewed for this report were in favour of targets over quotas. However, several reported that quotas should never be off the table, especially if progress falters. Generally quotas were seen as undermining gender equality efforts in two ways. Firstly, direct quotas are more likely to provoke employee backlash against perceived inequity. This effect has been widely researched and reported[34 35]. Secondly, direct quotas can cause an undermining of the confidence of the beneficiaries of the policy through the questioning of their merit for the position.[36 37] These two issues underscore the main opposition to mandated quotas for women on boards and are most likely to 'produce negative reactions in areas where there are the fewest women'[38].

As others report, for targets to be effective they must meet certain conditions[39] as follows:

- Targets must be specific
- Targets must be challenging
- Targets must be accompanied by accountability and reward
- Targets must be aligned with an overarching diversity strategy
- Targets must be assigned at the same levels as targets for budgets and performance.

Additionally, targets are more likely to be accepted than quotas for four reasons:

1. Specific, challenging goals are highly effective in motivating change

34 See Gu, McFerran, Aquino & Kim (2014)
35 See Kaiser, C., Major, B., Jurcevic, I., Dover, T., Brady, L. & Shapiro, J. (2013)
36 See Autin, Branscombe & Croizet (2014)
37 See Roberson & Alsua (2002)
38 See Whelan and Wood (2013:37)
39 See Whelan and Wood (2013:39)

2. Targets are adaptable to local conditions and are therefore less likely to provoke resistance
3. Targets and goals are an everyday aspect of corporate life
4. Where targets are set and accepted, they represent a voluntary commitment to gender diversity.

However, because targets are highly effective, they represent a double-edged sword. In short, some interviewees argued that the impetus for change towards board gender parity is widely seen as having faltered in recent years. A key reason is that many ASX200 companies have reached what the AICD and 30% Club Australia promoted as the target for board gender representation – the same target also enshrined in the 2019 ASX Corporate Governance Council Principles (4th Ed).

While a significant minority of those interviewed believed that the focus should remain on the approximate one–third of ASX200 firms who are yet to reach 30 per cent women on their boards; the majority of those interviewed felt that a 30 per cent target was no longer valid and needed to reflect the 40/40/20 target. This new target division has been adopted by many of the organisations included in this report. In some cases the 30 per cent target was reported by those interviewed as holding back further progress towards board gender parity. As one investor group executive commented:

"I think the 30% Club (Australia) has been quite a player in advocacy, but I think it's now fading because 30% is no longer relevant, right. You need to have a different focus."

Most of those interviewed felt that a 40/40/20 goal for women on boards represented gender parity, and was seen as the ultimate goal of advocacy in this area. Nonetheless, the rate of progress of women on to ASX200 boards has not slowed since reaching the 30 per cent target in 2019, and may indicate a deeper cultural shift and acceptance of board gender parity in general. Whether this rate of progress can be maintained drew a wide range of views from interviewees and these are considered later in the report.

Working Groups

The 30% Club Australia in Australia has four working groups that engage directly with key influencer groups:

1. Executive Search: Working with executive search consultants to promote emerging and current female directors. They ensure that diverse candidates are included on the long and shortlists provided to the chairs of the board, as well as remuneration and nominations committees.
2. Investors: Working with investors and peak investor representative bodies to help coordinate the investment community's approach to gender diversity. In particular, to explain the investment case for more diverse boards; to encourage all investors to engage on the issue of board diversity with chairs and management teams; and to consider diversity when voting on the Report and Accounts and the appointment and re-election of board members.
3. Investment Banking and Private Equity: Working with the banking and equity sector to promote the inclusion of women in launching initial public offerings (IPO). They also provide advice on consistent messaging for this sector, to their commitment of ensuring at least 30 per cent female directors on the boards of the listed companies they are connected with.
4. Education: Generating, amplifying and disseminating credible and aligned research to specifically address the issues of women on ASX200 (and now ASX300) boards.

Executive search firms have a role in extending the view of the board into the market place to identify candidates that are perhaps not known to the board. The 30% Club Australia is also working on bridging the expectation gap between boards and executive recruiters in respect of female board members. For example, it was noted that chairs have often been critical of the limited number of women offered by search firms in short lists. However, on the other hand, as one executive recruiter commented:

"I mean, one of the frustrations we have as executive recruiters is that often we get a brief for a role on a board. We need somebody who is deep in the sector, part of the sector, and this discipline, and understands this part of the regulatory regime. And the brief gets so fine and then they add 'Oh, and it needs to be a woman.' The roles that seem to be available for men can be anything, but all of a sudden you've got one role to fill on the board and it becomes, we call it the 'unicorn brief'. Because it's impossible. The woman has to be 5 million times better than any man could possibly be and be a woman to even be considered for the role, because everything kind of gets packed into this one brief."

Given the nexus between executive search firms and boards, the work of the 30% Club Australia is critical here.

The role that each of the other three individual sectors of the 30% Club Australia working groups contribute to for female inclusion on ASX200 boards, listed above, are considered in greater detail later in the report.

Many of the respondents interviewed for this

report had either direct or indirect knowledge or involvement with the 30% Club Australia working groups. The working groups were seen as recognising that the issue is multi-faceted towards bringing more women onto boards. In addition, different sectors of the corporate community have significant capacity to influence boards, and can drive visibility into the existing pipeline of potential female directors. However, there is still a need in some areas, to prosecute the business case for more women on boards.

The significance and impact of the working groups is through their unifying role. As one ASX20 NED noted:

"It is really important in getting together the search firms, investors, proxy advisors and ASIC in terms of making this an issue for boards at the AGM and in the media."

The impact of consistent messaging from key influencers on board decision making was cited by those interviewed as playing a significant role in recent years and reinforces the messaging by early movers in the investment field such as the Australian Council of Superannuation Investors (ACSI).

Empowering and Supporting Business Leaders

Members of the 30% Club Australia represent a significant proportion of ASX200 chairs who have pledged to progress the 30 per cent target within their individual organisations. Many of these individuals speak regularly at public functions and appear in the media promoting the business case for more women on boards and in the C-Suite.

As one ASX100 NED noted:

"The 30% Club (Australia) have worked very hard to strive for companies to join into the mantra of, 'we will have at least 30 per cent of our board's membership comprise of women', and the AICD work closely with them. The people who are in that group have worked very hard – very, very hard publicly – and in the media, so there's been public voices to this issue. And without public conversation, without public voices, there is no change in Australia on it, full stop."

Many of those interviewed reported that 30% Club Australia membership provided a platform for many individual members to publically express the importance of the issue as a business driver. A significant contribution of the 30% Club Australia is the peer to peer aspect of advocacy. Chairs and CEO's not only pledge to address the issues within their own organisation, but are equipped to engage with their peers on the issue. As one investor group CEO noted:

"I really took the challenge in a respectful way to male chairs who were not necessarily on board, to begin with. And the peer to peer work was a very important part of that as well."

Role of Institutional Investors and Advisory Groups

While many of those interviewed for the research reported the growing influence of investors, investment managers and proxy advisors – it was the industry superannuation funds that were seen to have played a particularly salient role in progressing the increase of women on to ASX200 boards.

One key explanation for this influence is that in 2004 the total assets of Australian Superannuation Funds totalled just over $500 Billion. Today, the total exceeds $3000 Billion[40] [41]. Industry superannuation funds in Australia also control more of these assets than retail superannuation funds[42].

Among early movers in the push for more women on ASX200 boards are some of Australia's industry superannuation funds such as HESTA, whose members comprise over 80 per cent women. Since the early 2000's, CEOs of superannuation industry funds were cited by many interviewees as amongst the strongest advocates for change. Also, HESTA and many of Australia's largest Industry funds, such as Australian Super, Cbus, Aware Super and Hostplus, are members of the Australian Council of Superannuation Investors (ACSI). ACSI's remit is to provide a strong, collective voice on environmental, social and governance (ESG) issues on behalf of its members. Its members include 37 Australian and international asset owners, and institutional investors. Collectively, ACSI members own, on average, 10 per cent of every ASX200 company.[43] Given that most companies in the ASX200 are widely held, institutional shareholders with a 10 per cent or more shareholding have a significant and growing voice.

Two themes emerged in interviews with several institutional investors and proxy advisors who took part in the research. Firstly, while some investor organisations had been advocating for women on boards since the early 2000s, the Global Financial Crisis of 2008/2009 highlighted the business case for women on boards – that gender-balanced boards in these organisations might have prevented the GFC[44]. Investment managers such as BlackRock and AMP were actively engaged immediately after the GFC with ASX200 companies, with their focus on what steps boards were taking to bring more women onto their boards. Likewise, ACSI and its members were engaged in speaking to board chairs on the same topic. Secondly, confirming suspicions around the GFC, a growing number of research reports were beginning to emerge, supporting the business case for greater board diversity[45] [46] [47].

As one institutional investor executive noted:

"I think the GFC was a catalyst for this space in particular. As we noticed that the companies that had more diverse leadership at the board and senior leadership level faired far better than others. We felt that often, as the saying goes 'when the tide goes out, you find out what's actually on the beach', we felt that the GFC showcased some real structural weaknesses in some businesses that hadn't really been thought about much before, and so probably that time was when it really started to gain more momentum."

There was movement in the proportion of women on boards in the years following the GFC, from 13.4 per cent in 2011 to 19.3 per cent in 2014. However, after several years of asking boards about their plans in terms of increasing gender balance, it was clear to ACSI that current measures were not having the desired affect across the whole of the ASX200 and that a new strategy was required. In late 2014 ACSI adopted a new policy after consultation with its members.

In early 2015, ACSI publicly introduced its ASX200 30 per cent policy, asking their members in their role as shareholders, to put pressure on ASX200 companies to increase their female board representation levels. Concurrently, the CEO of ASCI sent a letter to every ASX200 chair notifying them of their new policy. Further

40 https://www.apra.gov.au/news-and-publications/apra-releases-superannuation-statistics-for-december-2020

41 https://www.apra.gov.au/superannuation-australia-a-timeline

42 https://www.abc.net.au/news/2020-11-25/super-stats-show-record-gap-industry-retail-funds-apra/12916876

43 https://acsi.org.au/about/what-we-do/

44 https://www.ineteconomics.org/uploads/papers/WomenLeadersPreventedGlobalFinancialCrisis.pdf

45 AICD. 2013. The Australian Institute of Company Directors: Board diversity: Think outside the square – Initiatives to increase gender diversity on Australian boards. http://www.companydirectors.com.au/-/media/Resources/Director%20Resource%20Centre/Governance%20and%20director%20issues/Board%20diversity/Board%20diversity%20PDF/04035-13-NAT-Board%20diversity%20booklet_November_A5%2012pg_WEB.ashx

46 Goldman Sachs. 2009. Economics – Australia's hidden resource: The economic case for increasing female participation. http://www.asx.com.au/documents/about/gsjbw_economic_case_for_increasing_female_participation.pdf

47 Catalyst. 2011. Catalyst, The Bottom Line: Corporate Performance and Women's Representation on Boards. www.catalyst.org.

ACSI decided upon more direct action, notifying companies that had no women on their boards that within a year (2016), if there was no movement, ACSI's members would vote against the re-election of the Chair or the Chair of the nominations committee, depending on who was up for election at the annual general meeting (AGM). At that time half of the ASX200 had one or zero women on their boards.

In March 2019 ACSI broadened its approach as follows[48]:

"Gender diversity voting policy

Applying the ACSI Governance Guidelines, we will recommend our members vote against the boards of ASX200 companies with poor gender diversity, on a case-by-case basis.

Our recommendations will focus on the individual directors most accountable for board succession and composition.

For ASX200 boards with one or zero women directors, we will recommend a vote against at least one of the following (in descending order):

1. *The Chair of the board*
2. *The Chair of the Nominations Committee*
3. *A member of the Nominations Committee or*
4. *The longest-serving director seeking re-election.*

Where a company has zero women directors, we may also make recommendations to vote against any newly appointed male directors.

In 2019, we have broadened this policy to include boards with no gender diversity in the ASX300.

New entrants to the ASX300 will be given one year before we apply our policy. As always, our voting recommendations will be combined with direct company engagement."

ACSI and their members take a proactive approach with board chairs. They report that they engage them in dialogue around the issue of board gender representation, turning to the above policy only after firms do not manifestly demonstrate actions on change.

Also in 2019, ACSI acknowledged progress, in aggregate, of the ASX200 in reaching 30 per cent. However, they noted:

"Given that boards are still comprised of 70 per cent men and 30 per cent women, gender representation on company boards is a long way from fully harnessing the potential of diversity"

ACSI further announced that companies should have gender balance on their board. This was defined as a minimum of 40 per cent women, 40 per cent men and 20 per cent unallocated, to allow flexibility for board renewal. Listed companies were to set a time frame within which they will achieve gender balance (40/40/20) on their boards. ACSI have asked companies to explain to them by 2022 how they are going to get to 40/40/20 by 2025.

While many of ACSI's conversations with board chairs are around board gender composition, they are not limited to just board appointment. Many of ACSI's members also report that they engage with firms on what they are doing in respect of the executive pipeline for women.

It is also worth noting that a lot of the large superannuation funds have female CEO's. As many that we interviewed reported, most of these CEOs are not afraid to show leadership and take vocal positions on gender diversity. For instance, in recent years, ACSI's members have begun to report publicly on how they have voted at ASX200 AGMs and why they voted, sending a public message often picked up by the media regarding what is considered by investors to be acceptable practice.

ACSI has also worked with the 30% Club Australia in speaking to all of the key people at other proxy advisory firms in Australia, to encourage them to adopt similar practices. While not all have adopted ACSI's position, investor body representatives when interviewed as part of this research believe that most look at diversity as being a governance and profitability issue, and they raise such issues with the companies they engage with.

As one ASX100 NED noted:

"So the industry superannuation funds act with one voice. And that means they have the money to have enough votes to effect change. And the other thing is they can actually vote their own money. But the investment managers in Australia are also clients of theirs. So those investment managers see the super funds doing something and they realise, right, I want to get mandates from these guys, I need to do it too. So that one, I think, is the real game changer."

While it is fair to state that the industry funds have played a dominant role, other organisations such as Ownership Matters – a governance advisory service – have also played a role. They note[49] in their own communications:

"...while there have been some changes to the composition of Australian boards in the last decade, they remain overwhelmingly the preserve of privileged white males over the age of fifty – an

48 https://acsi.org.au/wp-content/uploads/2020/02/2019-Voting-Policy-gender-diversity.pdf
49 https://www.ownershipmatters.com.au/manifesto/

ever-more-curious convention in an increasingly diverse country."

The Australian Shareholders Association – Australia's largest, independent, not-for-profit individual investor association[50] – have also been active and vocal in its various communications on the issue.

Likewise, it was reported in the interviews that the large investment banks such as Macquarie, UBS, Bank of America, Credit Suisse, Goldman Sachs and Citi in recent years have taken various positions in persuading their clients that if they're going to list stock exchange, they have to have at least one woman on their board – ideally more. These firms are also starting to take active positions on board gender composition with firms in which they have investments.

Finally, there are numerous investment advisory organisations like the Institutional Shareholder Services group of companies (ISS)[51] and MSCI[52] which actively advocate for the need for women on boards as part of environmental, social and governance (ESG) policies. Also, their ESG indexes incorporate the proportion of women on boards in arriving at metrics used to advise investment clients.

The movement of capital has been playing an ever greater role, particularly since 2015 in progressing more women onto listed public company boards, as well as attending to issues related to the pipeline of women available for such roles. It is likely that they will continue to play a significant and growing role into the future.

In summary, as one gender equality advocacy body executive noted:

"If you've got your major institutional investors telling you they will vote against re-election based on gender diversity lack of performance, you're a very, very stubborn chair in a "Yes Minister" sense not to respond to that. That's why I think so much of ACSI because they've been so consistent, so strong on this over such a long period of time. And as the superfunds influence just continues to grow so much in the Australian economy and their grouping the ESG interested long term investors, it's been hugely influential."

50 https://www.australianshareholders.com.au/about-us
51 https://www.issgovernance.com/about/about-iss/
52 https://www.msci.com/

Indirect Influencers on ASX200 Chairs – The Environment of Change

Role of Advocacy and Industry Bodies

Organisations dedicated to advocating for the progression of women in the workplace have a long history in Australia. They have been actively campaigning for gender equality for nearly a century. There are over 30 national bodies, both not-for-profit and proprietary across Australia, devoted to advocacy for progressing women in the workplace generally[53]. One proprietary body specifically dedicated to women's progression on to boards is 'Women on Boards'. Major not-for-profit bodies dedicated to the progression of women in the workplace, most mentioned by interviewees, were Chief Executive Women and the Champions of Change (Formerly Male Champions of Change). Each company was mentioned frequently in our interviews, alongside the many 'women-in' organisations, as being significant contributors to the national gender equality debate and, in total, they have driven the environment and the wider case for change in the area of workplace gender equality.

Women on Boards

As noted at the beginning of this report, Women on Boards (WoB) were an early mover and catalyst for driving the women on board's debate. As one ASX100 NED commented during an interview:

"I wonder, if WoB hadn't existed, whether we'd be where we are, but they couldn't have done it alone because they're not, you know, in a weird way, they're not a part of the establishment. But I wonder if they hadn't been there... It's kind of like the Greens."

Women on Boards were formally established in 2006, though its founders had heavy involvement in a Research report in 2004/2005, funded by the Office for Women in Canberra, into the reasons women were not achieving board roles.

The report led to a series of WoB events around the country in late 2005. The report and follow-on events established the principle of men mentoring women onto corporate boards54. WoB organised the first National Diversity on Boards Conference in May 2008 and the Second Diversity on Boards Conference in September 2009. The later event was remembered by many of those interviewed as being a pivotal moment in the push for women's representation on listed company boards. As the then Sex Discrimination Commissioner Elizabeth Broderick remarked in her speech at the third such event in 2010:

"The 2009 WoB conference will certainly be remembered as the event that galvanised the business community into immediate action – to start addressing the under-representation of women on boards and in decision-making roles. The 2009 conference put the issue on the nation's agenda."

WoB's advocacy, however, is not limited to ASX-listed firms and extends to all board roles in the Government, not-for-profit and private sectors. An early initiative of WoB, upon its formal commencement, was the establishment of a free-access 'vacancy board' for board roles – it was the first resource of its kind in Australia. This list was cited by many interviewed as a major service that WoB provides. WoB were also early adopters in 2009 of the 'Norwegian Principle' of 40/40/20 on boards and have advocated very strongly on this principle in the media and at national conferences held by WoB over the past 12 years.

Several of the people interviewed noted, that because of its structure and its 100 per cent female membership composition, WoB was able to be more strident in the media when calling out on issues surrounding board behaviour. Additionally, as one media commentator interviewed for the study, noted:

"So, I've got friends who are members and have gone to the events and it has that kind of solidarity-supportive feeling that you need because when you're out in that space with a whole bunch of men around it's a pretty lonely place... their events are fun and they have some great speakers and they've been on this issue for quite a while and I think they've made up an important element here, which is they made a lot of those more mainstream corporate kind of organisations feel a bit uncomfortable."

The WoB Boardroom Gender Diversity Index (BGDI)[55] was launched on International Women's Day in March 2010. It continues to measure female participation on the boards of Australian organisations in over twenty-five different sectors of the Australian economy, including the ASX200.

53 https://www.agec.org.au/
54 https://www.camac.gov.au/camac/camac.nsf/byheadline/pdffinal+reports+2009/$file/board_diversity_b5.pdf
55 https://www.womenonboards.net/en-au/resources/boardroom-diversity-index

In 2013 WOB published the *WOB Traffic Light Index*[56] in which public disclosures for gender diversity on company websites and annual reports of all ASX200 companies was reviewed and reported, receiving media attention at the time. Those interviewed noted that the index was a valuable resource for investors to identify which companies were and were not engaging adequately with ASX Corporate Governance recommendation 1.5.

For the past decade WoB has offered a range of training courses and resources aimed at helping women gain board roles. In 2018, WoB commenced the WoBSX mentoring program for a small cohort of women to be mentored by an ASX chair.

While significantly fewer in number compared with the AICD Chair's Mentoring Program, WoB members have still gone onto ASX200 board positions, and provide the benefit of their experiences to other WoB members.

Chief Executive Women

Chief Executive Women (CEW) was established in 1985 and now represents over 650 of Australia's most senior women leaders across business, academia, government, the arts and not-for-profit sectors. CEW's mission is to educate and influence all levels of Australian business and government on the importance of gender balance. Through advocacy, targeted programs and scholarships, CEW works to remove the barriers for women's progression and ensure equal opportunity for prosperity.

Comprising of very senior women there is a high degree of overlap between the membership of CEW and women who are members of the 30% Club Australia. However, due to its mandate, CEW is largely concerned with the leadership pipeline to executive roles rather than board roles and the need for women to progress to board roles through successful executive careers.

CEW plays a critical role in the messaging around women's success. Through discussion groups, dinners and forums they provide a peer to peer network for senior women, as well as providing mentors and roles models for younger women. CEW have also allocated scholarships for younger women to attend AICD mentoring and board readiness programs. Overall, CEW play a critical role in the normalisation of women in senior leadership.

As an ASX100 NED commented:

"I think CEW has done a good job and also, not only in getting women into their roles, but also giving women the confidence that this is rightful. This is the right spot, and also the rightful ambition, so I think that it has done a great job and contributed to the zeitgeist."

A significant contribution of CEW are various research reports the organisation has sponsored over the past decade dealing with various elements that contribute to the shrinking pipeline of women into executive roles[57]. Many of these reports were cited by name from interviewees. Issues in these reports include what constitutes 'merit' – including how flexibility can be enacted effectively, eliminating bias in feedback and promotions, countering 'backlash' through the buy in of men, advocating for more action on childcare subsidies and increasing support for caregivers who want to work, to name a few.

Many of those interviewed for this study believed that, in recent years, CEW's leadership has become more vocal in the media regarding the lack of women on boards and the issues confronting women aspiring to leadership in Australia. Like the 30% Club Australia and the Champions of Change, interviewees reported that CEW provides an important platform with the backing of its membership for individual high-profile senior women to speak out in the media on issues of gender equality as they arise.

Since 2017, CEW have published the annual 'CEW ASX200 Senior Executive Census'[58]. The CEW Census tracks annual progress of gender balance and female representation in the Executive Leadership Teams of Australia's biggest publicly listed companies. Overall, former CEO's and executive line role holders still represent by far the greatest source of current board members. Like the Industry Superfund sector, within this report CEW defines gender balance as being 40/40/20.

Champions of Change Coalition (Formerly Male Champions of Change)

In 2010, a group of senior men meet with then Sex Discrimination Commissioner Elizabeth Broderick to explore the idea of a coalition focused on increasing women's representation in leadership. They agreed to form the Male Champions of Change (MCC), (now known as the Champions of Change Coalition). The idea was to use the individual and collective influence of senior men to elevate the issue of gender equality and women's representation in leadership on to the national business agenda. In this capacity, MCC played a critical role in bringing senior men into the debate and actively engaging with the issues confronting women, not only in their own workplaces but in the broader economy.

Like CEW, the Male Champions of Change hold discussion forums, annual dinners and produce significant research reports – often in partnership with CEW. At these events, they address matters such as workplace flexibility, the merit trap, closing the gender pay gap, as well as recognising and dealing with male backlash against gender equality initiatives[59]. A well-known

56 https://cdn.treasury.gov.au/uploads/sites/1/2017/06/Women_on_Boards.pdf
57 https://cew.org.au/media-and-research/cew-research/
58 https://cew.org.au/wp-content/uploads/2020/09/14_CEW_ASX200-SEC-2020_V3.3-Single-Page-RGB.pdf
59 https://championsofchangecoalition.org/our-journey/

and regarded contribution to the gender equality debate is the Male Champions of Change Panel Pledge originally conceived in 2013 and re-released with CEW and the Women's Leadership Institute in 2019. The pledge requires individuals and organisations to increase the visibility and contribution of women leaders in public and professional forums.

As noted by the Champions of Change Coalition[60]:

"A lack or absence of women leaders in public and professional forums is a consequence of an entrenched system of inequality. When speakers or contributors are usually male, audiences may be provided a narrow perspective on the issues being canvassed. This lack of diversity limits the quality and range of a conversation, and the potential outcomes or actions that might arise from it. When visible role models and spokespeople are predominantly male, the absence of women in leadership becomes normalised. Fewer women choose to speak. People also have limited access to knowledgeable women leaders they can learn from."

Male Champions of Change groups have also arisen in specific industries with less women, such as construction and technology, to address specific issues confronting their industry sectors. The Champions of Change platform has supported some of Australia's most prominent senior men in advocating for gender equality in the media and at large social and business gatherings focused on gender equality. A critical contribution of the Male Champions of Change is the acknowledgment of structural inequalities facing women's progression.

As one ASX100 NED reported:

"The conversation around the table was very different to what it is now, so that was really interesting – how back then the situation had to be explained. Whereas now, every corporate is in a race for talent and the realisation that there are just as many, if not more, talented women with very diverse skills that they can bring to the corporates out there, as there are men. The drive is there to make sure that every corporate gets the best employees they possibly can. So, you know the whole conversation is completely changed it's been fantastic and really I take my hat off to Liz Broderick on this – this was an amazing initiative because she's made the point that we're not looking to fix the women, this is not a women's issue, this is not a women's problem, this is a systemic issue that needs addressing."

'Women in' Networks, Industry Associations and Think Tanks

It is beyond the scope of this report to elaborate on the multiple contributions of the dozens of organisations involved in progressing workplace gender equality in Australia. However, many of those interviewed emphasised that it would be a mistake not to recognise the tremendous collective impact these organisations have had upon the debate and the progression of women into the executive pipeline.

Collectively these organisations have contributed as much, if not more, to the transition of societal attitudes towards women's leadership and the progression of women in the workplace, than the three groups described above.

There are over thirty national 'Women In' organisations, which are either industry sector or profession specific. Most of these organisations belong to the Australian Gender Equality Council[61] and each plays a pivotal role in sponsoring research, providing education and scholarships, recognition and rewards for women's achievements, as well as networking and mentoring within their respective sectors. These bodies are also actively advocating in the media, and at both public and private events for the progression of women in the workplace, including as elected officials. Most of these organisations have regular magazines or newsletters featuring editorials, research and advocacy.

See Appendix 2 for a list of these groups and links to the work they have undertaken.

Bodies such as the Committee for the Economic Development of Australia (CEDA)[62], the Diversity Council of Australia (DCA)[63], Women and Leadership Australia[64] and the Committee for Perth[65] have produced influential research and published surveys on gender equality over the past decade. In addition, they have hosted forums and media releases, as well as the hosting of high profile workplace gender equality advocates at their conferences and venues.

Likewise, industry associations and unions have played an active role from time to time in the advocacy space, as well as providing programs for the progression of women. For example, the Business Council of Australia's (BCA) CEO Mentoring Scheme for Women Executives in collaboration with the Australian Human Resources Institute (AHRI)[66], was run in recognition of the need for mentoring and sponsorship of women into executive roles.

60 https://championsofchangecoalition.org/wp-content/uploads/2019/06/MCC-Panel-Pledge-Guide-2019.pdf
61 https://www.agec.org.au/about-us/
62 https://www.ceda.com.au/About/Our-Story
63 https://www.dca.org.au/about-dca
64 https://www.wla.edu.au/
65 https://www.committeeforperth.com.au/research-advocacy/projects/filling-the-pool
66 Wilson (2015). Make mentoring Work. Melbourne: Major Street Publishing. (See pages 175-184 for details)

Role of the Media

There was a strong consensus among those interviewed that the Australian print media has played a mixed role in progressing more women on to ASX200 boards. Television, radio and particularly social media, have played a proactive and largely supportive role.

The portrayal of women in the media is a key resource for either breaking or reinforcing gender role stereotypes and can indirectly contribute to fewer women seeking leadership roles. The Australian media is a critical medium through which data, advocacy and debate is shared with the business community and the wider Australian public. Of particular importance in relation to the issue of women on ASX200 boards, is the business media, largely represented by the Australian Financial Review (AFR) and its BOSS Magazine, as well as the Business Review Weekly, prior to its discontinuation in November 2013. Also important are other media outlets that contain business sections or regularly print or voice business stories and editorials. This includes newspapers like The Australian, free to air and paid subscription television news networks, radio and social media.

As one ASX100 NED remarked:

"So the media has had a big influence around transparency and the broader distribution of data, because you can have transparent data, you can have the ASX issue a report, but it can go to the bottom drawer. I mean, no one really knows about it, so it relies on the media in getting it out."

Media as a Voice for Advocacy and Dissemination of Research and Statistics

A regular voice for women in the corporate sector in the mainstream media has been missing since the Australian Financial Reviews weekly 'Corporate Woman' column came to an end in December 2012 with the departure of Catherine Fox from the AFR. As noted earlier in the report, interviewees believed that the AFR and its 'Chanticleer' and 'Corporate Woman' columns in particular, among other stories featured in the second half of 2009, played a pivotal role in the 2009 events leading to the subsequent rise in the proportion of women on ASX200 boards. To some extent, the dedicated independent media outlet Women's Agenda stepped into the space left by the AFR Corporate Woman column in 2012, and with the rise of social media, has become the leading dedicated media voice for women in leadership, politics and business.[67]

Nonetheless, media outlets have consistently published editorials and reported upon press releases of the AICD, the 30% Club Australia and WoB directly related to issues surrounding the progression of women on to boards. In addition, these outlets have produced thousands of stories and coverage in relation to the progress of workplace gender equality provided by WGEA and its forerunner the EOWA, as well as the BCA, CEDA, DCA, the Federal Office for Women and women's representative bodies generally.

There is a marked rise in the coverage of workplace gender equality issues around International Women's Day (8th March). Media coverage also rises when series data in relation to the proportion of women on boards and executive roles is released by AICD, the 30% Club Australia, WoB, CEW and WGEA. Interviewees also mentioned that it was the media that often played a key role in bringing the spotlight upon chairs of firms in the ASX200 with no women on their boards or 'naming and shaming' as it has come to be known.

The media have also played a key role in the dissemination of research either sponsored or undertaken by representative bodies in this space, as well as research undertaken in Australian and overseas universities. Research which supports the business case for workplace gender equality and board gender parity in particular, continues to receive widespread media attention. The frequency with which issues confronting women in the workplace have also seen a marked increase, coinciding with the #MeToo[68] movement in late 2017 and the ongoing attention being focused upon the discrimination, bias, bullying, harassment and violence disproportionately faced by women.

Likewise, the importance of social media has risen dramatically in the past decade with specific issues often driven to more debate through public voice. As one investor group executive noted:

"So social media is an interesting one. It has really taken things to another level. Sharing stories of sexual harassment and we've seen this, it is very, very hard for any senior leader whether a chair of the board or CEOs to condone such behaviour in their organization. They can try to hang on, but sooner or later they succumb to public pressure. More often than not today, it is getting harder to think of examples where there hasn't been a resignation, someone moving on, as a result of poor behaviour in their organization being brought to light. But beyond this, the fact that social media has this ability to amplify change quite quickly is driving public opinion and norms

67 https://womensagenda.com.au/about-us/
68 https://en.wikipedia.org/wiki/Me_Too_movement

around expectations for gender equality in this area."

The media has also been a key platform for prominent business and representative body leaders to comment broadly on the issues facing women on boards and women aspiring to C-suite roles. The views of individual champions are also regularly featured as opinion pieces, where they often provide case studies to the media surrounding what practical steps their respective organisations are undertaking.

Double Standards

Many of those interviewed noted that there were a significant number of journalists who were well researched and balanced in their reporting. However, concern was shared by nearly everyone interviewed for this report regarding the perceived double standards in some sections of the mainstream print media applied towards women leaders – whether they are board chairs, CEOs or political leaders. This stands in stark contrast to the media's strong stance in other areas on the treatment of women. In particular, it was reported that factors unrelated to women's leadership are often the subject of media stories about them, and that these same factors are never reported upon with regard to equivalent men. As one board chair recounted:

"It's absolutely fascinating isn't it, but this is because we do not have a critical mass of women in those roles here. So any woman who is an outlier is going to be pointed out, as you know well; '...she wasn't home for dinner with her kids and she actually had a nanny picking them up from school etc.' ... I mean that was just absolutely ludicrous. Sure, you can be critical about business practices and the outcomes of those business practices and where one fails in one's role. But to start talking about how ones dressed, or how one's groomed for God's sake... it's never mentioned for the men, just not mentioned, because it's just not relevant. So the media has a bit to answer for and have a huge role to play in this."

Of particular concern to those interviewed were the consequences upon the likelihood of women wanting to undertake high profile leadership roles if women are going to be subjected to attacks on their person rather than their work role. Given that women already bear a disproportionate share of the domestic burden and child care[69], it seems perverse for women to be attacked in the media in this way. As such it was concluded by many of those interviewed that sections of the print media have had a negative impact upon the desire of emerging women leaders to undertake ASX200 board roles. As one executive recruitment executive shared:

"There's been a couple of big issues where I think a lot of women have stood back and said, 'Whoa, is this really worth it? I'm putting my reputation on the line. I see other women before me doing the same thing and getting their heads chopped off and quite unfairly'. There is a widespread view that the media are much harder on women in the senior leadership and board positions."

Evidencing the personal effect this has upon women directors, another ASX100 NED put the recent print media attacks on prominent women CEOs and board chairs more bluntly by stating:

"So it goes to being a lot more personal about women and their family life, and whether they've had kids, and what their husband thinks about them, than it does for men and it becomes very salacious clickbait. Look, I've seen the recent devastation caused to female CEOs and female board chairs. It just goes on and on and on. Right. And, there's so many less women that it becomes a large percentage of the women because there are so few there. So, it creates fear and loathing in female directors of wanting to lean into the limelight because of how you get treated. And that's how I feel. Personally, I've just never wanted to get involved with the media, just keep away, which is the wrong thing."

While the issue seems to be largely confined to the print media, other media pick up and reflect print pieces, since the print media has been a significant driver of the gender equality debate in Australia more generally.

Lack of Representation of Women and Women's Voices

A significant and ongoing change which was reported by interviewees as normalising women in leadership roles, is the representation of women's voices and images in media content. Many of those interviewed noted that there had been an upswing in recent years in the balance of women versus men portrayed in the media. It was observed that there are more female reporters, as well as women being the subject of stories and female expert commentators in the print and television media.

In the report, *2019 Women for media: You can't be what you can't see*[70] it was found that in Australian media, women account for 34 per cent of direct sources quoted and 24 per cent of sources named, but not directly quoted. Of particular concern to this report was the finding that the media outlet with the lowest percentage of female sources was the Australian Financial Review with only 14 per cent. As one of the co-

69 https://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/4125.0~Sep%202018~Main%20Features~Work%20and%20Family%20Balance~7
70 https://www.wlia.org.au/research

authors of the above report, Jenna Price, wrote:

"Yes, it's partly to do with which people are in top positions; and since nearly every single government minister is a man and nearly every single CEO of an ASX top-100 company is a man and nearly every single leader of top research groups is a man, you can see it's hard to get women's voices out there. But there are plenty of women in these fields whose voices should be heard and heard often."

However, the same research also found that, of the 103 opinion pieces about government and politics, 84 per cent were written by male reporters and men are nearly half as likely to source female opinions as women reporters.

In recent years, organisations such as Women in Media and the ABC have played pivotal roles in expanding the number of women available to the media for expert commentary. In December 2018, the ABC launched a callout[71] through its 50:50 Project, supported by many of the organisations detailed in this report, asking women to nominate themselves to be added to the ABC's database of experts who could be called on for interviews and to provide opinion and analysis. As a result of the callout more than 1000 new names of women were added to ABC's national contacts database and many of them have since been used across news programming.

Such moves are not new overseas and have been afoot since 2014 in news outlets such as Bloomberg, where it has been mandated that news stories include female voices[72].

Role of Research and Data

Research and data have played an important role in progressing more women on to ASX200 Boards. Both have acted as a catalyst for action, used to dispel myths and to track progress, as well as adding weight to the business case for change. Those interviewed made frequent mention to supporting evidence from key research reports, series reports and statistics.

One CEO summed up the views of most of those interviewed about the role that research has played, as well as the need for different approaches to be used to appeal to different people:

"There's classic rhetoric; logos, ethos, pathos. Logos is established with the research. And then you have ethos which is about society. This is a society and we operate in it and therefore, you know, your governance framework should reflect that and finally there's the pathos of the individual stories and sort of saying this individual had been tremendously successful because of it. So to drive change, to contribute to society you need to have all three. I think it's important to address those different audiences. 'Logos, Pathos, Ethos.'"

Nearly all of those interviewed shared an 'ethos' or deep belief that progressing board gender equality 'was the right thing to do' and it was reflective of society and of societal norms. Likewise, many of those interviewed noted the power of individual case studies and the 'pathos' of sharing success stories that often happens at informal gatherings or in conversations between individual chairs. For example, many of the chairs interviewed who had been a part of the AICD Chair's Mentoring Program, commented on how when chairs got together to review the program, they would tell stories about the success of past participants and lessons learned from improving board diversity. However, nearly all participants noted the importance of hard evidence to substantiate the business case, support the moral case and validate the individual case.

Key Research Reports

Research into the impact of women on boards has largely been undertaken by global management consulting firms, professional services firms, universities and industry professional associations. In the past decade, there have been literally hundreds of studies and reports issued on the topic in Australia and thousands globally. However, only a select few have had a profound impact upon the debate and have largely driven the business case for change.

It would be fair to say that initially research was aimed at communicating the strong correlation between increased numbers of women in executive and board roles and increased firm performance. In more recent years, as that paradigm has become readily accepted, the 'holy grail' has been to prove causation.

As one ASX100 NED stated:

"We need to talk to the research around why gender diversity is so important, and you need everybody to understand what needs to be done and how to do it and then just do it. And that goes back to the data collection, having the data, being on top of the data – so, with that, you are able to respond to the myths. If somebody goes out from the media and says that the same five women have all the board appointments, the data can clearly show that isn't true. If someone says

71 https://www.abc.net.au/news/redirects/backstory/news-coverage/2019-08-22/abc-50-50-gender-diversity-project/11431804

72 https://www.telegraph.co.uk/women/womens-life/11241549/Quota-for-quotes-Bloomberg-news-chief-demands-women-in-every-enterprise-story.html

that women don't have the credentials, again it's clear that that's incorrect as well."

For most of the people interviewed for this study, they were long past needing this kind of evidence in order to act. Alongside the early 'logos' of the correlation studies, they have been driven to act on the ethos and pathos of their lived experience and that of colleagues. As one senior executive recruiter noted:

"We hear it all the time when we're placing board directors. Boards are actively asking us now to present more female candidates because they're seeing the difference that the blended skills and experience have on their board. And the difference in the tenor and the tone of the board meetings when there's a stronger balance of diversity in all of its kind."

However, the ongoing resistance to women on boards in some firms and industry sectors and the lack of women in the C-suite in particular, continues to drive the need to conclusively evidence a causal link between increased executive and board diversity, and firm performance. While arguably, BankWest Curtin's 2020 *Delivering the Business Outcomes* report has proven causality. Many of those interviewed noted that there are influencers and executives who may acknowledge the evidence, but remain uninterested in progressing women on to their boards.

The following is a short list of the research reports which were noted by those interviewed as being influential in progressing the issue. Links to these reports, where they are still available, have been provided in the footnotes:

- **September, 2008** – *A Business Case for Women*[73] (McKinsey & Company)
- **November, 2008** – *Agender in the Boardroom*[74] (Egon Zehnder & EOWA)
- **March, 2009** – CAMAC Report[75] *Diversity on Boards of Directors* (Australian Government: Corporations and Markets Advisory Committee)
- **November, 2009** – *Australia's Hidden Resource: The Economic Case for Increasing Female Participation*[76] (Goldman Sachs & JB Were)
- **June, 2011** – *ASX500 Women Leaders*[77] (Reibey Institute)
- **December, 2011** – *The Gender Dividend: Making the Business Case for Investing in Women*[78] (Deloitte)
- **April, 2012** – *Is There a Payoff from Top-Team Diversity?*[79] (McKinsey & Company)
- **August 2012** – *Gender Diversity and Corporate Performance*[80] (Credit Suisse)
- **June, 2013** – *Mining the Metrics of Board Diversity*[81] (Thompson Reuters)
- **September, 2013** – *Glacial Change in Diversity in ASX200 Companies: Can Corporate Australia Escape the Imposition of Diversity Quotas?*[82] (BlackRock)
- **September, 2013** – *WOB Traffic Light Index: A Review of Gender Balance Performance and Reporting in the ASX200* (Women on Boards)
- **April, 2014** – *ASX Corporate Governance Council Principles and Recommendations on Diversity* (KPMG)
- **September, 2015** – *The Power of Parity: How advancing Women's Equality can add $12 Trillion to Global Growth* (McKinsey & Company)
- **February, 2016** – *Is Gender Diversity Profitable? Evidence for a Global Survey*[83] (Paterson Institute for International Economics)
- **February, 2017** – *Advancing Women in Australia: Eliminating Bias in Feedback and Promotions*[84] (CEW/ Bain & Company)
- **July 2018** – *Backlash and Buy-in: Responding to the Challenges in Achieving Gender Equality.*[85] (CEW/MCC)
- **August, 2019** – *She's Price (d) less: The Economics of the Gender Pay Gap*[86] (KPMG).
- **March, 2020** – *Delivering the Business Outcomes*[87] (BankWest Curtin Economics Centre)

73 Amongst the earliest research emergent from management consulting firms demonstrating a strong correlation between greater numbers of women in senior roles and firm performance

74 Research conducted by Christopher Thomas, Managing Partner at Egon Zehnder, Melbourne Office

75 https://www.camac.gov.au/camac/camac.nsf/byheadline/pdffinal+reports+2009/$file/board_diversity_b5.pdf

76 One of the first pieces of research demonstrating the link to of women's inclusion and progression and increased GDP

77 Showing significantly above average ROI for companies with women on their boards.

78 https://www2.deloitte.com/global/en/pages/public-sector/articles/the-gender-dividend.html

79 https://www.uww.edu/Documents/diversity/topteam_div.pdf (one of a series of ongoing reports issued by McKinsey into links between performance and gender representation in senior leadership)

80 https://www.bing.com/search?q='Gender+Diversity+and+Corporate+Performance+(Credit+Suisse)&cvid=1d2d18d41aaf4285969df1f781da19fe&aqs=edge..69i57.1315j0j1&pglt=43&FORM=ANNTA1&DAF0=1&PC=U531

81 https://qtxasset.com/cfoinnovation/field/field_p_files/white_paper/Mining_the_metrics_of_board_diversity.pdf

82 This report was one of several that examined poor corporate reporting in response to ASX Corporate Governance Recommendation 1.5 (2010) see also KPMG report issued in April, 2014 on the same topic

83 https://piie.com/system/files/documents/wp16-3.pdf (Significant for the scale of the research encompassing 21, 980 firms)

84 http://cew.org.au/wp-content/uploads/2017/02/FINAL_Advancing-Women-in-Australia_ALL-PAGES-002.pdf

85 http://aicd.companydirectors.com.au/-/media/cd2/resources/advocacy/board-diversity/pdf/mcc-cew-backlash-and-buy-in.ashx

86 https://home.kpmg/au/en/home/insights/2019/08/gender-pay-gap-economics.html

87 https://www.wgea.gov.au/publications/gender-equity-insights-series

The context of these reports is highly varied – though a majority relate to the business case for change. Over the past 15 years, the quality of the evidence and the methodological sophistication of the mechanisms used to gather it, have increased dramatically. These reports highlight that there is no doubt about the evidence among management consulting firms, professional services firms and industry professional associations for the business case to support more women in senior leadership positions, including women on boards.

The research also has an ancillary benefit in providing additional support to those business leaders who have very positive personal experiences in having women on their boards or senior executive teams, but want to speak out on this issue in a more factual way. In a sense, the solid evidence from research also gives permission to push for change.

Series Data

Series data provides critical benchmarks within and between data sets, and establishes the position of the subject at any given point in time. They are the raw data that enables a judgement as to whether the numbers match community or business expectations. They also, when used in time series, allow calculation of the rate of progression in the numbers and a further judgement as to whether progress equals, exceeds or fails to meet expectations. In this last regard their power lies in their comparison with targets, which represents those expectations. Time series data therefore performs a critical role in the progression of women on to ASX200 boards.

The series reports presented below were those most often referenced by interviewees for the report and deal not only with women on ASX200 boards but also provide critical data around the pipeline of board-ready women for these positions. They detail what is happening in other sectors of the Australian economy as well as in the case of the World Economic Forum (WEF) data, how Australia compares to all of the other countries in the world. As one ASX50 chair noted with regard to the number of women on ASX200 boards in 2008:

"So we got uniform reporting from EOWA from 2002 onwards and we could see how poor performance was in 2008, and it had declined each year from 2004. That was the beginning."

Frequently cited series reports by interviewees included:

- EOWA: *Census of Women in Leadership*, 2002-2012 (Bi-Annual)
- WGEA: *Australia's Gender Equity Scorecard*, 2013-Ongoing (Annual)
- WOB: *WOB Boardroom Gender Diversity Index*, 2010-Ongoing (Annual)
- AICD: *Gender Diversity Progress Report*, 2015-Ongoing (Quarterly)
- CEW: *CEW ASX200 Senior Executive Census*, 2017-Ongoing (Annual)
- WEF: *Global Gap Report*, 2006-Ongoing (Annual)
- Catalyst: *The Bottom line: Connecting corporate performance and Gender Diversity*, (2004-2008)

Role of Government

Federal and State Governments, government departments and Federal Government instrumentalities have played varying indirect roles in the progression of women on to ASX200 boards. There was a widely held view that while the Government departments and instrumentalities discussed below had contributed towards the environment for change, successive Federal Governments needed to do more to coordinate efforts towards workplace gender equality. As one industry representative body chair noted:

"I do think the Government could probably do more in terms of some of the programs, making them a bit more coordinated and connected instead of just putting money here, there and everywhere and going, 'Well, we hope that that works'. And they don't have a strategy, I think they could look at things on a national level and a bit more holistically."

Likewise, while acknowledging the progress made of State and Federal Government boards, many commented on the disparity of women in senior cabinet positions of successive State and Federal Governments over the past 12 years and the message this sends to women aspiring to executive leadership roles.

Targets for Government Board Roles

Many of those interviewed noted the significance of State and Federal targets for women on government boards in terms of government signalling to the private sector. The Federal Government instituted a 40 per cent target for women on Federal Government boards in 2010, achieving this goal in early 2016[88]. On the 1 July, 2016, the Federal Government announced a new target of 50 per cent overall for government boards. As at 31 December, 2020 the proportion of women on Federal Government boards stood at 49.5 per cent.

Likewise, each of the States have set targets of either 40/40/20 or 50 per cent with the exception of New South Wales (NSW). Each of the States (with the exception of NSW) have achieved at least 40 per cent representation of women on State Government boards. Queensland and Victoria have achieved 50 per cent representation of women across their boards.

As part of the efforts to achieve these goals, the Federal Government as well as most of the States, have instituted portals for the advertising of board roles and the registration of interest for board roles by women. An example is the Federal Government's BoardLinks portal.[89] As noted on the Board Links website:

"The BoardLinks database connects Australia's industry leading women with opportunities to be considered for Australian Government board appointments. The database is used by the Australian Government to source candidates for appointment to Australian Government boards.

Achieving gender balance on boards is widely recognised as a commercial imperative. Companies with female representation on their boards outperformed others by 8.7 per cent over five years. The Australian Government is committed to achieving its gender diversity target of women and men each holding at least 40 per cent of Government board positions and women holding overall 50 per cent of Government board positions. BoardLinks is key in supporting the Government to achieve this target."

An indirect benefit of the increase in women on Government boards is the increased number of women who have transitioned from these public sector roles into private sector boards and in some cases on to ASX200 boards. As also noted by a senior executive recruiter:

"So if you look back, it was those government appointments in the 1990s, that created very successful non-executive women who then went on to be very successful in the listed space."

Role of Government Instrumentalities

There were two Federal Government agencies that were consistently referred to by interviewees as having significantly and directly contributed to the environment of change for workplace gender equality and indirectly impacted the progression of women on to ASX200 boards. These agencies are the Workplace Gender Equality Agency (and its precursor the Equal Opportunity for Women in the Workplace Agency – EOWA) and the Office of the Federal Sex Discrimination Commissioner within the Australian Human Rights Commission.

It was a widely held view that the leaders of these institutions including, Helen Conway and Libby Lyons (WGEA), and Elizabeth Broderick along with Kate Jenkins (Federal Sex Discrimination Commissioners) had been highly effective and prominent public advocates for the progression of women in the workplace. These women were especially proactive in communicating and

88 https://www.womenonboards.net/en-au/resources/boardroom-diversity-index
89 https://www.boardlinks.gov.au/

disseminating the work undertaken by their respective agencies. The various programs of these agencies have produced significant outcomes. Additionally, and as noted earlier, Elizabeth Broderick was also instrumental in the establishment of the Male Champions of Change.

As noted in the introduction of this report, it was the EOWA's *Census of Women in Leadership* report series (2002-2012), and its 2008 report in particular, which was the galvanising event for the changes that were to occur in 2009. EOWA was a regulatory body whose role was to annually monitor the reporting of eligible Australian organisations on equal opportunity for women in their workplaces. The Agency also had responsibility to undertake research, education and other programs, and more generally promote the understanding of equal opportunity for women in the workplace within the community.

In 2012 EOWA was superseded by the Workplace Gender Equality Agency (WGEA). WGEA[90] is an Australian Government statutory agency that promotes and improves workplace gender equality and administers the Workplace Gender Equality Act 2012. Part of the Act requires non-public sector employers with 100 or more employees to submit a report outlining data in relation to the following:

1. Workforce gender composition in eight separate areas
2. Governing bodies and board composition
3. Gender pay gaps
4. Employer action on pay equity
5. Employee consultation
6. Flexible working
7. Paid parental leave
8. Support for carers
9. Sex-based harassment and discrimination
10. Family or domestic violence

The data must be signed off by the CEO of the organisation and overseen by the board.

Reporting to WGEA has contributed to the environment for change in two critical ways. Firstly, nearly every significant employer in the private sector is made overtly aware of their gender statistics and needs to explain to WGEA the actions it is taking to address inequities. Secondly, the focus areas of reporting are key drivers for workplace gender equality. Addressing these has the direct consequence of improving women's progression into more senior roles[91].

Additionally, the data generated by these reports is a resource (unique to Australia) that enables the generation of research reports. One example, is the seminal 2020 BankWest Curtin report showing a causal link between greater numbers of women in executive management teams and greater firm profitability . A second example is the annual WEGA report *Australia's Gender Equity Scorecard* series (2013-2020) which summarises the data collected from the ten areas above to track Australia's workplace gender equality progress[92].

WGEA also plays a key role in identifying employers of choice for workplace gender equality. Identifying employers of choice signals to women and the wider business community which organisations are leaders in this space, as well as communicating what are the most effective methodologies for progressing women into leadership roles[93].

Frequent mention was made by those interviewed about the instrumental role of former Federal Sex Discrimination Commissioner Elizabeth Broderick. She was cited as playing a key part in working with Women on Boards, the ASX Governance Council and the AICD (among others) in progressing the 2010 Recommendation 1.5 in relation to diversity reporting by listed public companies. Elizabeth Broderick also initiated the Male Champions of Change in 2010 with the now Commissioner Kate Jenkins taking over the role as the convener of the National Male Champions of Change group in 2016[94]. The Commission continues to work closely with the private sector in addressing barriers to the progression of women in the workplace.

Office for Women – Department of the Prime Minister and Cabinet

Another body linked to maintaining the momentum for change in the interviews was the Federal Government's Office for Women. The Office for Women provided funding to the AICD for a range of scholarships as part of the AICD Board Diversity Scholarship Program since 2010.

Since 2015, the Office for Women have published AICD Board Statistics on the BoardLinks website[95] and engage regularly with AICD to coordinate messaging with the Office of the Prime Minister and the Minister for Women around progress on the ASX200 and ASX300.

The Office for Women also run the Women's Leadership and Development Program, which provides significant funding for a broad range of activities directly related to the progression of women into leadership roles. The Office for Women also oversees the six National Women's

90 https://www.wgea.gov.au/
91 https://www.wgea.gov.au/publications/EOCGE-leading-practices-report
92 https://www.wgea.gov.au/publications/australias-gender-equality-scorecard
93 https://www.wgea.gov.au/publications/EOCGE-leading-practices-report
94 https://humanrights.gov.au/about/commissioners/sex-discrimination-commissioner-kate-jenkins
95 https://www.boardlinks.gov.au/

Alliances. The National Women's Alliances (the Alliances) ensure women's voices are heard in the policy-making process. Alliances advocate for Australian women and collaborate with policymakers to inform Australian Government policies which impact women[96].

The National Women's Alliances are also funded under the Women's Leadership and Development Program (WLDP).

What Strategies have driven the Change?

In the interviews for this report, several questions were asked with regard to what strategies had been most successful in driving the change in the proportion of women on ASX200 boards. Broadly, those interviewed described several types of strategies that were used effectively to drive change around increased gender equality on boards over the past 12 years. These were:

1. Previous successes drawn upon by a mosaic of individuals, groups and organisations working towards gender equality to leverage further progress.
2. Significant figures and organisations with a broad base of influence using their 'clout' to progress gender equality on boards.
3. Individuals empowering, supporting and sponsoring high-potential women.
4. Responding negatively to those companies failing to progress gender equality.

Success leveraged proactively by a mosaic of individuals, groups and organisations

Many interviewees noted, there was impetus for change around what is often called the 'burning platform' that incites a sense of urgency among key agents[97]. Driving this urgency among interviewees was evidence of inconsistent progress in the statistics reporting women's appointment to corporate boards. As one ASX100 Chair reported:

"... the real shock in Australia was when we went backwards through the 2000s and that provided a burning platform that if we hadn't had that burning platform, I'm not sure we'd be where we are today as having a burning platform is enormously helpful."

There was also a changing dialogue surrounding gender inequality on boards linked to the broader conversations surrounding gender equality in society. Conversations happening throughout corporate organisations extended into society more generally. The media promoted a range of views that emanated from business leaders, often citing evidence from a range of influential reports by government bodies and others. As one interviewee observed:

"...there was an intersection between media, powerful business leaders and some of these structures, the financial market structures and the government reports, of course, that intersected around that time... there were enough people with enough clout to actually keep bringing it up, so it was a conjunction of all of those."

Another representative of an ASX100 member organisation commented:

"First everyone agreed what was good. Second, the 'guys with the power' deciding that this was important. And three, investors saying, you know 'boys, we've been talking to you for years, just get this done or we are going to embarrass you'."

It was believed that some organisations that failed to introduce diversity on boards early, were unprepared to adopt the level of perceived risk commensurate with a board appointment of a female candidate who might be perceived by shareholders and the other board members as not having the requisite CEO or senior leadership experience. Chairs of these boards perceived current governance requirements as being prohibitive to the upskilling of high-potential women on their boards and whom were otherwise ready and willing to take on future board appointments.

According to interviewees, when societal expectations shifted as represented by the ASX Corporate Governance Recommendations, the potential for wide-scale changes was also created and many felt 'social permission' to begin appointing these women to their boards. While reflecting the ways in which the board governance recommendations changes contributed to the progress evidenced over the past five to ten years in particular, one representative of ASX200 investors remarked:

"...it was a combination of the research plus the introduction of the requirement to disclose, and

96 https://www.pmc.gov.au/office-women/grants-and-funding/national-womens-alliances
97 Kotter, J. P. (2008). A sense of urgency. Harvard Business Press.

with that 1.5 [ASX Governance Requirement 2014] in the basic corporate governance principles, I think, got boards thinking, because they had to say something, and they hadn't been saying much at all."

Changing gender expectations in society were also being mirrored in changing expectations of board composition. A central theme raised by many interviewees was the changing rhetoric in society about inclusive workplaces. For many, this connected directly to expectations about more gender equality within key sites of decision-making within corporate Australia – particularly within boardrooms. In reflecting on the past 12 years, there was a marked shift in culture within society regarding who deserved to have 'a seat at the table' of corporate decision making. As one ASX100 Chair commented:

"Often in the past, it was just accepted as the norm and now you look at a group of all blokes on an annual report and think 'that's not quite normal these days'."

Views were also changing around those occupations that best fit the skills matrix of boards. As noted earlier, the first step was about deciding that it was "good" to have more diversity on boards. Related to this for some interviewed, was the view that while board appointees varied in academic backgrounds (i.e., law, commerce, accounting, human resources, engineering), boards should also be a mix of genders, different cultural perspectives and background experiences.

Interviewees proposed that the most effective tactics for producing change around increased gender diversity was the convergence in the efforts across the field of invested individuals, organisations and institutions. This unification of voices was observed by many as being a core element in sustaining the momentum for change. Any transformational change like this is underpinned by the maintenance of momentum over the long term[98]. In their reflections of the intervening 12-year period, many interviewees remarked that progress occurred due to continual formal and informal lobbying. One representative of an industry member organisation commented:

"There's certainly been a number of voices in the market that combined, have created noise around this area and that's probably been happening over the last five to ten years and gaining momentum."

A core element of this ongoing momentum was that new voices joined in the dialogue surrounding gender equality in Australia and particularly gender equality on boards. These voices changed over time, but what was most pleasing to many interviewees was that new advocates from younger generations willingly emerged. Part of what facilitated the progress and momentum was the in-principle agreement surrounding the goal of working towards obtaining 30 per cent board membership being women. However, due to the typically informal nature of the movement for change, at times, better coordination was needed.

When prompted to consider what 'success' may look like in the context of gender equality on boards, this was seen by the majority of interviewees as a nebulous concept. Whilst success may be defined by a concrete percentage of women on boards for some, for others this metric was not necessarily a true indication of progress within this space. As one ASX100 Chair commented:

"It was a quick win to get to the 30 per cent and maybe it was a quick way to show some progress. But I think that a snowball momentum got going, there's some momentum that was gathered there or enough people started talking about it and it became a thing that you must talk about on the board … People talked like "did you hear what happened with [that company]. What do we do now? And in a different way?"."

Most interviewees reported that driving such a change took a significant and prolonged investment of effort, and the success achieved on ASX200 boards stood in stark contrast to the glacial pace of progress in women's leadership representation in other areas. Hence, many would argue that 'a quick win' may not be the best way to describe the achievement. Nonetheless, in comparison with other areas of gender equality such as reducing the long term gender pay gap or the progression of women in executive leadership roles, the change has indeed been relatively rapid.

In sum, the cumulative success that was achieved through the preceding 12 years is defined by a broad mosaic of largely disconnected female advocate groups, highlighting the uniqueness of this movement towards gender equality on boards in Australia. Perhaps most interestingly, the individuals, groups and organisations that have taken an active role in facilitating, building and embedding success have done so in complimentary ways. Their success to the same goal was often without formal consultation with each other, except in later years.

Powerful figures within the field using their 'clout'

Power features is an important element within

98 Elmes, M. B., & Wynkoop, C. (1990). Enlightened upheaval and large-scale transformation: The Polish solidarity trade union case. The Journal of Applied Behavioral Science, 26(2), 245-258.

the dialogue surrounding gender inclusivity on Australian corporate boards. It was largely observed by those interviewed that positional power stemming from formalised roles[99] was incredibly useful in maintaining the necessary momentum and energy to drive for greater gender equality on boards. In looking back over the key steps and actions that have been most effective, the vast majority of interviewees cited the role of prominent individuals and institutions (i.e. those in government, ASX20-50 corporations and member-based organisations) as being pivotal figures, showing varying appetites for engaging within the gender equality on boards dialogue over the past 12 years. Broadly, these key influencers clustered around the following:

- Individuals – usually men – with significant sources of positional power due to their positions of influence.
- Individuals and institutions challenging and 'calling out' gender inequality.
- Individuals and institutions advocating and lobbying in their existing capacity to support future gender equality on boards.

As one ASX100 NED remarked:

"As so often with these things, it's about getting the timing right. There was sort of this recognition that actually, especially with senior men saying 'actually this is really ridiculous' and of course, in some cases, as we all know, that was because it was [them] seeing what was happening to their own daughters in terms of their professional careers."

This link between having daughters and advocacy around increased gender diversity was a common thread in interviews, especially those with senior men. The effect of having daughters on men's willingness to support gender-equality policies is substantiated with past research. The research shows Fathers with a first-born daughter are more likely to support policies designed to increase gender equality[100]. Their opinions were shared by others with influence, including one representative of ASX100 investors who commented:

"Every now and then, it's helpful to have a big asset manager who's kind of seen as being very much all about financial returns come out and make statements about it."

Interviewees said people with positional power and authority (i.e., ASX50 chairs, government figures, etc.) were extremely influential in changing thinking on the issue by speaking out a key conferences (e.g. AICD, CEDA), meetings of the advocacy groups (e.g. Champions of Change), and opinion pieces in the media (e.g. AFR and the business pages of The Australian).

However, there was also a recognition that an over-reliance on any one cohort of individuals with influence creates the possibility that these individuals may come to be taken less seriously over time. This can mean they lose their impact or become ignored, thereby risking reduced engagement from others within the field.

Empowering, supporting and sponsoring high-potential women

There is a substantial body of empirical evidence surrounding the value of mentoring and sponsorship of women for positions of leadership. This body of work highlights the role of those with influence (both individuals and institutions) in creating opportunities and empowering women to fulfil board-level roles within the corporate sector.

One of the most effective strategies described by almost all interviewees for producing greater gender equality on boards was the use of mentoring and sponsorship of prospective women by both male and female board members over the past 12 years. One ASX100 Chair remarked:

"...there are lots and lots of people [who] have been doing mentoring and advising and certainly really, encouraging and recommending people to colleagues and other organisations, making sure they have a very good proportion of women on their boards..."

Whilst some drew upon examples of more formalised programs designed to foster high-potential prospective women board members (e.g. the AICDs Chair's Mentoring Program, Women on Boards Mentoring Programs), others described personal initiatives they had adopted to challenge the talent pipeline issue. As one ASX100 Chair described:

"I've always look[ed] out for women who look good for boards. I have a little thing on my PC that has "potential women" and I just go in there and when somebody asks me, I can go through it. Men probably would not do that about women, whereas women would do that about women and men."

Other participants described personal initiatives and strategies using their existing roles to speak with others in the field, whether these be individuals, boards seeking advice and expertise, or member organisations. One representative of a member organisation described their work with

99 French, J. R., Raven, B., & Cartwright, D. (1959). The bases of social power. Classics of organization theory, 7, 311-320.

100 Sharrow, E. A., Rhodes, J. H., Nteta, T. M., & Greenlee, J. S. (2018). The First-Daughter Effect: The Impact of Fathering Daughters on Men's Preferences for Gender-Equality Policies. Public Opinion Quarterly, 82(3), 493-523.

boards as being to:

"…try and get them to think about how they'll be attractive to women candidates. So, make it as much a concern for them that they position themselves to get the best field, as opposed to them being so doctrinaire that they just keep getting the blokes that they want."

The appetite for public advocacy regarding gender equality on boards shifted over the course of the preceding 12 years. In the initial years those interviewed believed that there were clear hesitations, with early advocacy emerging mostly from the vanguards within corporate Australia.

The need for a public voice and response to continuing gender inequality on boards was also widely endorsed. This was particularly the case with more recent examples of women board members experiencing insufficient public support when faced with disproportionate media scrutiny, relative to their male counterparts.

There were also identified shifts in the means through which participants felt able to challenge the status quo in their roles. For some, challenging of the status quo emerged through individual action such as 'calling out' situations in which there were no women present. One ASX100 NED commented, their experience was such that they:

"…would go into a meeting with all men and I would just look around me and say, well, "where are the women?" and that was the question I started asking – "where are the women?""

Others described observing more direct approaches to recruiting and sponsoring gender equality on boards. One ASX100 Chair described the experience of this more direct approach to sponsorship of high-potential women board members:

"…there are quite a few chairmen who say the brief when searching for a new director is that we really want only a female. Now, they have to do that carefully because obviously they want somebody who has the relevant skills to be on the board … but the understanding is clear that it needs to be a female. So that happens a lot. But one has to do that with caution and care that it's all about meeting the expectation of investors and the marketplace that you're going to have diversity on your board."

In the context of challenging the status quo, it was generally agreed that there were more public and overt strategies in recent years regarding speaking out on gender inequality. One ASX100 NED described the following experience:

"Well, you know what; I'm so pissed off about it that I'm actually going to ring a colleague of mine who's a bit of an elder statesman in the corporate world and I'm going to ask him [to speak out publicly], you know he's got nothing to lose and I'm asking whether he's prepared to join in [with] us."

A central consideration in driving and producing gender equality on Australian corporate boards is the ongoing reimagining of boards. This includes developments such as the *virtual boardroom*, which widens the search parameters to find board candidates from across Australia and internationally. This development offers greater mobility to board member and decreases the onerous burden of board travel for prospective board candidates. Some mentioned the option of shadow directorships, but various governance and legal issues will need to be worked through if this is to be an option. Furthermore, given the pivotal influence that powerful individuals and institutions have, any exploration of these more novel approaches would need their support and advocacy.

The participant experiences described throughout interviews identified those who have power – individuals, organisations and institutions – using their positions within corporate Australia to affect change in the context of gender equality on boards. These key figures used a range of actions, from quiet diplomacy, to more overt actions that included public advocacy, lobbying, sponsorship, mentoring, and calling out examples of lacking action around board diversity. This wide variety of approaches combined were all necessary in the progress we have seen over the past 12 years. These multiple approaches have also provided interesting insights on the most effective strategies that influencers in corporate Australia can draw upon in the future to further embed gender equality on boards.

The use of sanctions in promoting change

Although an extension of the social license to operate, the demands from investors for corporate Australia to respond to gender inequality in meaningful ways was one effective lever that coincided with an increase in women's board representation in more recent years. One ASX100 NED reflected on the use of sanctions relative to other mechanisms for change recalling that:

"… this is something that I've also spoken about, for a very long time, which is around the exercise of financial power because at the end of the day, business is about money. And, if there are no consequences to not having a gender diverse board or workforce, then why wouldn't you let things go along as they normally have, so I think that the investor voice is a very powerful one… I think it was Goldman Sachs, that said that if there's not women on the board we're

not floating that business. You know this is very powerful."

Many interviewees reflected upon their increasing awareness of the role of corporate investors, superannuation funds and consumer markets in demanding more gender equality on boards. One ASX100 Chair stated:

"...eventually we decided we can't afford to be left behind, because this is now something that everyone's talking about and everyone's doing. And when it got to that point, it just became an agenda item on boards and off they went."

In reflecting on the utility of both approaches that draw on "the carrot" or "the stick", interviewee insights were balanced in views regarding the effectiveness of both. While more positive approaches that reinforced gender equality were well-received, for those organisations unwilling to upskill, adapt and adopt more inclusive strategies, penalties were judged to be more effective in producing change.

The visibility of gender inequality on Australian corporate boards is also being increased by the role of social media over the past five to six years, but also through direct efforts to 'call out' non-diverse boards. An example of this visibility in more recent years includes sporting organisations that are recognising the role of consumers and their expectations surrounding the leadership of sporting organisations within Australia.

A representative from a member organisation described the costs and benefits of both approaches to facilitating change:

"I think that a bit of the promotion of the benefits, and people seeing that it's worthwhile is all very altruistic and all very good. But you've got to say that the naming and shaming, and the pressure on boards to comply, or be seen to be behind the times and not progressive is also effective. I think boards have really responded and reacted to "we need to be seen to be doing the right thing." It's been a bit of the balance of the carrot and the stick, and that's been really important. So "here's why it makes good sense", but "here's how stupid you are going to look if you don't do it." You kind of need both of those."

In sum, there are several important levers for change that have produced tangible outcomes in the space of gender equality on boards. Participants identified these as firstly encompassing a wide mosaic of powerful people who believe, advocate and lobby for proactive change, while also inviting and engaging new individuals into this space to preserve the energy surrounding gender equality on Australian boards. Secondly, this mosaic of powerful individuals empowering, supporting, mentoring and sponsoring women has been pivotal to the success obtained with regard to gender equality on boards. Finally, the effective use of market power encompassing regulators, stakeholders and consumer interests to facilitate and demand change have been pivotal in the cumulative success that has grown in strength over the past 12 years and the past six years in particular.

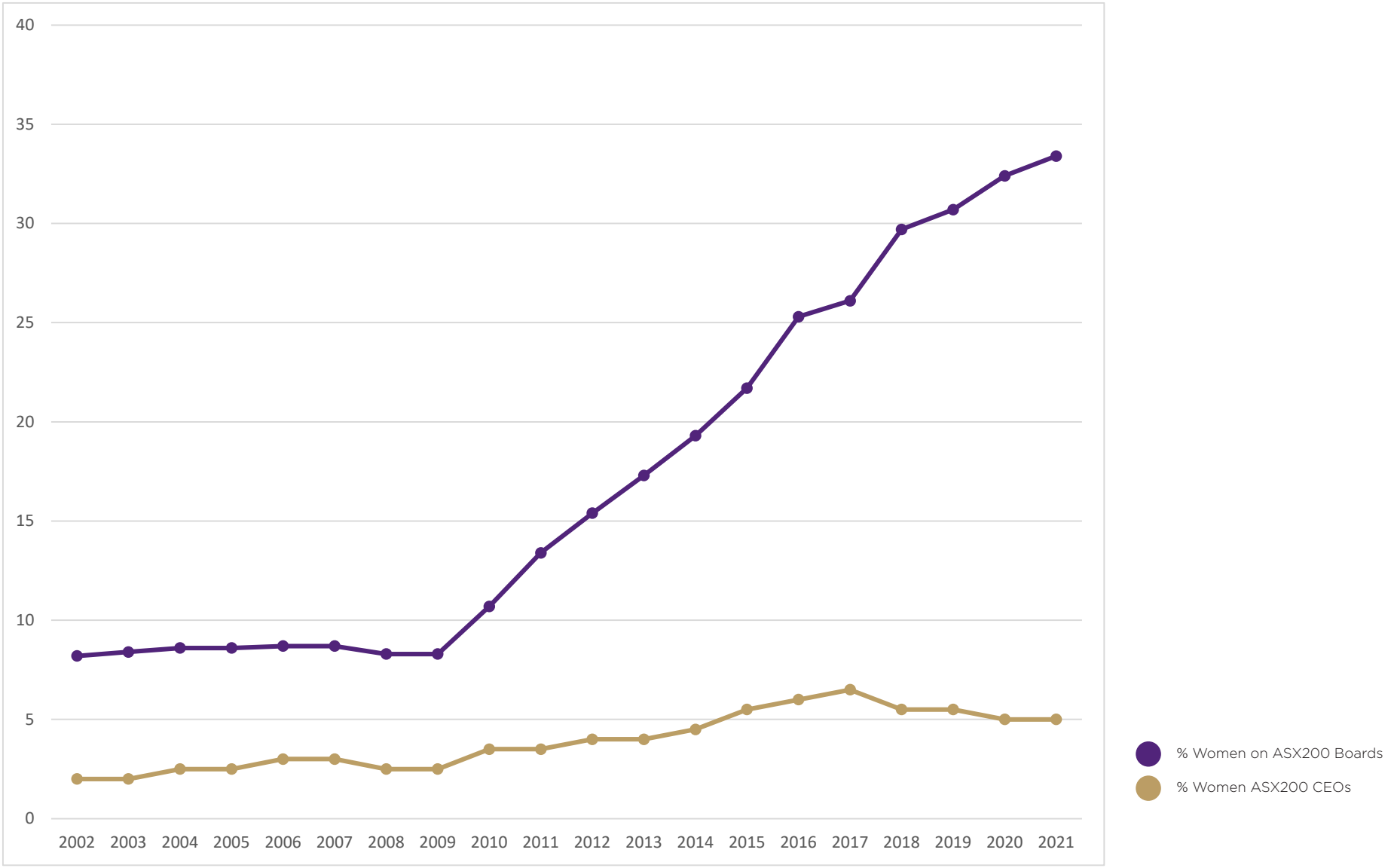

Figure 6 – Trend in the percentage of women ASX200 board members versus women ASX200 CEOs.

What is likely to Inhibit Future Progress?

Several questions were posed to those interviewed around the sustainability of progress at the same rate and what might be the main barriers to future progress. Those interviewed identified four broad categories of inhibitors undermining the continued progress towards gender equality on Australian corporate boards. These included:

1. The depth of the pipeline of board-ready women directors
2. The board skills matrix as currently defined
3. Overt and subversive 'pushback' within corporate Australia
4. The fatigue caused by the constant need to justify the gender equality agenda

A more subtle and pervasive challenge posed by the majority of interviewees, is the ongoing societal debate surrounding gender equality in Australia. The gender equality rhetoric or 'social barometer' observed by many was linked to the gender equality agenda of corporate Australia. The lack of clear and tangible goals at a national level surrounding workplace gender equality, reported by participants, was observed as largely indicative of the broader societal dialogue surrounding gender equality in Australia. One ASX100 NED spoke to this barrier stating:

"Australia has this systemic problem with gender and not having an equality agenda is a systemic issue for all of our society."

While also acknowledging this barrier, other interviewees were also optimistic about the willingness of Australian society to support and endorse a gender equality agenda – particularly in light of recent revelations of abuse and harassment of women in both Australian corporations and in the halls of Government. The public outrage expressed in response to these revelations and the resulting media debate had prompted many interviewees to take this discussion of the experiences of women generally (and those in leadership) more specifically to their boardrooms.

The depth of the pipeline of board-ready women directors

The lacking depth of talent pipeline for women who are perceived as 'board-ready' (the knowledge, skills and capabilities to join corporate Australian boards) was described as a substantial barrier to progress by nearly all of those interviewed.

A variety of perspectives were provided regarding the origins and factors that have created this perceived lack of depth.

In the context of board appointments, interviewees had diverging perspectives on the knowledge, skills and capabilities that each board member must have. While there is a pre-determined set of skills required according to governance and legislation, those interviewed expressed various perspectives on how these skills ought to be developed.

Reflecting on the pipeline of board-ready women, the following factors were identified as inhibiting the development and depth of this pipeline:

- Diverging career experiences (i.e. profit and loss and operational experiences).
- Gendered segregation of the workforce (i.e. women in predominantly support and caring roles in the economy).
- Women under-represented in 'feeder' positions (i.e. CEO, CFO, COO).
- Existing board turnover rates (i.e. over-representation of men whom remain appointed to ASX boards for extended periods).

These challenges work to constrict the availability of board ready female candidates, as well as slowing the rate of board positions opening. The same cohort of existing female board appointees continue to be over-sampled to join boards. Inadequate attention is directed towards growing the existing pipeline within senior executive and middle management for high-potential women.

In the context of board appointments, the diverging career experiences of men and women are most clearly demonstrated by the disparate levels of experience working in operational roles and having responsibility for managing profit and loss centres. One ASX100 chair commented on different expectations around this portfolio of experiences:

"...there was a discussion a few years ago ... if you don't have that [operational profit and loss experience], you can't sit on a board and those conversations about what women don't have, [yet] there are men sitting on boards who don't have that. It's a second challenge and a real challenge to make sure women are coming up through their respective operational lines to get that experience."

Interviewees also identified numerous societal factors that underpin the depth of the pipeline. Factors include gender stereotyping, the gendered segregation of the workforce and the lack of adequate childcare options for those on a career track towards board directorships.

These pipeline issues were linked by some interviewees to early childhood and schooling experiences, with one representative from an industry member organisation reflecting:

"[the pipeline discussion] is actually about society. It's about the courses the young girls are encouraged to take and high school and the university and the career path they follow and how it's important that the pipeline is actually all the way back to kindergarten … the fundamental challenges will be broader societal ones and making sure that the pipeline starts at kindergarten, and the structure of the economy – making sure you have enough diversity and opportunity in terms of the strength and structure of the economy for women to succeed."

The pipeline of board-ready candidates was also shaped by occupational segregation. This gendered specialisation of work roles produces gendered pathways to directorships in which women tend to be concentrated into senior executive positions within support roles such as human resource management, accounting or law, for example. However, where board governance emphasises risk-mitigation through increased liability assumed by board members, there is a premium placed upon operational profit and loss role experience.

This type of experience is often unavailable or less available in these types of career pathways. For instance, human resource, public relations and marketing pathways to the C-suite are more often trodden by women in corporate Australia. As one representative from an industry member organisation reflected:

"By definition, women in senior roles and executive roles, typically are more likely to be in a human resources role or a marketing role. They're not necessarily in the big heavy lifting P&L (profit and loss) roles."

This current reality is producing an incompatibility between the perceived role requirements of a directorship and the skill sets developed by males and females within a gender-segregated workforce. As one representative from another industry member organisation commented:

"One of the big challenges I think we face is we'll continue to have a bias in selection of women that goes to law and accounting and that will have an impact on how we create the pipeline of individuals coming through. Having said that, we argue that there isn't a supply issue. If we look at those women, and I guess if you look at a number of people who are members of the AICD, and the number of women who are members of the AICD and particularly of younger ages … it's not really a supply issue in terms of these women."

The shortfall within the director pipeline in terms of operational experience was observed as not simply due to gendered education pathways, or from gender segregation within the workforce. The pipeline issue was also linked to the broader pool of women failing to make it into senior roles which feed into executive roles – reducing the pool immediately of those who are ready to gain executive experience and in turn readiness for a board role (i.e. CEO, CFO, and COO).

In exploring the pool of senior executives, many of those interviewed commented that, although there were some women available, their representation was insufficient relative to men. For example, one ASX100 Chair commented:

"Their demographic data summary, it will probably plateau. I don't think it'll get to fifty per cent until we get a significant improvement in that KMP [Key Management Personnel] figure for women. The KMP, not just the CEO data, but the CEO minus one …"

As shown in Figure 6, the number of female CEOs of ASX200 firms has barely moved in the past 20 years and has been in decline since 2017. This undersupply of women in senior executive roles was seen as problematic for the growth in the future pipeline, with one representative from an industry member organisation commenting:

"… there's only I think 9 per cent of women in senior executive C-suite roles in the ASX 100-200. So, we've been more successful in getting women into boards than we have in progressing them into senior executive ranks. I think what we've seen as a result of that, and this will kind of come out later, is a complete depletion of a lot of those women who may have stayed in senior executive roles and become CEOs. A lot of them have moved into the board space and hence we now have a couple of issues. One is a pipeline issue."

When it comes to the roles on boards that are fulfilled by women, some interviewees also raised concerns about the likelihood that women will succeed to chair roles. As one ASX100 NED commented:

"I think if we looked at who are chairs disproportionately, they tend to be former CEOs. And the complication then is because women only make up currently five percent. … that makes it harder. It's easier to get the number for directors than it is to get chairmen."

At the same time, the vast majority of ASX organisations continue to have both male CEOs and male board chairs, and this remains overwhelmingly accepted as 'business as usual' with one ASX100 Chair stating:

"... there are very few companies that have a female chair and a female CEO. I think, I think there's only one. Yet we don't blink an eye if there's a male chair and a male CEO."

The number of senior executive board-ready women being recruited to directorships was also observed as problematic to the types and quality of roles women were accepting on boards, with one representative from an industry member organisation reflecting that:

"... many women are doing that [leaving the executive for boards] but the difficulty with that is a lot of women are dropping out too early without a lot of senior experience. And so, they're dropping out and they're going into low level roles [on boards] that another couple of years of more senior executive experience would take them into stronger boards or bigger boards or boards that maybe need their experience more."

Expanding the focus beyond this pipeline was an awareness that board positions needed to be more open. This demand issue was raised by many, with one ASX100 NED raising their belief that:

"I think one of the existing barriers is board renewal, so how many slots are available when your NEDs are there for nine years and some people have been on even longer than that".

Others linked the need for more director turnover to increase board diversity around gender and generational experiences. As one industry advocate commented:

"... there's still a lot of older people in the boardroom, and many of them are running businesses that have changed a lot, and most of their customers are young people and they've got to think about how their composition captures some of that age diversity as well."

The complexity of managing board renewal is underscored by one representative from an ASX100 investor body who was not hopeful of any rapid change in gender equality due to the existing rates of female board member appointments:

"... it will plateau out because the balance of resignations won't be as dominated by males as it has been so far, so we won't get parity if appointment rates remain around the same level because that resignation balance will change which will slow things down."

These converging issues were identified by participants as constricting and constraining the availability of a robust pipeline that could support the appointment of women to C-suite roles, board directorships and chair roles within ASX200 organisations in Australia.

The board skills matrix as currently defined

A range of issues and challenges were raised about board skills and in particular, the governance matrix that underpins many of the board appointments within corporate Australia. Many of those interviewed reported a perceived shift in the skillsets required by board directors over the past 20 to 30 years that has occurred in response to changing market demands and the changing landscape of effective business operations.

Overall, the application of the board skills matrix was seen by those interviewed with differing levels of rigidity. Some judged the matrix as overly specific, whereas others observed the matrix as being somewhat fluid in its application by boards.

Some of these shifts in required skill sets included those in response to changing technology, with one ASX100 NED commenting:

"... things like data privacy, versus data security, and there's some really interesting technology ethical issues that we're going to have think through, and therefore that does mean you need different skills and expertise. I see on one of my boards that the people we are bringing on, and it happened to be two females coming on, have very different skills to what this board would have thought about bringing on to this board to when they brought me on."

There was also a shifting perspective on board skills based on the relevance of governance and policy to corporate Australia. One representative of an industry member organisation commented:

"I think a lot of people have started looking for some very good, talented women coming out of government ... I think we in the big corporates, are getting closer to government and I don't mean closer to The Government, but closer to the decisions like government and therefore we can take people from government much more easily."

One of the challenges to the existing board skills matrix is the extent of subjectivity in the perceived skills requirements on boards. As highlighted by one ASX100 Chair:

"[based on prior chair experience] I don't necessarily see operational experience has been very important to be absolutely honest,

and it's probably those chairs who've had deep operational experience who are the ones who feel that it's important."

A further issue raised by some, was the way in which boards briefed recruiters around specific board roles. A 'unicorn brief' (so called by executive recruiters) exists whereby prospective board candidates are evaluated against a very specific and discrete set of career experiences, while also needing to satisfy various board diversity criteria. A frustration expressed by interviewees was largely linked to how often a directorship would be so narrowly defined around deep operational industry experience – resulting in a reduced likelihood of appointing a woman board member. One industry advocate highlighted:

"There also needs to be a bit of a conversation with boards, like, there's still some that go – you know, I want a woman with these skills from this industry, [etc.] … so you're left with the 'unicorn' basically. They wait until the end and say 'also, it has to be a woman.' So, why can't you then start the conversation differently and say, well, there's lots of women in finance – there's tons, so why don't we get the female directors with the finance skills and then we'll get the guy [when] that's done."

The existing board skills matrices were also seen by many as implicitly restrictive. In particular, one current belief under challenge is the necessity of CEO experience. This causes unintended consequences regarding board performance, when ex-CEO types are appointed ahead of those with more specialist skills. The importance placed on C-suite, operational and P&L experience was linked with the direct liability of boards within the Australian corporate landscape. However, as one representative from an ASX100 investor reported:

"… you've got other avenues of the pipeline, not just for, former CEOs, COOs etc. … there's this real lack of directors with an investing background. Ask the question, I mean, how many failed acquisitions have taken place in the market?"

These reflections on the application of the board skills matrix to the development, selection and retention of women board appointees and chairs suggests there remains further refinement of how and when the matrix is applied. A re-examination on the application of the board skills matrix is thus warranted and may yield further possible levers and mechanisms to capitalise on existing successes in gender equal board composition.

Overt and subversive pushback within Australia

When describing the inhibiting factors that work against creating more gender equality on boards, interviewees described a range of issues around 'pushback'. This includined clear sense of entitlement by a minority of individuals seeking a board appointment; undermining activities and actions within the public discourse; and; systemic barriers that preclude a women's full inclusion.

Those with an expectation of gaining a board appointment, and then attributing their lack of success to actions designed to support more gender equality on boards, were described by one ASX100 Chair as follows:

"… in order to get to the 30 per cent, a disproportionate number and certainly more than we were used to was going to women, and there were many who are not happy about it. I can only assume that some of the thinking drifted into the mainstream. There was also a group of men who I don't think got the email, if you know what I'm saying."

An industry advocate believed that the messaging within Australian society has reinforced this sense of entitlement among these individuals, while this reality will be difficult to change:

"… they have had every indication through their entire lives, which is why I'm not saying that they can be simply blamed, but they have been told … that they are the best people to be leaders and they just aren't … and of course they'd die rather than admit it, but that's I think still very deeply embedded and they see it reflected back at them all the time."

A further challenge identified from interviewees was the inconsistency between language and actions by some high-profile individuals. These individuals were speaking out with all the 'right words' yet failing to follow through with action and change within their own organisations. Change is also slow, as board terms of three years up to nine years' duration (three terms) on Australian boards, means that opportunities for renewal may not arise in every given year. As an ASX100 industry investor commented:

"… the majority of directors on those ASX200 boards, most of them are probably over 60, well a significant proportion is, but they're older than me, they might have a particular view of the world – they might have been in that particular cloud for multiple years, and it so it takes time to change that."

Finally, those interviewed often reflected on the public versus more private dialogue of board chairs. One industry advocate remarked:

"… the chairs who just don't think it's that much of a priority are smart enough not to say anything. You know, they know now that it's not acceptable to say, 'I think this is ridiculous. Who cares?' or 'all the women aren't skilled enough they haven't got

to CEO level…' like that, though you know it still occasionally comes to the surface."

Others described more institutionalised mechanisms that serve to pushback against gender equality on boards. In particular, the existing Government's lack of commitment to the full employment of women was raised as a particularly detrimental inhibitor to gender equality on boards. As one representative from an industry member organisation remarked:

"… I'm not so sure this Prime Minister will do it [address childcare provisions]. Frankly, if he can't answer questions about women's safety in his workplace, I'm suggesting to you that he probably won't see the benefit of even having them in the workplace full time. Which is disappointing … if we had a decent childcare policy where every single woman that went to work took home at least 35 per cent of what she earns that day, then I think that we would have a big shift. You would want people at the lower end to take home more than that, and you want the people at the top end to take home at least that because we need them to have discretionary spend, otherwise the system doesn't work, and then we need their productivity too, absolutely need their productivity."

Pushback on board gender equality was generally described by interviewees as being subversive and persistent in some sectors. Although this was not widespread, the absence of facilitative or supportive action by many chairs was also observed by participants as being a clear indicator of pushback.

Fatigue from the persistent need to justify more gender equality on boards

A level of fatigue was identified pertaining to the persistent requirement for the gender equality on a board's agenda to be reimagined or reinvigorated in cycles over time. In considering the pace of change that has taken place to progress to current levels, one industry advocate remarked that:

"I think it was getting to like 40 or 50 per cent [women's representation] and they were just not hitting them [the targets], and so the Government started looking at it through workshops with key leaders etc. and in the last year or so they've just come along [in] leaps and bounds. Because, there'd been just a kind of institutional fatigue that creeps up and trying to find ways to re-energize it and so that message needs to be renewed … that message that you need: diversity, fairness, the equity elements are really important to help drive innovation. So, just finding new ways to package up a message and also ensure that there is equal participation in all the feeder groups and in the environment of how discussions are run and so forth."

This fatigue was also recognised at the individual level, wherein women in senior executive roles are observed as 'opting out'. Moreover, fatigue was described more broadly within the public discourse and the willingness of media to continue to contribute stories supporting the debate about diversity, pipelines to CEO appointments and barriers faced by women around the lack of childcare, mentoring, and support for change. One representative from an industry member organisation remarked that:

"The lack of a pipeline, I think that's a piece, just a bit of exhaustion? Like we sometimes get this from the media. "Oh, we just can't run diversity pieces for the moment, we're not getting enough hits. People are tired or fatigued". That's because we still don't have a national debate about diversity. Because if you look at it, there's absolutely no national debate about diversity in this country."

Finally, those interviewed emphasised that inhibitors around traditional views of the board skills matrix, overt and subversive mechanisms of pushback, and fatigue were largely inter-related. Any reforms that challenge these inhibitors requires a strategic approach that disentangles the effects of each inhibitor to produce meaningful and sustained change.

What needs to happen going forward to sustain change?

The role of informal coalitions to drive change and dialogue

A strong theme to emerge from the interviews was that the institutional changes that supported women's increased engagement on boards have been reliant upon the intervention of several key individuals, organisations and industry bodies. In addition, while there are few if any formal alliances, the current level of women's representation on Australian boards was attributed by many of those interviewed to the emergence of 'informal coalitions' present within corporate Australia over the intervening 12 years. While many individual champions spoke about the need for more gender diversity, their views were matched and supported by other prominent figures from Chief Executive Women, ACSI, AICD, the 30% Club Australia, MCC and others.

Coalitions involve the cooperation and collaboration of individuals and groups who, alongside one another, effect change on a specific challenge.[101] Many described that a variety of coalitions formed, reformed, disbanded and re-emerged throughout the trajectory of women's increased board participation. Moreover, it was clear to many that the landscape of actors initially involved in progressing the agenda of gender equality on boards had changed. This was seen as necessitating a reinvigorated and re-energised approach to progressing gender equality. As one ASX100 chair commented:

"... a lot of the players who made the initial big push are no longer there, so it needs to be restructured."

However, when reflecting on more recent years, there was broad agreement from many interviewees that the convergence in efforts has generally waned since the 30 per cent target was achieved.

Participants broadly lamented what was perceived as the lack of a 'united front' about gender equality in Australian board rooms in recent years. They expressed the need for a broader dialogue encompassing the many individuals, organisations and institutions involved with gender equality on Australian boards. A related point raised by many was the perceived lack of a national dialogue concentrated on issues of gender inequality within Australian corporations. One executive member group representative highlighted:

"We don't have this national dialogue on women's issues. It's pushed to one side. We don't have a gender lens across budgets. On the whole, we've got some very hard-working Ministers for Women, but they are juggling other big portfolios, and the debate is not nuanced either. We tackle it piecemeal ... we sort of run an issue about women and then they all heave a sigh of relief, and then we pick the next issue. We don't look at it from a holistic point of view. We treat the symptoms, not the cause ... It's all happening in a much smaller group ... but noone is driving the national agenda at the moment ... that's going to become a huge barrier for Australia."

In light of the progress made to date, interviewees agreed that continued development on gender equality required broader involvement from government, society and business with one chair from the ASX100 remarking:

"... it has to be the whole of the country, business can't do that on their own ... that's just one part of the employment sector, we know that obviously we have academia and public service and also from small business ... I think it is very challenging and I think one thing we could do is change a lot of the dialogue ...".

To effectively produce a united voice that speaks to and progresses gender equality on boards, those focused on the study of institutional change argue that progress necessitates "a much broader canvas that seeks out competing voices, and works with the resulting ambiguities, contradictions and tensions of messy reality".[102] Such a discussion requires a national dialogue that brings all of the figures who are passionate about gender equality on boards to establish the agenda, key indicators and pathways to progress. The many and varied organisations cited throughout this report form that canvas upon which a national dialogue might commence.

101 Graetz, F., & Smith, A. C. (2010). Managing organizational change: A philosophies of change approach. Journal of Change Management, 10(2), 135-154.
102 (Graetz & Smith, 2010:136).

Measuring progress

The critiques of ongoing measurement raised issues linked to the number of women captured within reports of key management personnel as an indicator of the availability of women in the pipeline for future board appointments. Moreover, alternate metrics drawn up were identified as potentially occluding the gendered stratification within certain occupations or specialisations within the executive (i.e., human resources, law). One investor representative highlighted the challenges that stem from finding accurate measurement tools for gender equality:

"... they're struggling with how to measure women in senior executive roles. There's only one way to do it, which is the KMP, the key management personnel, which is defined in the corporation's law, and is disclosed publicly in the remuneration report."

Applied research from McKinsey shows that "granular data" and "succession-planning processes to incorporate good data on gender diversity" is key to managing the leaky pipeline that plagues women's career trajectories into the executive and C-suite.[103] Since many participants described the executive and C-suites as career experiences formative to women's board appointments, it is clear that adressing pipeline challenges using robust data sources is pivotal to impacting change.

The perceived appropriateness of data sources was not limited to evaluations of the available talent pipeline for women's board appointments. In particular, interviewees reflected on the information boards were provided with when making personnel decisions regarding new members and how they manage and apply that information. As one investor representative stated:

"I think the way that the valuation of companies is shifting [is] a position that's quite overlooked ... in 1975 the market cap of the S&P 500 was 75 per cent tangible assets 25 per cent intangible and now they just released it in July last year it's 90 per cent intangible, 10 per cent tangible. So what information is the board getting on human capital, how they're managing it and they're not? I think boards are still getting the same information in monthly board packs they were getting 10-15 years ago and it needs to change..."

Boards' willingness to explore 'talent' and re-examine the skillsets of board members was also underscored by many as a key driver in producing gender equality. A substantial portion of participants understood that emerging markets, changing market demands, and new economies are producing an increasing need for skills diversification on boards. At the same time, there remained concerns regarding the 'critical mass'[104] required on boards even within more innovative industries positioned by those interviewed as being more open to change or novel and innovative technologies and approaches. This paradox was underscored by one Chair from the ASX100 who commented:

"... in terms of the new economy, whether its life sciences or technology, that's where people are much more open to appointing women to the Board but critical mass remains a big issue actually ..."

Concering establishing the critical mass, interviewees listed as critical the need for the dialogue more generally within society about removing sexual harassment and challenging stereotypical beliefs about what careers or roles women should hold and those whom ought to hold powerful roles and positions. As one industry members' representative remarked:

"... another example would be in respect of work around sexual harassment. There's definitely a business line around how business works with that and the equality of treatment ... It doesn't start in the workplace, like people behave naturally and then they go to business and sexually harass people, they come in with that attitude, so it's an attitude you've got to fix in society and business is one of the lenses."

Interviewees reported a keen awareness of the continued impacts of outdated notions regarding men and women's roles in society and this impact on the career trajectories of women executives and prospective board members. The majority of participants observed that the unpaid burden of care professional women continue to be subject to prohibits their career progression. This perception was also detrimental to young men taking the opportunity to engage more fully within the provision of care at home. As one NED from the ASX100 asked:

"... why aren't we recruiting more men into nursing or teaching? Perhaps there should be ways of incentivising those professions which are very gendered to actually look at themselves and say "right, well, we want to get to 50/50 men and women, because [as] women, we don't want those gendered industries". Then we're going to be able to solve social issues like childcare and access to change. It would be much easier if men and women were sharing their lives in a way."

103 Barsh, J., & Yee, L. (2012). Unlocking the full potential of women at work. McKinsey & Company/Wall Street Journal.
104 Kanter, R. M. (1977). Men and women of the corporation.

To progress change and continue momentum towards gender equality on boards, several actions are needed. These include the formalisation of coalitions by establishing a national dialogue that brings together change-makers and the mosaic of powerful individuals, organisations and institutions that have contributed to existing progress. Any subsequent progress made must then be evaluated based on relevant metrics and datasets that accurately measure gender equality on boards alongside the executive pipeline that leads to board roles.

Expectations around the provision of care

The vast majority of those interviewed saw the provision of caregiving as an important precursor to gender inequality in the boardroom, senior executive and C-suites, the latter two of which were considered in the context of the talent pipeline to board participation. The broader matter of childcare was considered by most people interviewed as requiring an entire overhaul. Many judged this as a vital and integral mechanism for producing more lasting and sustained positive impacts to the pipeline of talent feeding into senior executive and board recruitment pools.

Interviewees felt frustration or impatience about how childcare was handled through both policy and legislation within Australia, with one Chair from the ASX100 suggesting:

"... we need to change the way we do childcare. It's a fundamental thing on so many levels and there's no single answer to childcare; this voucher, that voucher ... What is deductible if childcare is not? It's a cost of doing business. So culturally, there's so much that we need to change."

For some participants, this was seen as an issue requiring legislative reforms, but broadly, the sentiments raised by participants also centred on re-examination of where the provision of care could be facilitated by corporations, government, legislative reform, society and families. In exploring the role of government in childcare provision in Australia, participants described the roles that could be taken through legislative reform, through the revision of taxation law, and at the local government level with accessibility, supply, hours and quality of care all being significant issues.

The continued engagement of women within the workforce throughout and beyond the early childhood years was also observed by participants as being a societal-level issue. This was underscored by one NED from the ASX100 who stated:

"Then you need to do all the things with recruitment and pipeline planning that get women into those positions; it is a problem for all of the country and it's really important."

Many of the participants were also cognisant of the persistence of traditional stereotypes regarding the provision of care within the family. This appeared to be particularly salient to Chairs from the ASX100, though broadly understood and supported by most participants, with one Chair remarking that:

"So much of the dialogue talks about child-raising as still the woman's responsibility, and you know even a debate about getting childcare and paid childcare and who pays for childcare ... when we talk about that as a dialogue in a public domain, we shouldn't be talking the shorthand, well so it's the woman I'd say 90% of that conversation, or maybe even close to 100% of those conversations off the bat, becomes the woman's responsibility. Whereas it should be, you know the family has made that decision and fully acceptable for a man to take time out from his career and do the family raising and let the women go to work if that's what they wanted to."

This underscores the general public rhetoric that childcare is a 'women's issue' versus being a societal issue that requires intervention at multiple levels to support the continued workforce participation of both men and women. Participants expressed a keen awareness of the perceived stigma regarding a role-reversal that sees men as the main providers of care within the family home. Yet, when examining the care arrangements of women senior executives, one Chair from the ASX100 remarked:

"I was reminded of 12 months or so ago there was a lunch function of senior executive women, they had just got together for a chat about issues and someone asked a question of that group "how many of them have a stay at home partner?", and it was 20 out of 21 of those women [where] the partners have decided to take time out of the workforce and look after the kids ... this is not that unusual, but it's not spoken about very much at all ... there's a social stigma I think about that still ..."

There were multiple elements encompassed by participants discussing the expectations of care and how this has informed and continues to inform gender equality in the boardroom. In particular, views expressed by participants underscored the need for a more cohesive and institutional / governmental response regarding childcare in Australia.

Recruiters, skills sets and CEO experience

The mechanisms to sustain positive change were largely considered within the framework of the talent pipeline women board members were drawn for. For many interviewees, there was an exploration of the pipeline from the point of view

of executive recruitment. It was clear that the role of recruiters was pivotal in supporting a robust candidate pool comprising suitable women and men. In some ways, securing a pool of meritorious men and women executives for board roles was seen by many participants to be a cornerstone to securing gender equality on boards. This was particularly noted by one participant, who reflected on recruiters who adopted a strategic perspective to gender equality relative to those who did not.

"There's a few who do get the big picture, and some of them have been involved in getting us to 30% who think way beyond that … but most of them are journeymen, who have got a role for XYZ company. And it's probably a tiny minority [of recruiters] who think, "how do we get women to these other top roles? And how do we make sure that they're not taking roles that are too small for them?" I don't think too many do that."

One view was that recruiters might constrain the field of available and talented board members, particularly for traditional board appointment. On the contrary, recruiters and chairs may also prematurely recruit high-potential senior executives for board appointments, drawing women away from the talent pipeline towards CEO roles.

By selecting high-potential women prematurely from senior executive ranks, interviewees believed they might suffer unintended consequences of being 'ineligible' for ASX100 board roles underpinned by expectations of particular skillsets only available through various executive roles. This was noted by various participants, with one participant – a former industry member representative – remarking:

"I still think [there's] people that leave their executive careers too early because they wanted to do board work because they like the strategy piece; But if you leave your executive career too early, that can kind of also impact on the way that you view boards too, you can get a bit desperate in where you're aiming and what you're doing and you know trying to fill out this portfolio, whereas … directors, male and female, who have reached the C-suite, who have had big roles, they're quite relaxed about the board portfolio."

There is also a common perception that certain board roles necessitate specific career experiences, particularly having expertise in CEO, senior operational roles and experience in profit and loss management. Being recruited into board roles before having this experience was broadly seen as constraining future boardroom opportunities. This was commented upon by one industry member organisation representative who suggested:

"I think we do need to find out what's the force at work to get women into operational roles so that they run P&Ls and they are comfortable with finances, and not everybody has to be the chairman of the audit committee, but we all sign off on the accounts. We all have to understand them …"

Those interviewed were broadly aware of the need for boards to change. More turnover of male board members is necessary for women's increased occupation of board roles and positions. Nevertheless, many participants recognised that board appointments were often considered coveted positions, not willingly given up by those who have yet to fulfil the full nine-year term available to many board appointees in Australia. This sentiment was shared by those represented on ASX100 boards as well as representatives from investor groups, with one remarking:

"Those that might enjoy being on that board have to – and they might be retired guys who enjoy it – step back to give diversity a chance, and the leadership often requires sometimes stepping back to give others the opportunity."

Participants identified that the balance between premature appointments and those timed for the greatest possible success of high-potential women board members was precarious. This produces a set of circumstances that directly impact the pipeline of talented women board members, necessitating further consideration of future interventions to address the talent pipeline.

Measurable, objective and monitored

Many participants remarked that targets or goals for gender equality on boards that are measurable, objective and monitored are a key element of sustaining change and progress. Carefully managed targets that are monitored and evaluated are most effective in producing the necessary cultural and strategic change within corporations[105] that underpins greater gender equality throughout the organisation. This sentiment was also mirrored from those whom held a meta-perspective of corporate Australia (i.e., investors, superfunds, industry bodies), with one representative from an investment organisation stating:

"I'm a great fan of having a set number, because they can be measured against, because then you need to give a good reason why you couldn't make it."

105 Klettner, A., Clarke, T., & Boersma, M. (2016). Strategic and regulatory approaches to increasing women in leadership: Multilevel targets and mandatory quotas as levers for cultural change. Journal of Business Ethics, 133(3), 395-419.

In service of strategic institutional change, some participants reported greater tolerance for an inconsistent pace of change concerning gender equality within Australian board rooms. One ASX100 Chair commented on the fluctuations in the pace of change, recognising that momentum plays an important role in producing sustained changes to gender equality:

"...the more you achieve, the harder is the next 10 per cent. The first 10 per cent was probably hard because it was different; moving from 10 to 20 per cent was probably a bit easier because there was a wave of momentum and 20 to 30 was the wave that kept going. I think the move from 30 to 40 will be hard again, and hopefully not back to the first 10 per cent."

The ambiguity in the anticipated pace of change, and strategies that may sustain change, were contextualised by the understanding of many participants that the pool of directors and available 'appropriately qualified' directors in Australia remains narrow. This was the sentiment most widely held by interviewees.

Board governance as an impediment to progress

Interviewees observed board governance in Australia as both an impediment to progress, being among the most onerous in OECD countries, and a mechanism for sustaining balanced growth and change. For instance, one participant representing the view of member organisations remarked on the possibility of establishing an 'observership' program (similar to that which has been operational in New Zealand for some time) to allow high-potential women the opportunity to upskill towards a board directorship, yet lamented on the Australian governance restrictions that would prohibit such a program. Other participants remarked on the governance requirements of board members in Australia relative to our counterparts in other nations.

The exposure to litigation faced by Australian boards necessitates a particular composition of skills that boards believe position them to navigate and adequately respond to the complex corporate environment. This promulgates and reproduces a constellation of skills and capabilities on Australian boards that further narrows the field of capable and qualified board candidates. As one study of ASIC Chair and deputy chair speeches to industry revealed, in ASIC's view, the depth and breadth of industry experience of a CEO is the best way for a board to increase profitability and reduce exposure to liability.[106] This reinforces the notion that such individuals would also provide such levels of comfort on the board.

Incentivising progress – 'Carrots and sticks'

When asked to reflect on the impacts of various approaches to sustaining change, a simple view is that approaches are either incentivised gender equal boards, or penalised gender unequal boards. Many described the positive benefits reaped by positively reinforcing those who establish gender equality on their boards through praise, reward and recognition, or positive publicity. However, it was clear that social sanctions and penalties were judged to be most effective in producing and sustaining progress. These strategies were linked especially to the actions of investors and industry superfunds, among others, that pushed for change and greater gender equality on boards. As one investor representative remarked:

"... in the end, the stick actually has been really what it's kind of got to. I suppose the carrot got the people who were believers in the value of diversity across the line, and the encouragement, and the kind of understanding that by participating in this change, they would be doing a societal and an economic good for their company."

In particular, many reflected that progress was iterative, requiring reflective practice and the persistent revisiting of past work and progress to propel momentum forward. While the minority of interviewees expressed some impatience with this requirement for sustaining change, the vast majority understood this as necessary to progress gender equality on boards. Nonetheless, as one ASX100 NED remarked when reflecting on the embeddedness of the progress made over the past 12 years:

"... it [progress] was quite fragile for a while, whether we were going to go backwards or not. We need to deeply embed and make sure that is the baseline. That's the floor from which no one goes backwards and everyone gets to it. I don't think we're there yet."

Ongoing changes within the Australian corporate landscape also necessitated a willingness to revisit past messaging surrounding gender equality on boards, particularly in emerging businesses or within the context of mergers and acquisitions. One ASX100 NED expressed a concern shared by some others that emerging markets may produce consequences for the metrics surrounding gender equality on boards:

"... more IPOs are coming, you're going to have a bigger problem because of the low level of women on IPOs at the moment. I think deeply embedding it is the first thing to do and getting

106 Fitzsimmons, T.W. & Callan, V.J. 2016. CEO selection: A capital perspective. The Leadership Quarterly. 27(5):765-787.

it to the 30 per cent and then I think the next thing to do is to get to the 40/40/20, 40 men, 40 women, and 20 per cent diversity and actually, I do think that you want your board to reflect the community it serves."

The ongoing cycle of reinvention regarding gender equality on boards has converged to produce a context that encourages those boards which already understand and endorse the advantages of women on boards while necessitating punitive action where dissenters demonstrate an unwillingness to address board gender inequality. In the instance of IPOs, participants recognised that perhaps a more regimented technique may facilitate a timely response to gender equality on boards. This is particularly true in emerging markets, where some firms are likely to grow their market capital quickly enough to attain a position in the ASX300 in upcoming years.

A note on the role of economic disruption and COVID-19

Any continued changes required to move beyond the initial 30 per cent target will require interventions that appreciate continued market pressures on firms, the changing demography within Australian workplaces, and economic pressures Australian markets are subject to. Unsurprisingly, these economic pressures include the impacts of COVID-19 within boardroom decision-making, and the future pool of female board members, with one ASX100 NED commenting:

"It'll be interesting to see how the whole COVID year and the whole COVID process impacts on progress. I'm hoping that because we do have more women sitting around board tables now, that that's going to mean the trajectory for more women coming through is much easier."

The pool of potential directors in the upcoming five years was seen as at risk due to market disruption caused by COVID-19. There was a persistent concern from interviewees about the quality of strategic planning around board composition, particularly when establishing a robust and equitable pipeline of talented directors. In particular, interviewees called for a more focused dialogue about gender equality in board rooms, bringing together the many diverse conversations. One gender equality advocate commented:

"I think there needs to be a big dialogue around diversity, but I also think there needs to be a dialogue… at the moment, the dialogue around women and our lives in Australia is all over the place. Because you've got the education piece, which we talked about at the beginning, but we've got a big issue in Australia with the increasing poverty of women over 50. We've got the superannuation gap and we've got the worst pension issues for women in the OECD, even though we were one of the first countries to actually introduce superannuation."

Many of those interviewed expressed the need for an integrated, holistic examination of workplace gender inequality and large scale intervention in Australian society if board gender parity were to become irrevocably embedded in corporate Australia.

Conclusion and recommendations

Gender equality on boards remains a pertinent issue for corporate Australia. Despite the success and continued efforts to redress gender inequality on boards, it is clear that further efforts are required to sustain progress as Australian corporate boards continue to strive towards more accurately reflecting their stakeholders and customers' expectations and, indeed, demographics.

Those interviewed within this report presented a robust array of levers underpinning the change and progress evidenced to date. These largely focused on a mosaic of powerful figures within corporate Australia and representative institutions working in tandem to push for progress. Regulators, advocates and investors have instigated and demanded change through implicit and explicit actions necessitating women's inclusion on boards, alongside the very active and explicit empowerment and sponsorship of high-potential women board members.

At the same time, interviewees expressed a clear understanding of persistent barriers that inhibit progression and embedding of gender equality on corporate Australian boards. These broadly encompassed the application of the existing understanding of the board skills matrix, the regulatory landscape and legislative requirements of ASX boards, the pipeline of board-ready women, pushback and gender fatigue.

At the heart of these insights is the foundational requirement of a united voice.

Establishing a cohesive and inclusive voice is an underpinning requirement for future progress. This could be generated through a facilitated national dialogue encompassing the voices of all individuals, organisations and institutions that have played a role in the progression of women on to our ASX200 boards and beyond. Such a dialogue will necessarily encompass those who have contributed much to the existing progress and extend to the inclusion of emerging interests as we move toward board gender parity. We stand at a moment in Australian history when it is possible to drive change and there is substantial opportunity for key industry bodies to influence and shape the national dialogue to produce maximal benefits for Australian business and Australian society more broadly moving into the future.

Through the foundation of a united voice, an agreed-upon pathway for engaging with government institutions and market regulators would be more easily facilitated, promoting a more sustainable route to progress towards more gender equality on boards.

Several specific recommendations that stem from the data collected and presented within this report:

1. **It is recommended that** those institutions identified in this report as 'direct' and 'indirect influencers' establish a formal alliance. The alliance's mandate would include identifying and addressing the broad and systemic barriers confronting women and Australian business with the object of increasing the pipeline of women into executive and board roles. It should work collaboratively to implement, facilitate or support, as relevant, each of the recommendations in this report.

2. **It is recommended that** this formal alliance adopt a 40/40/20 target for board gender parity and that the ASX Corporate Governance Council should consider this in any future revisions of the ASX Corporate Governance Recommendations and Principles.
3. **It is recommended that** a media strategy be agreed upon by a formal alliance established to promote board gender parity. As part of that strategy, a mechanism for specifically addressing or 'calling out' individual reporters or media outlets who use gender stereotypes or matters unrelated to professional standards in reporting upon women in executive or board roles should be devised. Additionally, a database of women experts should be established for media to draw upon for comment.
4. **It is recommended that** existing board readiness and mentoring programs for women be renewed and prioritised as a key mechanism in bringing more women to ASX300 roles and beyond. Explicitly, ASX200 chairs should play a more prominent role in this mentoring program.
5. **It is recommended that** existing series and statistical data should be maintained and refined to identify progress towards 40/40/20 and other areas for attention and change. Likewise, organisations that have failed to move towards market expectations should continue to be targeted through media releases and investor action.
6. **It is recommended that** the current conceptualisations of the board skills matrices be reviewed in conjunction with ASX200 board chairs, ASIC and the ASX to identify whether they are aligned to the governance requirements of the present and near future economy and market expectations. A mini-summit might be an effective mechanism for bringing these groups together.
7. **It is recommended that** representatives of all executive recruiting firms in each capital city, promoters/underwriters of IPOs and a body representing ASX300 chairs come together to reach a consensus on strategies for defining board role briefs and the depth and breadth of the pool of women candidates.

Appendix 1 – Methodology and limitations

Rationale

The purpose of this research project is to gain a clear understanding of the environment that has led to a dramatic increase in the proportion of women on listed public company boards over the past decade. Australia is one of only three countries to reach over 30 per cent women on top listed public companies without recourse to government intervention in the form of quotas. This increase has occurred despite Australia's declining performance on gender equality metrics relative to other countries.[107] Additionally, the study's aim is to identify ongoing barriers to the progression of women onto listed public company boards and provide recommendations towards overcoming these barriers.

Findings from this study will provide key stakeholders, such as the Australian Securities and Investment Commission, the Australian Securities Exchange and the Federal Government, a deeper understanding of what has driven and may continue to drive the proportion of women on public company boards in Australia. At a theoretical level, findings from this study will contribute to the existing literature and theory surrounding women on boards and inform the ongoing quotas versus targets debate about firm performance and government intervention in Australia and overseas.

Sample and context

This research study is scoped to engage with key stakeholder groups surrounding the appointment and advocacy for the appointment of women to ASX200 boards. After a review of the academic literature, media reports and secondary documentation maintained by the AICD, Women on Boards and WGEA, key stakeholders, in alphabetical order, were identified as follows:

- 30% Club Australia
- ASX50 Board Chairs
- Australian Financial Review
- Australian Gender Equality Council
- Australian Institute of Company Directors
- Australian Securities and Investment Commission
- Champions of Change (Formerly Male Champions of Change)
- Chief Executive Women
- Executive Recruiters
- Federal Government Office for Women
- Human Rights Commission, Office for the Federal Sex Discrimination Commissioner
- Investment representative bodies and advisors
- Women Non-Executive Directors
- Women on Boards
- Women's Advocacy Groups
- Workplace Gender Equality Agency

The primary criteria for interviewees for the research was their being a member, or former member/employee/office bearer of one of these stakeholder groups.

In all, 33 interviews were conducted. Many interviewees belonged to multiple stakeholder groups listed in the following table. Table 1 provides a numerical representation of the stakeholder groups sampled through the 33 interviews.

107 https://www.weforum.org/reports/global-gender-gap-report-2021

Key Stakeholder Group Category	Number of Interviewees Represented In Category
30% Club Australia	**5**
ASX100 Board Chairs	**6**
Australian Financial Review	**2**
Australian Institute of Company Directors	**5**
Australian Securities and Investment Commission	**2**
Champions of Change (Formerly Male Champions of Change)	**4**
Chief Executive Women	**4**
Executive Recruiters	**2**
Federal Government Office for Women	**2**
Human Rights Commission, Office for the Federal Sex Discrimination Commissioner	**1**
Investment representative bodies and advisors	**6**
Women ASX200 Non-Executive Directors	**7**
Women on Boards	**2**
Women's Advocacy Groups (other)	**5**
Workplace Gender Equality Agency	**1**

Procedure

Recruitment for interviews commenced in October 2020 and concluded in March 2021. The Australian Institute of Company Directors and the Australian Gender Equality Council made separate approaches to a list of key stakeholders identified by the research team through preliminary stakeholder analysis in consultation with AICD and AGEC. Key individuals were invited to participate in interviews for the research project via email. The research team also made separate contact with several key stakeholders.

Recruitment involved forwarding the potential interviewee a copy of the Project Information Sheet, Consent Form and Interview Protocol. All participants who consented to participate in the study were interviewed.

To ensure that a significant majority of key stakeholders were interviewed, the research team also employed a snowballing technique. During interviews, participants were asked to identify who they believed were the key stakeholders in the progression of women onto listed public boards. Where these names arose more than once, these individuals or organisations were also invited to participate in the research. Interviews continued to be conducted until a point of theoretical saturation was reached. This is to say that no new data or insights were emerging from later interviews that had not already been disclosed in earlier interviews.

Interviews were conducted by the lead researcher using Zoom. Transcripts of Zoom interviews were derived using Zoom transcription VTT technology and reviewed and edited by the research team for accuracy.

The length of interviews varied from 26 to 87 minutes with an average of 54.1 minutes.

Data analysis

Analysis of the interview transcripts was strongly informed by the method employed by Pratt, Rockmann and Kaufmann (2006)[108] in their work on professional identity construction, which is described in detail in Athens (2010)[109] and which occurs in three stages.

Stage 1 involved a manifest analysis[110] of the transcripts to generate first-order codes. Each transcript

108 Pratt, M.G., Rockmann, K.W. & Kaufmann, J.B. 2006. Constructing professional identity: The role of work and identity learning cycles in the customization of identity among medical residents. Academy of Management Journal, 49(2): 235-262.

109 Athens, L. 2010. Naturalistic inquiry in theory and practice. Journal of Contemporary Ethnography, 39(1): 87-125.

110 Greenwood, R. & Suddaby, R. 2006. Institutional entrepreneurship in mature fields: The big five accounting firms. Academy of Management Journal, 49(1): 27-48.

was read a number of times prior to coding to identify commonly used phrases and patterns of description. These data were used to create codes and to name key ideas or themes. Each text was manually coded by the research team members and then cross-checked by recoding by another team member and comparisons made to ensure consistency in coding and interpretation. Statements by interviewees were grouped around common conceptual meanings using first order codes and names.

Stage 2 saw the integration of the first order codes and the creation of theoretical categories through a latent (or relational) analysis of the data.[111] Coded statements were consolidated into a concept group or theoretical category through a reflexive interpretation of the data.[112] The interpretation was based upon the researchers prolonged engagement with the subject and a deep understanding of the corporate field[113] and work previously carried out in researching corporate gender equality.[114]

In Stage 3, the texts were considered by code to group, ungroup, refine or discard categories based upon identifiable distinctions between them.[115] This stage identified relationships between theoretical categories, while each category was considered in relation to possible associations with differential views between the respondent groups. This stage also compared the respondent group's similarities and differences and tested whether any exceptions or unexplained connections in the derived categories remained in the data set.

While the presentation of the findings may infer that the above process was completely linear, such an inference would be incorrect. For example, as strong patterns emerged early during data collection, further questions were asked of later respondents after the conclusion of their interview relating to these patterns and some of the early emergent themes. This was done to refine and validate our early understanding of the data.[116] Further, the researchers maintained contact with all of the respondents after the interviews, and they were able to present the preliminary findings to them to seek feedback on these interpretations.[117]

Finally, wherever possible, salient facts, figures and dates were independently verified against secondary data sources such as media, institutional and academic reports. These sources have been extensively footnoted throughout the report.

Limitations

The analysis within this report is primarily based upon 33 interviews conducted with a broad range of stakeholder groups. While steps were taken to ensure respondents comprised a significant proportion of identified key stakeholders, through cross-checking respondent views of key stakeholders and recruiting these people to the study, and that theoretical saturation had been reached, the sample is nonetheless relatively small. As such it's possible other views may have been missed in compiling the report.

The qualitative research methodology used in compiling the report has an inherent limitation in not being able to quantify the relative contribution of each of the key stakeholder groups identified in this report. Using the data analysis methodology outlined above, the researchers believe that the separation of 'key influencers' and indirect influencers' is robust, however, the relative contributions within these categories are beyond the scope of this report.

Interviews and their outcomes exist in a field of tensions between different logics such as the communication of facts and experiences, political action, script following and impression management requiring reflexive awareness. Each question posed to the respondents was subjected to rigorous prior examination, and respondent views were sought at the end of the interview about the questions that were asked and their ideas on those that should have been asked.[118]

A significant limitation of the study was the amount of time that elapsed between the interview and the events respondents were being asked to recall. Questions were provided to the respondents before the interviews, and were limited to critical incidents and events. Key events are more likely to remain relatively stable in long term memory throughout a person's life.[119] This limitation was largely addressed through a comparison of respondent recollections with secondary data sources to validate events and their timing.

111 Greenwood, R. & Suddaby, R. 2006. Institutional entrepreneurship in mature fields: The big five accounting firms. ***Academy of Management Journal***, 49(1): 27-48.

112 Alvesson, M. (2003). Beyond neopositivists, romantics, and localists: A reflexive approach to interviews in organizational research. ***Academy of Management Review***, 28(1): 13-33.

113 Athens, L. 2010. Naturalistic inquiry in theory and practice. ***Journal of Contemporary Ethnography***, 39(1): 87-125.

114 Fitzsimmons, T.W., Yates, M.S. & Callan, V.J. 2020. ***Employer of choice for gender equality: Leading practices in strategy, policy and implementation***. Brisbane: AIBE Centre for Gender Equality in the Workplace.

115 Braun, V. & Clarke, V. 2006. Using thematic analysis in psychology. ***Qualitative Research in Psychology***, 3(1): 77-101.

116 Corley, K.G. & Gioia, D.A. 2004. Identity ambiguity and change in the wake of corporate spin off. ***Administrative Science Quarterly***, 49(2): 173-208.

117 Sandberg, J. (2000). Understanding human competence at work: An interpretive approach. ***Academy of Management Journal***, 43(1): 9-25.

118 Flick, U. 2006. ***An introduction to qualitative research (3rd Ed.)***. London: Sage.

119 Carlson, N.R., Martin, G.N. & Buskit, W. 2004. ***Psychology.*** Sydney: Pearson.

Ethical clearance

The University of Queensland Business, Economics & Law, Low and Negligible Risk Ethics Sub-Committee reviewed this study in accordance with the National Health and Medical Research Council's National Statement on Ethical Conduct in Human Research (2007, incorporating all updates as at May 2015) (National Statement) on the 6th of February 2020.

The University of Queensland Business, Economics & Law, Low and Negligible Risk Ethics Sub-Committee is constituted and operates in accordance with the National Statement.

The University of Queensland Business, Economics & Law, Low and Negligible Risk Ethics Sub-Committee approved this project on the 6th of February 2020, noting that the application met the requirements of the National Statement.

Approval Number: 2020000054

Appendix 2 – "Women in" Organisations

1. Women in Super (https://www.womeninsuper.com.au/index.php)
2. The Australian Local Government Women's Association (https://www.algwa.net.au)
3. Australian Women Lawyers (https://australianwomenlawyers.com.au)
4. (Women) in FINSIA (https://www.finsia.com/membership/community/councils-and-committees/diversity-advisory-council)
5. Women and Leadership Australia (https://www.wla.edu.au)
6. National Association of Women in Construction (https://www.nawic.com.au)
7. National Association of Women in Operations (https://www.nawo.org.au)
8. Australian Federation of Business and Professional Women (https://www.bpw.com.au)
9. Women in Technology (https://www.wit.org.au)
10. AMMA's Australian Women in Resources Alliance (https://www.amma.org.au/news-media/media-center/australian-women-resources-alliance-awra)
11. Australian Centre for Leadership for Women (https://aclw.org)
12. Australian Women in Aviation (https://waiaustralia.org)
13. Economic Security4Women (https://www.security4women.org.au)
14. Equality Rights Alliance (https://www.equalityrightsalliance.org.au)
15. National Rural Women's Coalition (https://www.nrwc.com.au)
16. Older Women's Network (https://www.ownaustralia.org.au)
17. Tradeswomen Australia (https://tradeswomenaustralia.com.au)
18. Transport Women Australia (https://www.transportwomen.com.au)
19. Women's Leadership Institute Australia (https://www.wlia.org.au)
20. Women for Election Australia (https://wfea.org.au)
21. Women in Banking and Finance (https://www.wibf.org.au)
22. Women in Digital (https://womenindigital.org)
23. Women in Gaming & Hospitality (https://wgha.org.au)
24. Women in Engineering (https://www.engineersaustralia.org.au/Communities-And-Groups/Special-Interest-Groups/Women-In-Engineering)
25. Women in Automotive (https://www.womeninautomotive.com.au)
26. Elevate Her (https://elevateheraus.org.au)
27. Women in Energy (https://www.linkedin.com/company/women-in-energy/about)
28. Women in Emergency Medicine (https://acem.org.au/Content-Sources/Advancing-Emergency-Medicine/Sections/Advancing-Women-in-Emergency-Section)
29. Women in Media (https://womeninmedia.com.au)
30. Women in Sport (https://www.womensportaustralia.com.au)
31. Women in STEMM (https://womeninscienceaust.org)
32. Women in Safety & Health (https://www.aihs.org.au/networks/women-in-safety-and-health)
33. Australasian Council of Women in Policing (https://acwap.com.au)
34. Women in Economics Network (https://esawen.org.au)
35. Women and Firefighting Australia (https://wafa.asn.au)
36. Women in Forests and Timber Network (https://forestworks.com.au/networks/wftn)
37. Australian Federation of Medical Women (https://www.linkedin.com/company/the-australian-federation-of-medical-women-afmw-)
38. Business Chicks (https://businesschicks.com/about-us)

Appendix 3 – Interview questionnaire

1. What were the drivers of change for you with regard to progressing more women on to boards? Why should we have more women on ASX200 boards?

Examining the past

1. Looking back over the last ten-twelve years:
2. What was the impact of various ASX corporate governance requirements on increasing the number of women on listed company boards?
3. What was the impact of the AICD and its initiatives on increasing the number of women on listed company boards?
4. What was the impact of various advocacy bodies such as Women on Boards, Chief Executive Women and others on increasing the number of women on listed company boards?
5. What was the impact of the media on increasing the number of women on listed company boards?
6. Were there particular individuals that you see as having significantly influenced the issue of progressing more women on to listed company boards over the past decade?
7. What spurred those around you into action?
8. Were there other institutional/organizational pressures that generated change?
9. What has the journey been like for you? (e.g. main milestones, successes, challenges, lessons learnt)

Appointing Women to the Board (Questions directed at Board Chairs)

1. In what ways, if any, have you observed women impacting upon board functioning, dynamics and processes?
2. What do you believe women, as opposed to men, bring to your board?
3. Have you noticed any differences between men and women with regard to assertiveness, risk aversion or self-confidence in board roles?
4. Have you noticed changes in board member behaviours with the introduction of one or more women onto your board/s
5. What practices do you employ to promote the best outcomes around board performance and risk management from having more women on the board?

Looking to the future (10-15mins)

1. What needs to happen going forward to sustain the momentum? (e.g. specific aims and measures)
2. To what extent do you think this will happen?
3. How do you see your role in making this happen? What are you planning to do going forward?
4. What, if any, do you see as the main inhibitors to further increasing the proportion of women on listed company boards?
5. Is there anything we have not covered today that you feel has a bearing on the progression of women on to ASX200 boards?

About the authors

Dr Terrance Fitzsimmons is a Senior Lecturer in Leadership with The University of Queensland Business School. He is also a Chartered Accountant with over 30 years of practice. He is the director of the AIBE Centre for Gender Equality in the Workplace and Managing Director of the Australian Gender Equality Council (AGEC), a body whose members comprise of peak national bodies representing 600,000 women across industry sectors in Australia.

His PhD in Leadership examined successful attributes of CEOs and differing pathways to CEO roles for men and women. In June 2015, Dr Fitzsimmons and Professor Callan released 'Filling the Pool', a major report into gender inequality in Western Australia and what government, organisations and individuals can do to address the issue. In December 2018, Dr Fitzsimmons and Dr Yates released 'Hands Up for Gender Equality' a major report into the gendering of confidence, leadership and STEM career intentions in adolescents. In 2019, with Dr Yates and Professor Callan, Terry released 'Employer of Choice for Gender Equality: Leading Practices in Strategy, Policy and Implementation' with the Workplace Gender Equality Agency. This was a major report outlining the successful strategies adopted by 120 of Australia's leading organisations for the progression of women in the workplace.

Dr Fitzsimmons has worked with many of Australia's largest firms on their diversity programs and regularly speaks in Australia and overseas about gender equality and inclusion. He has served as national and state presidents of not-for-profit bodies and a director on boards of Listed Public Companies in Australia and overseas.

Dr Miriam Yates is an Adjunct Research Fellow at The University of Queensland Business School and Research Fellow at the University of Illinois – Urbana Champaign. She is also a Registered Psychologist who consults with organisations about strategic planning, diversity and inclusion, leadership development and psychological health and wellbeing at work.

Her PhD examined the gendered nature of power and the implications for women and men's career advancement. Since then, Miriam's research portfolio has grown to include career transitioning in male-dominated industries, the 'silver-lining' that crisis contexts can offer minority leaders, intersectional leadership in Australia, and projects evaluating the efficacy of gender equality policy and procedures in Australian organisations. In 2018, along with Dr Fitzsimmons, she released 'Hands Up for Gender Equality', a major report into the gendering of confidence, leadership and STEM career intentions in adolescents. In 2019, with Dr Fitzsimmons and Professor Callan, Miriam released 'Employer of Choice for Gender Equality: Leading Practices in Strategy, Policy and Implementation' with the Workplace Gender Equality Agency. This was a major report outlining the successful strategies adopted by 120 of Australia's leading organisations for the progression of women in the workplace.

Professor Victor Callan AM FAICD is Professor of Management and Leadership at The University of Queensland (UQ) Business School. He has an international research reputation in the fields of organisational change, training, and leadership. He has published in the world's leading management and psychology journals, and based on this record of achievement, was elected as a Fellow of the Academy of Social Sciences in Australia. Victor is a recipient of two UQ Excellence in Leadership Awards for his roles in developing research and industry partnerships. In 2015, with Dr Fitzsimmons, he co-authored 'Filling the Pool' that has emerged as a major report into gender inequality in Western Australia, and the actions required to address the issue. In 2016, he was a member of a high-profile research team that investigated skills development in Australia's most innovative organisations in a project funded by the Federal Chief Scientist.

In 2019, with Dr Fitzsimmons and Dr Yates, Victor released 'Employer of Choice for Gender Equality: Leading Practices in Strategy, Policy and Implementation' with the Workplace Gender Equality Agency. This was a major report outlining the successful strategies adopted by 120 of Australia's leading organisations for the progression of women in the workplace.

Victor is a regular contributor to executive education and workshops for senior executives and managers in the public and private sectors on organisational, workforce and leadership development. He has served on government boards and completed over 100 projects for federal, state and local government departments, including major reviews on skills, training, change and leadership and workforce development.

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