



Chief Executive Women

Women leaders enabling women leaders

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MEDIA RELEASE

2020 CEW CENSUS REVEALS WOMEN IN LEADERSHIP POSITIONS HAS FLATLINED

Thursday, 17 September 2020: The *2020 Chief Executive Women ASX200 Senior Executive Census* (“*CEW Census*”) released today reveals progress in the number of women reaching senior leadership positions in ASX200 companies has flatlined in the past year.

The *CEW Census* tracks the annual progress of female representation in the Executive Leadership Teams (ELTs) of Australia’s biggest public companies. The *CEW Census* is supported by CEW Partners Bain & Company and Spencer Stuart.

Key 2020 findings include:

- Out of 25 CEO appointments in the past year, only one female CEO was appointed to an ASX200 company.
- Only three of 50 CEO appointments within ASX200 companies in the past two years were women.
- The number of female CEOs leading ASX200 companies has fallen in the past year to ten (or 5%), down from 12 in 2019 and at the lowest level since the *CEW Census* began four years ago.
- Of the 25 CEOs appointed in the past year, 76% came from line role positions with profit and loss responsibility; a further 20% came from the position of Chief Financial Officer.
- Only 30 companies, or 15% of those in the ASX200, have 40-60% women on their ELT in 2020, representing a slight increase from 2019 (12%), but nearly double the number when the *CEW Census* began four years ago.
- Nearly two-thirds (65%) of ASX200 companies have no women in roles with profit and loss responsibility on their ELT, up from 57% last year. By contrast, there is only one company in the ASX200 with no males in ELT line roles.
- In the ASX200, the telecommunications sector has the highest proportion of women in line roles with profit and loss responsibility, with 24% of line roles occupied by women, double the ASX200 average of 12%.
- In industries with a predominantly female workforce, such as Health Care, there is huge under-representation in roles with profit and loss responsibility, with only 5% of leadership line roles in Health Care companies in the ASX200 filled by women, down from 15% four years ago.
- The number of women in Chief Financial Officer roles has increased in the past four years, up from 9% in 2017 to 16% in 2020, but no increase in the past year.

Recent research from Bankwest Curtin Economics Centre and the Australian Government’s Workplace Gender Equality Agency (WGEA)¹ demonstrates the tangible, positive improvements in company productivity and profitability that correspond with greater female representation in ELT positions. Despite this, the *CEW Census* results released today show women hold just 12% of ELT roles that have profit and loss responsibility.

Chief Executive Women President Sue Morphet said the evidence that greater diversity leads to improved company culture, more inclusive workforces and better decision making is clear.

“We know that if businesses take immediate action to remove systemic barriers for women, particularly in career-forming years, they will see the most talented and qualified people appointed to senior positions which will benefit their company performance, and their bottom line. Companies have been forced to think differently about how they operate and what the future looks like as a result of COVID-19 – now is the moment to use every opportunity to improve company results and support strong economic recovery,” Ms Morphet said.

“We need business to unleash the largely untapped resource that highly educated, experienced and capable women are, leading to better performing businesses at a time when every job counts more than ever.

“Business leaders must focus on practical actions that will result in a real step change – they must hold their teams accountable for gender balance targets and have clear succession planning in place, especially for roles with profit and loss responsibility. Where businesses have focused effort in this area, they see results. More than policy, it requires immediate action,” Ms Morphet added.

The *CEW Census* calls for a number of actions from the ASX200, including:

- Lead from the top and hold teams accountable for diversity targets and initiatives to address pay inequality.
- Reduce gender bias in recruitment and promotion processes by using consistent and objective data to make appointments.
- Have clear succession planning, especially for roles with profit and loss responsibility which are key CEO feeder roles.
- Role model that flexible and part-time working is for all employees, especially senior men.

Chief Executive Women is also calling for the federal government to invest in making childcare more accessible in next month’s budget, to enable more women to progress through the leadership pipeline.

Bain & Company Partner Agathe Gross said, “We can’t expect to see improvement in gender balance at a CEO level without considerable improvement in line roles.”

“In companies that have achieved or improved gender balance in line roles, we see some common actions: providing access to flexible working arrangements, having strong parental support programs and providing women with the relevant career experience required to thrive and progress in leadership roles,” said Ms Gross.

Spencer Stuart Consultant and Practice Leader Kerri Burgess said, “In addition to a commitment to change, organisations, leaders and all of us need to be aware of and address unconscious biases that may undermine even the best intentions towards increasing gender equality and inclusion.”

“Broadening candidate slates to deliberately include more women, gathering recent, consistent and objective data on the capabilities and future potential of all candidates and selecting hiring teams that include more females are some of the ways to begin to remove the subjective biases in candidate assessment and selection processes that can disadvantage women,” said Ms Burgess.

The report is available at www.cew.org.au.

ENDS

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¹ Cassells R and Duncan A (2020), Gender Equity Insights 2020: Delivering the Business Outcomes, BCEC|WGEA Gender Equity Series, Issue #5, March 2020. <https://www.wgea.gov.au/data/wgea-research/gender-equity-insights-series>