



# Get on a Board (Even Better – Become the Chair)

Advancing Diversity and Women in Australia



Boards, Committees & Governance Centre  
[www.ourcommunity.com.au/boards](http://www.ourcommunity.com.au/boards)





**Get on a Board (Even Better – Become the Chair)**  
*Advancing Diversity and Women in Australia*

Published by Our Community Pty Ltd  
Melbourne Victoria Australia

© Our Community Pty Ltd

This publication is copyright. Apart from any fair use as permitted under the Copyright Act 1968, no part may be produced by any process without permission from the publisher.

Requests and inquiries concerning reproduction should be addressed to:

Our Community Pty Ltd  
PO Box 354  
North Melbourne 3051  
Victoria, Australia

Please note:

While all care has been taken in the preparation of this material, no responsibility is accepted by the author(s) or Our Community, or its staff, or its partners, for any errors, omissions or inaccuracies. The material provided in this guide has been prepared to provide general information only. It is not intended to be relied upon or be a substitute for legal or other professional advice. No responsibility can be accepted by the author(s) or Our Community or our partners for any known or unknown consequences that may result from reliance on any information provided in this publication.

ISBN 978-1-876976-42-2

First published November 2011

**Acknowledgements**

Front cover image courtesy of SaulHerrera/iStockPhoto





# Contents

<b>Foreword</b>	<b>5</b>
<b>1. Introduction</b>	<b>7</b>
• Why this book?	9
• More of the AWFUL truth	10
• How we shape up on the world stage	11
• Why should we care?	11
• There's a lot to celebrate	12
• A note on nomenclature	13
• Who's this book for?	14
<b>2. Board Lifecycle – a Typical Journey</b>	<b>15</b>
• Teenagers	16
• Early 20s	17
• Late 20s to mid 40s	18
• Mid 40s to early-mid 50s	19
• 50s to 60s	19
• Mid 60s plus	19
<b>3. Is a Board Position for You?</b>	<b>23</b>
• Your commitment	25
• Your liabilities	26
• Your responsibilities	26
• What can being on a board do for you?	26
• What do you have to offer?	28
• The good, the bad and the ugly	29
• Skills and experience required	34
• Making the decision	36
<b>4. Finding the Right Board for You</b>	<b>37</b>
• Matching your passions	39
• Going beyond 'sexy'	39
• Conflict of interest considerations	40
• Doing your homework	41
• Ask before you agree	43
<b>5. Getting the Gig</b>	<b>47</b>
• How do I get on a board?	49
• Finding out what's out there	51
• Crafting a Board CV	53
• Cultivating contacts	54





• Impressing at the interview	55
• Top tips for getting the gig	55
• Reasons women are excluded from boards	56
• They said it: real comments by real boofheads	60
<b>6. I'm a Board Member! Now What?</b>	<b>63</b>
• Liabilities, responsibilities, duties	65
• Administrative duties	65
• Governance duties	70
• Legal duties	74
• What's the risk?	80
• Making a real contribution	80
<b>7. Hello, Madame Chair!</b>	<b>83</b>
• What is a Chair?	85
• Responsibilities of the Chair	85
• Put your hand up!	86
• Making use of power	87
• Supporting other women (PLEASE!)	89
<b>8. Shelf Life – When to Move On</b>	<b>91</b>
• Knowing when it's time to move on	93
• Leaving with grace	94
• What if something dodgy's afoot?	96
• Giving back as you step off	96
<b>9. Complete the Circle</b>	<b>97</b>
• How to crack a commercial board	99
• Reality check: likelihood of success	99
• There's more to life than money (don't forget the community sector!)	100
<b>10. How You Can Help</b>	<b>103</b>
• Top 10 things you can do	105
• Conclusion	109
<b>Glossary of Board Terms</b>	<b>111</b>





## Foreword

At Our Community and the Women's Leadership Institute Australia, we've had a sneaking suspicion that things are not as they should be in progressive, egalitarian Australia.

There's always been talk about the lack of female representation on corporate boards, we've all heard the horror stories about old boys' clubs and glass ceilings, but we felt comfortable enough that this was not the case in the community sector, and that slowly but surely women were moving into leadership roles in business.

But then a few facts came to light that made us realise that it wasn't just in the big bad corporate world that things were awry. Even in the community sector, where 80% of employees are female, there is an absolute dearth of females in leadership positions. Rather than put all our faith in media reports, we decided to do a little digging.

We put out the call to leading women to participate in an online survey. Hundreds of women responded from a variety of community, government and community sector boards across Australia.

The results were depressing. Yes, women are there in the board arena but in horribly low numbers, and the hard yards needed to get there, the opposition encountered along the way, the huge challenges in moving from a voluntary to a paid board position, the near impossibility of cracking the ASX 200, tell a tale straight from the dark ages.

Clearly, Australia's not the enlightened country it could be and should be when it comes to leadership diversity. This doesn't just affect women, we need more diversity also when it comes to inclusion of people from multicultural backgrounds, people with disabilities, indigenous people, youth and consumers.

The stories shared by the women who participated in our survey have informed the writing of this book; their wisdom and advice is sewn throughout. Without their involvement we would have a boring prescriptive training manual. Instead we have a book that is alive with the knowledge and experience of generous women – we thank them.

We also owe an immense debt of gratitude to the author of this book, Kylie Cirak, whose humour and practical wisdom have made what would otherwise be a rather bleak story one of inspiration and hope.

Finally, a very big thanks to the Alcoa Foundation for supporting the 'Advancing Diversity and Women in Australia' national initiative. It's a campaign simply put: 50/50 is Equal.

The campaign, and this book, are designed to inspire and empower more women to take the leap into the board arena. We hope you will be one of them!

**Denis Moriarty**  
**Group Managing Director, Our Community**





Boards Centre

6

[www.ourcommunity.com.au](http://www.ourcommunity.com.au)





# I. Introduction





Boards Centre







**“A snail could crawl the entire length of the Great Wall of China in 212 years, just slightly longer than the 200 years it will take for women to be equally represented in Parliament.”**

*United Kingdom’s Equality and Human Rights Commission annual report*

## Why this book?

In March 2011, Governor-General Quentin Bryce spoke on the eve of the 100th anniversary of International Women’s Day.

Quoting the latest World Economic Forum Gender Gap Index, Ms Bryce said Australia ranked 44th in female labour force participation and 59th in wage equity.

She described the figures as disappointing for one of the oldest democracies in the world and one of the first to grant women the vote and stand for election.

It’s time for change. Real change. Systemic change. It’s time to advance women.

In partnership with Women’s Leadership Institute Australia, Our Community is challenging and changing women’s role in society. There needs to be structural transformation in order for women to take their rightful place as equal contributors to and beneficiaries of power.

By simultaneously catalysing systems changes and empowering women at all levels to take the next step up, we believe we can create a women’s leadership updraft that will move us closer to true leadership equality.

One of the first steps is to get more women onto more boards – community, business and government.

Why do we need more women on boards? Shouldn’t organisations have the right to appoint the person they want to a board position? Aren’t leadership positions decided on merit? What difference would it make to have more women on boards?

This isn’t just about equality. It’s not even a gender issue. Women make up more than half of the population of Australia. Having more women on boards is about having a true representation of the community in positions of leadership and influence.

Women have a very limited role in the corporate world, making up





only 8.4% of all ASX board positions at the time of writing.

Even in the community sector, women do not hold many positions of leadership. In 2010, an analysis of the top 50 community sector fundraising organisations found that only 31% of all board members were women, while women filled only 26% of CEO positions and 24% of Chair positions. These figures are particularly disturbing when you consider that women make up more than 80% of employees in the community sector:

The analysis found that the larger the net assets or total incomes of community organisations (i.e. the wealthier they were), the lower the number of women in the CEO and Chair positions.

## More of the AWFUL Truth

A 2010 Equal Opportunity for Women in the Workplace Census found that women held only:

- 2.5% of ASX 200 Chairs positions
- 3% of ASX 200 CEO roles
- 8.4% of ASX 200 board member positions
- 33.4% of government board positions

In addition, the census found that 70 ASX 200 companies did not have a single woman on their board.

Scarily, it seemed we may be going backwards. The percentage of companies with no female board members had increased from 51% in 2008 to 54% in 2010.

Government fared little better. Between July 1, 2009 and June 30, 2010, women held only 33.9% of the 5373 government board positions – not great. On the upside, the Australian Government recognises that this is an issue – hooray! – and has committed to achieving a target of at least 40% women and 40% men on its boards by 2015. Not 50/50 but it's a start.

While there is not a mandated target for ASX boards, its Corporate Governance Council has expanded its Corporate Governance Principles and Recommendations to require each entity listed on the Australian Securities Exchange – on an “if not, why not?” basis – to adopt and disclose a diversity policy that includes measurable objectives relating to gender.





## How we shape up on the world stage

Based on the data available from Australia in 2010, our nation ranked as:

- 23rd in the number of women on boards, below China, Turkey and Thailand.
- 15th in the number of women as board Chairs.
- 24th in women's leadership in economic participation and opportunity.
- 39th in our level of political empowerment of women.

## Why should we care?

### Boards should strive to represent their stakeholders.

- Women make up 45.6% of the total labour force.
- Women constitute 70.4% of all part-time employees and 35% of all full-time employees.
- Women make 80% of purchasing decisions.
- Women make up 43.1% of television audience watching AFL games.

### Not having women on boards defies logic.

Organisations with women on their boards perform better financially.

A 2007 Catalyst report found that on average, Fortune 500 companies with more women on their boards performed better financially than those with fewer female board members.

And three is the absolute minimum number of women a board should have. For those companies smart enough to have three or more female board members, return on equity is 16.7% compared to 11.5% for the tail-draggers; return on sales is 16.8% compared to 11.5%; and return on invested capital is 10.9% compared to an average of 6.2%.

Closer to home, a 2011 report from the Reibey Institute reported that companies in the ASX500 with

### Why do we need more women on boards?

- It makes sound business sense.
- Diversity brings better decisions leading to better outcomes.
- We want the people who make decisions for us to truly





women on their boards reported a significantly higher return on equity than those without.

Diversity is proven to promote creativity and innovation – organisations with a minimum of three female board members perform better overall than those without.

### **Having women on your board leads to smarter decision making.**

A 2011 study, 'The Female Factor' by Wooley and Malone, found that while there's little correlation between a group's collective intelligence and the IQs of its individual members, if a group includes more women, its collective intelligence rises.

### **There's a lot to celebrate**

In Australia, we have our first female Prime Minister.

We have our first female Governor-General.

We have female judges and premiers and high-ranking female police and army personnel.

The number of women on boards is increasing (slowly..).

### **But there is still a lot to be done.**



## A note on nomenclature

Within the worlds of management and governance, the same things may have many different names, and some names may apply to many different things. To simplify matters a little, we've settled on using one name throughout. So in this book:

<b>Board</b>	means the governing body of a community organisation, community group or school – and covers	<ul style="list-style-type: none"> <li>• Councils</li> <li>• Boards of Directors</li> <li>• Committees of Management</li> </ul>
<b>Board member</b>	means a member of a governing body – and covers	<ul style="list-style-type: none"> <li>• Members</li> <li>• Directors</li> <li>• Trustees</li> </ul>
<b>Chair</b>	means the board's head person or the person in charge of the meeting – and covers	<ul style="list-style-type: none"> <li>• President</li> </ul>
<b>Chief Executive Officer (CEO)</b>	means the (paid) head manager of the organisation – and covers	<ul style="list-style-type: none"> <li>• Managing Directors</li> <li>• Administrative Officers</li> <li>• Principals</li> </ul>
<b>Community sector</b>	refers collectively to all community organisations – and covers	<ul style="list-style-type: none"> <li>• Various types of organisations as outlined below</li> </ul>
<b>Community organisation</b>	means any not-for-profit organisation, large or small, incorporated or not – and covers	<ul style="list-style-type: none"> <li>• Not-for-profit companies and organisations</li> <li>• Associations</li> <li>• Nonprofits</li> </ul>

More definitions for common governance terms are provided at the end of the book.



## Who's this book for?

While there are definitely many insights for men contained in this book, it must be noted that the intended audience is women who are new to or aspiring to a board role.

It is also important to note that while this book talks about all kinds of board roles and all kinds of boards – community, corporate and government – we do place a particular emphasis on community sector boards, given that that is where the majority of women get their start in governance.

