



Chief Executive Women

Women leaders enabling women leaders

Building the CFO Pipeline





Building the CFO Pipeline

Recommendations for Boards, CEOs, CFOs and senior executives to increase the population of female finance leaders

Chief Executive Women (CEW) has conducted a Senior Executive Census measuring female representation in the executive leadership teams of the ASX200 for the past two years.

The 2017 Census highlighted that women held just 9% of Chief Financial Officer (CFO) roles. Whilst the 2018 Census showed an improvement with women holding 12% of CFO roles, the numbers are still small given the large proportion of women entering the workforce with a finance background.

CEW interviewed 10 ASX CFOs and four former CFOs, who are now non-executive directors, about the pipeline for female finance leaders. Their insights confirmed that while many organisations are actively creating pipelines for female talent, there are still crucial gaps.

Proactive leadership by senior executives and the Board is still required to maintain the momentum and increase the number of women in senior financial roles into the foreseeable future.

Although a wide range of gender diversity initiatives have been implemented by corporates and leadership teams, there is a paucity of women at senior levels in the finance function. Of the 10 Chief Financial Officers at the large organisations interviewed, the average number of women reporting directly to the CFO was below 25 percent, with two having no direct female reports. This is despite accounting degrees and graduate programs at private practice firms being a popular choice for women, with an equal number of men and women entering the profession at the graduate level.

Andrew Porter, who is the Australian Foundation Investment Company (AFIC) CFO and President of the Group of 100*, says industry should be able to do better considering the number of women that enter the profession.

“Private practice has a good pipeline and good visibility over that pipeline,” he says. “They are better at identifying people early in their careers and working to keep them in the firm. There is a lot that industry could learn from the major professional services firms.”

The pain point for industry starts at the level below general manager where the number of women in the finance team thins out dramatically. It's at this point that Boards, the CEO, CFO and the executive need to focus in order to retain a healthy pipeline.

*Australia's peak body for CFOs and senior finance executives.

Ming Long, former CFO and CEO of Investa Office Fund says that the pipeline should not be an issue due to the number of women qualifying as accountants. “Instead, the issue is that there is bias that exists in the system,” she says. “We are simply not seeing enough leadership from the Boards or the executive on this issue.”

The critical nature of the CFO role

CFOs need broad skills because the role is a critical one, often including direct reports from non-finance functions including IT, HR and risk.

It can also be a key pool for future CEOs. In fact, the close relationship between the CFO and the CEO roles may have an impact on gender diversity in finance. The 2018 CEW Senior Executive Census found that of the 23 CEOs appointed at ASX200 companies in the year to August, 13% held a CFO role immediately prior to their appointment.

“Boards often see the CFO as the alternate to the CEO if required, and therefore we see the same gender mix in the CFO ranks as we see in the CEO ranks,” says Karen Moses, former Executive Director, Finance and Strategy at Origin.

Becoming a CFO is difficult role to land—particularly for women. AGL interim CEO, formerly CFO, Brett Redman says: “To get a major CFO role, you need to have had an almost perfect run. Anything that knocks you makes it harder to get to the finish line and for women there are far more rocks on the road that can knock you off that perfect run.”

It can also be a role in which longevity is rewarded. David Craig, former Commonwealth Bank of Australia CFO and President of the CFO mentoring association, the Financial Executives Institute, notes that: “More than any other executive role, most successful CFOs have had many years of diverse experience under their belts and have seen a downturn. This makes the CFO role a bit more ageist than other executive roles.”

The lack of diversity in finance leadership has many causes, making it difficult for organisations to solve on their own.

The number and complexity of issues means that it is key that organisations and corporate leaders work as a group to address the pipeline issue. At Lendlease, Group CFO, Tarun Gupta notes that: “The objective is to build the talent pool in the industry, that is what we should aspire to rather than poaching from competitors.”

Role held immediately prior to CEO appointment



Line roles



CFO roles



Other functional roles

Recommendations for CFOs and CEOs to develop the finance pipeline

The individuals most able to affect the pipeline of female talent are in the executive team. While progress is slow, CEOs and CFOs at large organisations are taking a greater leadership role in developing women.

From CEW research, there are five key recommendations for CFOs and the senior leadership team in terms of developing female talent.

1 Active talent mapping and development

Building a pipeline of future female finance leaders requires commitment from CFOs at every step of a woman's career. Talented women need to be identified and offered active sponsorship and development.

Lawrie Tremaine, CFO at Origin, says that finance leaders need to collect the (internal company) data that enables them to develop policies and practices that lead to real change. Some information gathering, he says, "has been too simplistic by focusing on one aspect of the issue.

"It might focus on one aspect such as senior women as a proportion of the senior population," he observes. "But unless you are dealing with the pipeline and why women are leaving the organisation you don't get the whole picture."

At Lendlease, Gupta notes that: "You have to hit it at every level of the organisation so you are talent mapping, training and providing support such as mentoring and also building confidence. If you do that then talent starts to move up the organisation."

Sponsorship and mentoring are key parts of talent development. Non-Executive Director Moses recalls that during her executive career, "I was very fortunate to have fabulous sponsors. I worked with people who believed I could do things that I would never have imagined that I could do. A good sponsor gives you the opportunity to step forward."

2 Set and monitor gender targets

Origin's Tremaine spent time in his career working for a US company and observed that American companies are often far ahead of Australia in terms of developing senior female talent. This, he says, comes down to a bigger focus on targets across the business community.

"The business environment in America is much more target and accountability driven," he says. "I came to the conclusion that targets are the way that we do business.

"You have to hit it at every level of the organisation so you are talent mapping, training and providing support..."

- Tarun Gupta
Group CFO Lendlease

The only way we make progress in business is to be very clear about what is the outcome desired, then we set targets and hold people accountable—so why should it be any different for diversity?”

In his finance team, he can point to a recent example when data showed that over one quarter, only one out of seven hires at a more senior level was a woman. It led to conversations in the team and Tremaine unearthed a lack of proper process around recruitment in some instances. In more than one case, finance leaders had hired people they knew, rather than running a broad recruitment process.

At Lendlease, the leadership team challenges business leaders when targets are not met. Gupta says an analysis of how men and women were rated in the finance team identified a part of the team where men consistently received higher ratings than women.

“We challenged the leader and he went back and acknowledged there was unconscious bias,” he says. “You have to intervene and correct those things because those ratings feed into our talent mapping and if you are being rated lower then you are not being identified as key talent.”

3 Define opportunities that build a foundation

Incumbent CFOs say that it is key that women get the exposure to different roles in and out of finance to be considered for senior roles. For Anastasia Clarke, CFO at GPT, it was the early moves in her career—into treasury and into commercial roles—that meant she could be seriously considered for a CFO role at a listed company.

For this process to be successful, CFOs need to map career progressions and rotate women through functions, departments or relevant projects. At AGL, Redman says: “We look at the resumé build-up of female talent as it comes through and look at how to give them the critical experience so that, when they get the chance to apply for a senior role, they can speak to those experiences.”

This also requires CFOs to encourage women to resist taking a narrow or specialised route to seniority—something which is traditionally built into finance teams.

“As women aspire to bigger and more meaningful roles, they often end up being quite specialised,” says Lendlease’s Gupta. “You need to ensure that they are given broader roles and the opportunity to develop commercial acumen.”

CEW research indicates this broader experience will hold women not only in good stead for attaining a future CFO role, but also a CEO role.



“The organisation must make sure that women have exposure to things that they can’t get in their current role, to broaden their skills”

- Pam Bains
CFO & Group Executive Strategy
Aurizon

4 Exposure and mentoring

It is difficult for women to move into senior roles without interacting with the top levels of the organisation, along the way. This goes both ways—the Board also needs to observe potential candidates to have confidence in them.

Aurizon CFO Pam Bains was an internal candidate who stepped into the role in 2016. She says exposure to the Board was crucial to her appointment.

“The organisation must make sure that women have exposure to things that they can’t get in their current role, to broaden their skills” she says. “You would not always have had exposure to investors, treasury or M&A, particularly if you have come up through the controllership role.”

It’s here that successful female leaders can operate as role models. Mirvac CFO Shane Gannon says women in his finance team see that leadership is completely within their grasp—and men also see diversity of approach—thanks to CEO Susan Lloyd-Hurwitz.

“It is the first time that I have worked for a female CEO and she is very passionate about employee engagement, sustainability and innovation,” he says. “It has been a very refreshing experience for me, given I had previously worked only with male CEOs who had a much narrower focus on total shareholder return.”

“In particular I would like to see more men working part-time or job-sharing so it becomes more accepted”

– Janelle Hopkins
CFO Australia Post

5 Flexible working options

While the finance team can be a conservative part of the business, flexibility needs to be hard-wired into the structure for female representation to grow at the leadership level. The CFO can lead by supporting and modelling flexible working practices.

This has been the case at AGL, and Redman believes it is the key to changing diversity outcomes. “Over the next 20 years, flexible working will be the biggest single factor that makes it easier for women to move up through the organisation,” he says.

At Australia Post, CFO Janelle Hopkins has two female finance leaders that report directly to her in a job-share. She says that flexible working needs to be embraced by both genders. “In particular, I would like to see more men working part-time or job-sharing so it becomes more accepted,” she says. “If we had men embracing more flexible lifestyles, then any stigma around working flexibly would disappear.”

Recommendations for Boards to develop the finance pipeline

While Boards cannot directly put in place policies or practices to increase the female pipeline, their influence in setting direction and tone is invaluable. The entire organisation watches and responds to where the Board focuses its attention. From CEW research three key recommendations have emerged.

1 Demonstrate gender balance is a priority

Where Boards go, organisations follow. The attention directors pay to gender diversity flows into organisations, so the Board needs to keep management focused on the issue.

AGL's Redman says, "Boards have a real role to play in the cultural signals that they send. What Boards show an interest in can really impact on the way that people perceive what is important."

Directors have limited time and many responsibilities, but pushing diversity up the agenda is the only way to move the dial.

At GPT, Clarke challenges that Boards do not necessarily speak to diversity as regularly as the CEO. "I think the Boards understand and expect the CEO to have a commitment to and a position on diversity, but I don't think that the Board really goes to the effort of unpacking if that is genuine and whether real ground is being made," she says.

2 Tackle bias

Bias has emerged as a key reason women do not progress, and Boards need to encourage management to call it out. Brambles CFO Nessa O'Sullivan says, "I do think that Boards need to be active to ensure that gender bias does not limit access to highly qualified talent".

Alison Harrop, CFO at Dexus, recalls that her appointment was in part because the Board and the CEO wanted more senior female talent. "The Board was brave and said 'no, you have to look for some women because we want to see a woman in the CFO role'."

Boards also need to push management to build up the female pipeline rather than just looking to poach from competitors. AFIC's Porter says it is a question of Boards asking the right questions of management. "Don't let management off with going to headhunters to solve the problems," he says. "Really good succession planning is about looking internally."

More proactive Boards might also consider working with the CEO to create opportunities for women.

“You can have a situation where CEOs do not feel that they can rotate the executives, where they don’t like to replace men who are performing well,” says Clarke at GPT. “But this can block women from coming through and—in some cases—those women are the specialised talent that the senior executives lean on.

“Boards need to have conversations with the CEO about moving members of the executive committee and rotating them through so that progress is made.”



“I believe that Boards and management are equally responsible and accountable for diversity”

– Toni Korsanos
Former CFO &
Company Secretary
Aristocrat

3 Hold management accountable

Boards need to ensure that there are gender balance targets and that managers are accountable for those targets. Former Investa CEO Long, says that “Boards don’t do enough, often because they have issues with their own levels of diversity.”

Toni Korsanos, former CFO & Company Secretary at Aristocrat says diversity is a key responsibility for a Board. “I believe that Boards and management are equally responsible and accountable for diversity,” she says.

“In the boardroom, the discussions that are led by the questions that directors ask and the focus that they place on diversity speak volumes as to what the Board is interested in and executives do pay attention.”

Boards can also support and foster innovation in diversity. AFIC’s Porter says one idea is to create a budget to search out and appoint talented women when they are spotted even if a role has to be crafted for them to make best use of their skills until a pipeline role is available. Boards, he says, should support these kinds of initiatives and even suggest them.

Conclusion

Thanks to the wide range of initiatives in organisations, CFOs are becoming more confident that more women will move into the role in the medium term as the pipeline develops.

In addition, as it takes time to groom a CFO, recent initiatives in flexible working and mentoring will need more time to have a real impact.

AGL's Brett Redman says: "To get a top CFO role there is 10-20 years of grooming. The pipeline back that far hasn't been managed well enough to be confident change will come as quickly as it should. But the focus of recent years means I believe there is a tidal shift underway." The 3 percentage point increase in females in ASX200 CFO roles in the year to August 2018 supports this view.

Some CFOs are, in fact, reasonably optimistic. At Lendlease Gupta has committed to a target of having 45-55 per cent women at the senior level in finance by 2020. "We are at around 30 per cent currently but a few moves in the next few years will get us there," he says. "It is down to a number of proactive and key decisions."

The challenge then, for CFOs, CEOs and their Boards, is how to get faster results in sustaining and building the pipeline. To radically increase the number of women in senior finance roles will require a concerted effort across different industries and sectors. CEW believes that leadership is key to achieving gender balance and encourages the recommendations in this report be considered at Board and executive level.

STAY ON TRACK

WITH HARD WORK

Pam Bains, Chief Financial Officer and Group Executive Strategy at Aurizon, arrived in Australia in 2009 after 20 years of working in senior finance roles for global companies in the UK, including project work across Europe and India.

However, despite this experience and “a stellar CV”, finding that first great role in Australia was harder than expected. She laughs now as she recalls recruiters telling her that despite the depth of her international experience, she had to realise she had no local experience, which would make it harder to place her at the same level for her first role.

That international experience began with Arthur Andersen before she moved to GE. “You couldn’t get much bigger than GE at the time,” she recalls. At that point, the legendary Jack Welch ran the show and working at GE meant being trained in six sigma, being comfortable with change and transformation and getting exposure to international businesses. It was, she says, tough making the move from public practice into industry, but GE “trained their young leaders really well”.

Her next move was to UK clothing, footwear and home products retailer Next Plc, where she built on her experience as group financial controller whilst at the same time taking on a project to set up an offshore subsidiary, which involved travelling back and forth to India for 18 months with two young children at home. “It was a tough choice but I put my hand up for it and I wanted to take the lead on the India project,” she says. “I wanted to have the exposure to an environment where I could be challenged and learn, I thought it would broaden my skills beyond traditional finance, understanding the culture and being able to speak the language was a bonus and I felt passionate about it.”

After five years at Next Plc, she moved to Telefonica O2 UK, the mobile phone operator owned by Spain’s Telefonica. It was a case of working in another fast-moving industry as part of a customer service leadership team undergoing a large digital transformation and the large change requirement appealed to Bains’s love of challenge and drive to achieve.

Throughout all of this, Bains and her husband had often toyed with moving to Australia as they had family that had moved to Brisbane. They had visited often and in 2009 they decided to take the plunge.

Originally, the move was intended as a two-year sabbatical and Bains began with a finance role at Queensland Rail. The appeal was to work for a government-owned entity that was about to demerge and list. She joined on the basis that she would be



Pam Bains

*Chief Financial Officer &
Group Executive Strategy
Aurizon*

“Be willing to challenge yourself and keep striving towards the next stretch activity, the next learning.”

able to transfer with the listed entity. The eight-month experience of working on the IPO was amazing, she says. “I can’t remember seeing daylight during that period and worked almost every weekend,” she recalls. “But it was worth the hard work when I reflect back on the huge learning opportunity and seeing the shares list for the first time provided a real sense of achievement.”

After the IPO, she became the group controller and worked her way up through a divisional CFO role of the regulated network business to the group CFO role in late 2016. In 2017, she also took on the head of strategy role.

For most of her career in Australia, Bains has been one of the few women in the room, sometimes the only woman — and she says this is much more noticeable than in the UK where there was a higher proportion of senior female leaders. “The UK seemed to be much further ahead and you saw more senior women because there were more opportunities, so the gap did not appear as wide,” she says.

This has been even more marked for Bains because transport and logistics traditionally has been a male-dominated industry. She says the company has had to work hard to shake off that perception. “We have had to look at everything from how we recruit to how to understand and highlight unconscious bias,” she says.

While the finance team overall is 60 per cent female, Bains indicates there are not enough women coming through the ranks to fill senior finance roles, and she currently doesn’t have any female direct reports. She is actively working to develop the next level of leaders and a part of her strategy is to give future female leaders as much exposure to the executive team and Board as possible. This will build their experience and demonstrates that, as the Aurizon Board has three female directors, “it is an aspiration that is possible to achieve”.

She thinks that having had exposure to the Board before taking on the role was helpful to her getting the top finance job. ‘I was an internal candidate who had not had listed CFO experience,’ she says. ‘But the CEO and Board knew who I was and what I was capable of – external candidates would have been considered, and the CEO and Board understood the strengths and experience I possessed and were confident my track record showed I could develop and grow the required skills with their support.’

Bains knows that there is an ongoing challenge within Australia to get greater gender balance across all levels and industries. Her words of advice to women are: “Be willing to challenge yourself and keep striving towards the next stretch activity, the next learning. Seek out leaders and mentors you can learn from and sponsors who will assist you to make better career choices.

“Lastly, have confidence in yourself and your own abilities – be comfortable with being uncomfortable and ask for the feedback, build your skills but don’t forget to have faith in what you are capable of achieving.”

AN INDIRECT PATH TO THE TOP

Anastasia Clarke's path to Chief Financial Officer (CFO) at GPT looks smooth on the surface, but underneath lies a more nuanced tale of good and bad luck, sponsors and detractors, opportunities and barriers.

She started on Lendlease's three-year graduate accounting program after Lendlease sponsored Anastasia's university degree in accounting with a scholarship. After a year in the program, she moved from finance into treasury.

At the time, the treasury position at Lendlease required at least 5 years' experience in finance roles, but Clarke pushed and got the job. "The move was really important because it was the start of building the foundation roles that you need to become a CFO," she says.

After seven years at Lendlease, she joined Deutsche Asset Management's real estate arm, now known as Dexus, to establish its treasury function. It was a pivotal move and took her from making recommendations to the senior executive, to making decisions. "Previously I had not been expected to make the decision," she recalls. "But at Dexus I would say 'let's do this' and the response would be 'well, it's your decision to make'."

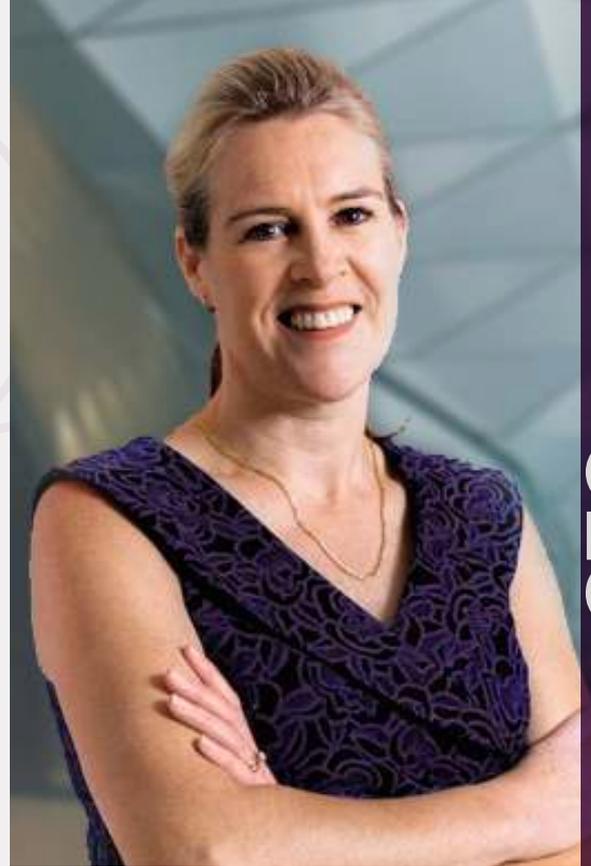
After 18 months in a treasury role, she once again pushed for a new role, this time as the head of finance. At this point she was two months away from having her first child. "I pushed myself to say, 'I want this role' rather than holding back," she recalls.

She climbed the corporate ladder at Dexus steadily until she stepped off it to work at a Japanese-backed start-up as CFO. However, the backer was taken out by the global financial crisis and her start-up career quickly ended.

Back in the corporate world, her career accelerated. In 2009, she joined GPT, first as treasurer before moving to the Deputy CFO role and then, in 2015, into the CFO role.

Clarke's story appears to read like a description of the perfect career, with a confident female finance leader pushing for roles, balancing family and career and coming out on top. There's no doubt she has triumphed, but it wasn't as easy as it appears.

First, when she left Lendlease it wasn't just to pursue new opportunities, it was also because she could see that women were simply not advancing as fast as their male peers. "I felt at the end of seven years



Anastasia Clarke
Chief Financial Officer GPT Group

"I pushed myself to say, 'I want this role' rather than holding back."

I was still seen as this young graduate and there is a point where you need to be seen as a mature contributor,” she says.

Then, at Dexus, she recalls that when she was about to go on maternity leave with her third child, her CEO revealed that the firm was looking to hire its first CFO. At this point, Clarke was the head of finance.

“He made it clear that he wasn’t putting me in that category, but then I also didn’t put my hand up for the role,” she says. “For the first time I didn’t push, in fact I asked for reduced hours to do a four-day week.”

However, while working part-time was discussed, it wasn’t available on her return. It meant she had to leave Dexus. “I needed the flexibility and I could not get it,” she says.

Instead she took the ill-fated start-up role to bring Japanese real estate investment trusts to the local market. However, with the financial crisis Clarke found herself on the frontline, working to make sure the company was not trading while insolvent and that it could honour its employee obligations. It was, she says, a good lesson: “In very large corporates you can be removed from those decisions so it was good to experience it.”

As head of the treasury function at GPT, Clarke had to repair its balance sheet post the financial crisis. Over 2 years the company moved from a BBB rating to a single A rating, something that she says takes “time and commitment to do”. Two years after that she moved in the top finance role.

Clarke says that she didn’t make conscious strategic decisions about her career. For her it’s been a case of “I love work and I love my career,” and that has driven her up the ladder. She thinks that over her career, organisations have got a lot better at initiatives that foster female careers.

“When we monitor return to work figures we see very good statistics,” she says. However, she notes there is still room for improvement. In particular she would like to see more discussion around the sharing of care in families. “We need to get to the point where we think it is normal for men to be carers, to work part-time and to take career breaks when children are young,” she says.

MAKING IT TO THE TOP LINE

Alison Harrop, Chief Financial Officer of real estate investment trust Dexus, didn't always expect to be a CFO. In fact, even though everyone told her that her CV was pointing towards a CFO role, she wasn't so sure.

She qualified as an accountant and spent a significant part of her early career at Macquarie Group until in 2010 she came to what she describes as a "standstill".

"I had been at Macquarie for 13 years when I began to think, 'What was I doing and where was I going?'" she recalls. "I was a senior finance person at that point but there was a huge chasm between me and the CFO at Macquarie, and I began to question what my next step would be."

It wasn't as though Harrop hadn't tried different things—she had. At different points in her career she had moved into risk and human resources, but none of these had lead anywhere different.

So, in 2010 she took a career break. She stepped out of the corporate life for five months to ask what was next. Then when she came back and started to show people her CV, the response she always got was, "But surely you are going to be a CFO?"

At the time, she was quite resistant. "I thought that I didn't have the skills or capability and so I thought it was a leap too far," she says. However, she also notes that a lack of role models had an impact. "There weren't very many women in the CFO role at that time and I didn't have a role model to say I want to be like that person because there was no-one there," she says.

In the end, she got the call to work as CFO at Australia Post in August 2011, and the breadth and the challenge of the role drew her in. She also took comfort in the fact that it wasn't a listed company. "You do have pressures but you don't have the scrutiny from the public market," she says. "I think that it was a safer bet in my mind and the fear of failure was less in my mind."

After a few years in Melbourne she moved back to Sydney in 2014 and took the Head of Group Finance role at Westpac and moved to Dexus in 2015. By that point, she knew what she wanted to do. "I thought that my next career step has to be a listed CFO, otherwise I will have wasted my time in terms of having had 25 years of experience in finance."



Alison Harrop
Chief Financial Officer Dexus

"...I didn't have a role model to say 'I want to be like that person' because there was no-one there"

The role of a CFO at a large listed company is a coveted one, and Harrop came into hers without previous experience as a CFO in a listed environment. She knows she got the job because of her experience, but also because the Board was prepared to take a risk and appoint a woman she says. “The default for many companies is for the CEO to call a CFO that he knows down the road, and that is generally a man.”

Harrop acknowledges that it was a lack of confidence that had caused her in the past a certain ambivalence about the top finance role. She also recognises that things have changed. “I would say that the women in my team are more ambitious than the men and they are the ones that are telling me that they want my job,” she says.

The problem for many women now, she says, isn’t so much about confidence and ambition, but the social pressures they face trying to balance career and family.

She admits there have been times when it has been hard to combine her family life with her work. “There have been many times when I have thought, ‘This is too hard, I can’t do it any more’ ... but then I am an ambitious person and I wake up in the morning and keep going.”

FLEXIBILITY

KEY TO PROGRESS FOR WOMEN

Janelle Hopkins, Chief Financial Officer of Australia Post, recalls two distinct turning points in her career. The first was when working as a manager at a large professional services firm she had come to the point where she was deciding whether to stay. Then she overheard a female partner on the phone saying, “Don’t come to me with a problem, come to me with a solution”.

“I thought, ‘Wow, I wonder who is in trouble’,” recalls Hopkins, only to realise the woman was talking to her partner about their children. While Hopkins acknowledges the stresses of balancing career and family, to her the moment signified how difficult that can be in certain environments.

“I thought that was not the kind of female leader that I wanted to become,” she says. It also impressed on her the value of role models for women. “When I looked up, the view of leadership that I saw was not what I wanted it to be. It was an interesting lesson that I carried with me as to who I needed to be in the office for future female leaders.”

So, instead of carrying on up the partner path, Hopkins stepped into a finance role at MLC in 2001 before moving to its parent, National Australia Bank, in 2005. There she came to a second turning point. This was when she realised how hard it could be to break through into a leadership role after being at one organisation for a while.

“I looked up and I could see people above me moving around to different roles and it was hard to break through — for men and women,” she recalls. “I ran out of patience and realised that I needed to take the leap and go somewhere else where I might be able to break through.”

Her next move was to Australia Post in 2012, where she quickly rose to the top, becoming CFO in 2013. And with Christine Holgate as the CEO of Australia Post, there are now no shortage of role models for aspiring female leaders. But Hopkins remains as cognisant as ever as to how hard it is for women to break through, particularly in finance.

She doesn’t shy away from the fact that being head of finance is a tough role that is not to everyone’s liking. When she considers where her graduate peers have taken their careers, she sees that very few chose to work in finance teams. Instead,



Janelle Hopkins
Chief Financial Officer Australia Post

“If we had men embracing more flexible lifestyles, then any stigma around working flexibly would disappear”

they have moved into superannuation, investment management and asset consulting. “The reality is that the CFO role is a hard one,” she says. “Finance can be a tough environment.”

She recognises that because the role is a difficult one, this gives currency to the impression that CFOs have to be hard. “The quintessential CFO is technical and hard-nosed and that feeds into a bias that women can’t be hard enough.” She thinks this may create another hurdle for women who want to get into the CFO seat.

Despite a broad range of initiatives at Australia Post, the next level down from Hopkins in the finance function is predominantly male. She has eight direct reports and two are women. But the main pain point is in the level below, where the female pipeline starts to narrow drastically.

One of the key Australia Post initiatives is around flexibility and job-sharing or working part-time. In Hopkins’ leadership team, there is one role that is shared by two women. Flexibility and a broader acceptance of flexible working arrangements is key, she says. “In particular, I would like to see more men working part-time or job-sharing so it becomes more accepted. If we had men embracing more flexible lifestyles, then any stigma around working flexibly would disappear.”

Hopkins, a Fellow of the Institute of Chartered Accountants Australia and New Zealand, sees company Boards as being critical to encouraging the diversity conversation. The fact that most major Boards have made good progress in appointing women is a first step because “if you never see women in senior executive or Board roles, it inherently means younger women won’t try to get there because they don’t think that they can,” she says.

DON'T SHY AWAY FROM TOUGH ROLES

Anyone aiming to become a chief financial officer needs a broad career within the finance function and a strong commercial focus.

For Nessa O'Sullivan, CFO and executive director at Brambles, that experience came from an early career move to Yum! Brands Inc, which owns famous brands Pizza Hut, KFC and Taco Bell. She started as the finance manager for Pizza Hut and by the time she left nearly 10 years later, she was VP and CFO of Yum! for the South Pacific and had led strategy and been on the regional brand Board as well as having gained deep operational experience.

"Prior to that I had been in controller-type roles, but Yum! had a very flat organisational structure and that required me to be a commercial CFO, to get into the operations and understand the business in order to be successful and add value," O'Sullivan, a chartered accountant, says.

She adds that she also got lucky with her colleagues at Yum! "They were an exceptional bunch – smart and passionate about the business and willing to challenge the status quo. I was constantly learning. They were supportive but blunt with their feedback. You had to be resilient, but if you were making meaningful contributions and delivering outcomes they supported you and advocated for you to be given opportunities."

Her next step was sideways into CFO of Coca-Cola Amatil's local Australian operations. The move was both strategic and necessary to set herself up longer term to take on listed roles. She had realised the only way up in Yum! was to move overseas, but wasn't willing to leave Australia at the time.

The Coca-Cola role was also seen as potentially a step backwards. "I was a vice president at Yum!, was well regarded and we were well paid," she says. "At Amatil I was moving into CFO of the Australian business."

At the time, she had been warned that it was very male dominated, however, the experience at Yum! gave her the confidence to take on the role "I was used to being the only woman in the room and I knew that I could deliver outcomes and add value." She was unequivocal about this with the then Group CEO during her interview. "I made it clear that I wanted this opportunity so I could get the experience to do a listed group CFO role," she says.

"I committed to a three-year timeframe with the understanding if the group CFO role wasn't available by the end of those three years, or the role hadn't expanded, I would look elsewhere." She was promoted to a Group CFO Operations role within



Nessa O'Sullivan
CFO & Executive Director Brambles

"If you want to grow your career, you have to be prepared to take on the tough challenges..."

three years giving her broad operational, Board and external market exposure and two years later, was promoted to the Group CFO role.

After 10 years at Coca-Cola Amatil, she took a career break before being appointed to the Brambles CFO role in late 2016 and was appointed to the Board in 2017.

The two key pieces of advice she offers to women seeking finance leadership are to remain focused on getting the right experience to be eligible to take on bigger roles and to actively seek out opportunities that add to their skill. Choosing which organisation women work for is also really important, O'Sullivan says that a good organisation assists and supports women in getting those experiences and providing those opportunities.

She notes that private practice has done a much better job than industry in getting more women to the top. "It is great to see so many capable and talented women now at partner level and in leadership roles," she says and reflects that this may come down to its ability to create opportunities for women. "In private practice, the structure allows for rotation of roles and other short-term assignments which enables progressive development of skill sets over time," she says. "It is harder in industry where you may have only one role of a particular type and it's harder to rotate people. You need to have a specific focus on talent development - otherwise it won't happen."

That being the case, women working in industry need to be prepared to have many conversations about their careers to ensure they get the critical roles and experience they need to enable them to move up.

They also need to put their hands up to take on the tough assignments. "If you want to grow your career, you have to be prepared to take on the tough challenges where there is a higher risk of failure," she says. "If you do that, you get the opportunity to learn, and to demonstrate your capabilities to take on the senior roles."

Organisations have a critical role to play in ensuring female talent is developed and considered for senior roles and it is in their interest to do so, she says, adding that organisations that are not actively supporting diversity are limiting their access to talent. Women should be actively encouraged to also aim higher and aspire to these roles and not be put off by the current low level of female representation.

"These roles are great roles," says O'Sullivan. "You get the opportunity to work with brilliant people, you keep learning and you have opportunity to make meaningful contributions at the decision-making table."

CEW Senior Executive Census 2018 Extracts

Percentage of ASX200 roles held by Women

Role	2017	2018	Change
CEO	5%	7%	▲
CFO	9%	12%	▲
Group Executive	13%	14%	▲
COO	15%	15%	-
Executive Leadership Team	21%	23%	▲

Just the Numbers

	2017	2018	Change
The number of ASX200 female CEOs	11	14	▲
The number of ASX200 female CFOs	17	24	▲
Number of women in the ASX200 Executive Leadership Teams	381	430	▲
Number of men in the ASX200 Executive Leadership Teams	1423	1428	-
Percentage of women internally promoted to CFO (vs. external hires)	47%	54%	▲

An analysis of the CFO data from the most recent census reveals that females replacing males in the CFO role are driving two improvements from 2017: both an increase in female CFOs from 2017 and an increase in internal promotions to the CFO position.

Source:

Data for the Census was collected from each company's website by Bain & Company. Job titles were standardised with the assistance of Spencer Stuart. Bain & Company then compared the results with the baseline figures established by the 2017 Senior Executive Census. Where no information is available on company websites, we have used BoardEx® as the source.

Drivers of underlying growth

The number of female CFOs increased from last year from 17 to 24, an increase of 3 percentage points on 2017. Growth in CFO roles has been underpinned by two positive drivers:

1. Strong retention of female CFOs from the previous year; and
2. The continued promotion of female CFOs into roles previously held by males.

Rate of internal versus external hire for female CFOs

In 2018, 54% of female CFOs were internally promoted compared to 46% who were externally hired. Although the breakdown remains approximately 50/50, this is a favourable change considering:

- a. The 2017 Census, where internal promotions of female CFOs is higher in 2018 than in 2017 (54% vs 47% respectively). This was driven by companies that replaced a male CFO with a female CFO (4 out of these 5 replacements were internal promotions).
- b. The 2018 Census overall average, where internal promotions of female CFOs are now in line with the overall average for 2018 (54% vs 53% respectively), unlike in 2017 (47% vs 55%).

Although the CFO analysis shows a positive change from last year, please note that

1. The sample size of female CFOs is very small, magnifying the impact of any small change;
2. The comparison is for 1 year only, making it difficult to conclude that any meaningful trend exists; and
3. Comparable data on internal/external hires for men was not collected. As such there is no objective standard to compare these statistics to.

ASX200 Female CFOs as at August 2018

CFO	Company Name
Julie Cameron-Doe	Aristocrat Leisure Limited (ASX:ALL)
Pam Bains	Aurizon Holdings Limited (ASX:AZJ)
Michelle Jablko	Australia and New Zealand Banking Group Limited (ASX:ANZ)
Tania Archibald	BlueScope Steel Limited (ASX:BSL)
Rosaline Ng	Boral Limited (ASX:BLD)
Nessa O'Sullivan	Brambles Limited (ASX:BXB)
Michelle Waters	Breville Group Limited (ASX:BRG)
Kerri Leech	Charter Hall Long Wale REIT (ASX:CLW)
Linda Kow	Costa Group Holdings Limited (ASX:CGC)
Alison Harrop	Dexus (ASX:DXS)
Andrea Blackie	Fisher & Paykel Healthcare Corporation Limited (NZSE:FPH)
Sharyn Williams	G8 Education Limited (ASX:GEM)
Anastasia Clarke	GPT Group (ASX:GPT)
Sylvia Wiggins	Infigen Energy (ASX:IFN)
Josée Lemoine	InvoCare Limited (ASX:IVC)
Kirsten Morton	Magellan Financial Group Limited (ASX:MFG)
Susan Panuccio	News Corporation (ASX:NWS)
Michelle McPherson	Nib Holdings Limited (ASX:NHF)
Sheila Lines	Ooh!Media Limited (ASX:OML)
Gillian Larkins	Perpetual Limited (ASX:PPT)
Lee-Anne de Bruin	Resolute Mining Limited (ASX:RSG)
Iona MacPherson	Sigma Health Limited (ASX:SIG)
Caroline Rawlinson	Trade Me Group Limited (NZSE:TME)
Sherry Duhe	Woodside Petroleum Ltd (ASX:WPL)

Gender balance takes leadership

Achieving gender balance requires leadership and takes time. Research and our experience confirm that the Chairman, Board, CEO and leadership team must all be committed to gender balance as a priority; otherwise, the company is unlikely to make progress. This leadership commitment must also translate into visible action and regular communication on why gender balance matters and how everyone benefits.

CEW has developed the following programs designed to help forward-thinking organisations take steps towards improving gender balance in their executive leadership teams.



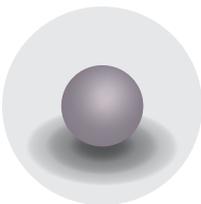
The Chairman Conversation

The Chairman Conversation supports Boards in partnering with their CEO and setting the tone from the top on gender equity. Alongside CEW members, they discuss the organisation's strengths and challenges and identify actions the Board can take to help them progress the female pipeline. Boards can and should make a significant impact by ensuring gender balance is an integral part of the organisational strategic agenda, asking the right questions of management and holding executives accountable for progress. The Chairman Conversation evolved from Boards for Balance: Your Leadership Shadow developed by CEW and the Australian Institute of Company Directors (AICD).



CEO Conversation

The CEO Conversation is an impactful and bespoke program to help the CEO lead their organisation's gender diversity strategy with their senior executive team. It has been designed to engage the most senior leaders in understanding the important role they play in driving the advancement of women in their organisation and developing the female pipeline. The CEO conversation uncovers the organisation's maturity on gender diversity, key challenges and next step priority actions. It involves interviews with senior leaders and women in the organisation before a deep discussion with the CEO, executive team and some CEW members, selected on their experience and relevance to the organisation's strategic priorities, challenges and sector. The conversation provides a supportive environment to progress the senior team's and organisation's collective efforts with personal actions relevant to their business area.



Your Leadership Shadow

Your Leadership Shadow is a 3.5 hour workshop designed to be a valuable resource for leaders of any size team or organisation who want to better understand how to create an organisational culture that values diversity and inclusion and the advancement of women. It results in every leader becoming a better inclusion champion. Using the leadership shadow model, leaders look at how they can bring about real change, focussing on what they say, how they act, what they prioritise and how they measure. It helps to engage employees by challenging commonly held myths, understanding the impact of personal bias and acknowledging and tackling backlash.



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Chief Executive Women

Women leaders enabling women leaders