

The National Assembly on Gender Equity and Inclusion

‘Society culture & the unconscious bias – overcoming societal & cultural barriers to gender equity...’

Organisational Culture has been defined as:

“A pattern of basic assumptions – invented, discovered or developed by a given group as it learns to cope with the problems of external adaptation and internal integration – that has worked well enough to be considered valid and therefore to be taught to new members as the correct way to perceive, think and feel in relation to these problems.”

- Culture works to coordinate and control behavior, actions and decision making within organisations.
- Culture reflects not just the written or explicit rules of the organisation but the implicit – unwritten, subconscious, intangible assumptions and beliefs which shape organisational behavior and are observable in all facets of day-to-day operations.

Despite women having represented 55% of degree qualified work entrants for the past 20 years, only 3% of Australia’s ASX Listed Companies have female CEOs. If we look at market capitalisation however, women control less than 1%. (If we take Gail Kelly out of the mix). This situation has remained static over the past decade.

This is obviously a major social issue. However it is also a massive economic problem as well. Principally it comes down to culture. However, the findings of my research show that it is not necessarily corporate culture that is resistant to gender per se but rather a broader societal culture that has severely limited women’s ability to affect changes to corporate culture.

There are simply too few women in senior levels within most organisations to create the momentum to drive cultural change and norms in society act strongly against women being able to rise to the top of the Corporate Sector.

Despite there being literally thousands of studies into the phenomenon of gender disparity in peak leadership positions in the corporate sector, no-one had undertaken

the obvious approach of speaking to all of the parties involved in CEO selection, that is executive recruiters, chairpersons and the CEOs themselves.

A Tool for Examining Organisational Culture and Gendered Effects

A new frame is required if we are to examine the problem holistically. Fortunately, Pierre Bourdieu, through a lifetime of studying persistent inter-generation disparity in wealth, the arts and education, devised a system for looking at society-wide issues such as gender and culture.

He stated that anyone who wants to understand why social formations, which are inherently at odds with social values, can continue to persist without change needs to understand three things:

1. The Field: Who says what is important and worthy of promotion?
2. Capital: What is important and worthy in the social formation above all other forms and combinations?
3. Habitus: What background and experiences generate the capital which is valued by the field?

The Cultural Climate of Corporate Australia and its Effect on Gender

Research Questions

1. In what ways does the hierarchy and power of institutions in the corporate environment impact upon boards when making CEO selection decisions?
2. What experiences and qualities do boards of directors value the most in CEO candidates when making CEO selection decisions?
3. In what ways do gendered effects in the career trajectory of male and female CEO candidates differentially affect their ability to accumulate experiences and qualities valued by boards of directors?

Respondents:

- 30 Peak executive recruiters including all five major firms and all boutique specialist CEO recruitment firms.
- 30 predominantly ASX 200 chairpersons.
- 30 Male and 31 Female CEOs matched by industry and market capitalisation (there are only 46 Female ASX Listed Company CEOs)

What does the Corporate Establishment want?

A very clear message comes from the institutions at the top of the Corporate Hierarchy. ASIC, ASX and AICD all hold breadth and depth of industry experience demonstrated through line roles as being **the** key selection criteria for CEOs

Further, chairpersons and executive recruiters were unanimous in this experience being demonstrated through six key attributes:

1. Leadership Skills
2. Strategic Thinking Skills
3. Intellectual Horsepower
4. Integrity
5. Self Confidence/Self Awareness
6. Stewardship – (being able to oversee all systems and processes)

With this frame it was possible to examine how male and female CEOs had acquired these attributes as well as barriers to their acquisition:

Differences Between Male & Female CEOs

What was incredible was that the 30 female CEO's shared an uncannily common background and one which stood in stark contrast to their male counterparts. The idea that these women had emulated males to get to the top, was simply not supported.

- 1) The female CEOs with one exception experienced major trauma between the age of 8 and 15 years.
- 2) With two exceptions they had all come from small family business backgrounds.
- 3) They nearly all had very close strong female role models, who were not their mothers, while growing up.
- 4) Their free time was highly structured and supervised and they had engaged in many extra-curricular activities while growing up. However, these were usually individual pursuits such as music, drama, art or individual sports.
- 5) They had all acquired mentors early in their careers and attributed their success to them.
- 6) Where they had had children (and two-thirds did), they had them early 18-22 or later in their mid-thirties.
- 7) They all had options around outside normal work hours child care.
- 8) Nearly all had husbands (or had re-married to acquire husbands) who shared domestic responsibilities and supported their careers.
- 9) Where they were married, their husbands all worked full time.
- 10) Most of the female CEOs had had to move more often than their male counterparts and often outside of their starting industry to gain promotion, making purposeful career planning difficult.
- 11) All but five of the female CEO appointments arose directly from their professional networks and were primarily context appoints where their skills in finance, law or expertise with a particular product or process accounted for their appointment.

The male respondents in contrast:

- 1) Were from families with a professionally employed father and a stay at home mother.
- 2) They had idyllic/settled childhoods.
- 3) They had largely unstructured and unsupervised extracurricular adventure activities in their childhood, such as hiking, camping, fishing and surfing, with one exception. All but one male CEO engaged in team contact sports and all but two had captained their teams.
- 4) The male CEOs had early career role models but few had attributed their success to mentors.
- 5) All but two had children and all had stay at home wives.
- 6) Male CEOs were able to plan their career paths and select their next role.
- 7) Virtually all of the male CEO appointments were as a result of their visibility within the industry rather than being directly related to their professional networks.

What were the Critical Findings?

- 1) The male CEOs acquired self-confidence, leadership and strategy skills through their extra-curricular activities growing up.
- 2) The female CEOs acquired self-confidence through taking on adult roles during childhood trauma.
- 3) Female CEO's acquired Strategy and Stewardship skills through association with family small business.
- 4) Female CEO's acquired leadership skills through early mentors.
- 5) Male CEOs acquired stewardship skills through role modelling.
- 6) Both groups acquired integrity through observing hard working fathers and the presence of a strong middle class work ethic.
- 7) Nature had endowed both groups with raw intellect, however both groups had received better than average educations either through private schools, public schools in higher socio economic areas or country schools where student teacher ratios tended to be lower.

Both groups, through their domestic situations, had time to maintain business networks and the flexibility to work executive hours. However, all of the female CEOs reported they still undertook the primary domestic role, whereas all of the male CEOs noted that their wives undertook this role.

The research points to the need to address the allocation of childhood activities based upon gender, since boys are getting career advantages through the activities in which they engage.

Businesses need to identify talent very early, regardless of where it enters the organisation. Business needs to transfer talented individuals into career relevant roles early, provide relevant education around leadership, strategy and stewardship as well as provide mentors and role models.

There is an obvious need to address the imbalance in the sharing of domestic responsibilities between genders, since this is the main inhibitor in women being able

to maintain a depth of experience relative to men as well as being a significant inhibitor in women being able to maintain professional networks.

One solution may be for businesses and government to investigate the cost benefit of on-site executive hours child care. However, there is no doubt that a re-examination of the way in which we approach child care in Australia is well overdue.

The problem is that without quantum shifts in the way we raise and educate our children, the way we identify and support talented individuals as they enter our workforce and without the means for women to maintain breadth and depth of career experience and social networks, the problem will simply persist as it has done over the past 20 years.

Dr Terrance Fitzsimmons PhD, MBA (Adv), BEc, CA

Post-Doctoral Research Fellow – University of Queensland Business School