

# Mind the gender gap: small company boards lag big end of town

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GOVERNANCE

A gender gulf has opened up between the nation's biggest companies and the sharemarket's smaller stocks.

The proportion of female directors at the big end of town is

almost double that of all companies outside the ASX200.

The Australian Institute of Company Directors' gender diversity progress report has revealed that women now occupy nearly a third of board positions on Australia's 200 biggest listed companies and, for the first time, also hold 30 per cent of positions on the top

100 boards. The report, released yesterday, shows small gains in the battle for better representation on boards.

Women make up 27.7 per cent of ASX200 board positions, up from 25.4 per cent this time last year.

The figures come amid an intense debate over the push for fe-

male quotas on company boards, with former Qube chairman Chris Corrigan last month telling *The Australian* that a gender diversity target had resulted in people joining boards who lacked experience.

The AICD figures show there are five companies in the top 200 without a female director over the quarter, down from 13 for the same

time last year. But it's a different story when looking outside the ASX200, where women make up only 15.4 per cent of board positions.

It means medium-cap and small-cap companies are laggards in getting anywhere near the gender balance in boardrooms.

AICD chairman Elizabeth

Proust said while the results showed positive progress towards the target of achieving 30 per cent female representation across ASX200 boards by the end of next year, the figures for last month were a cause for concern.

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**JOHN DURIE P31**

# Mind the gender gap: small firms are laggards

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"The AICD set our 30 per cent target in 2015 because of the strong body of evidence showing that diverse boards lead to better outcomes for shareholders and stakeholders alike," she said.

"The obstacle to achieving this target has long been one of demand, not of supply.

"Australia is not lacking for talented and experienced women, and the breadth and depth of experience of female appointees in 2018 is evidence of that."

The slight setback last month would be tracked to see if it continued into this month and next, and could be discussed at

implement the process," she said. "And the process is we don't have enough women appointed in management roles in our sector (biotech). We don't have enough women promoted; we don't pay the same amount to them that we pay the guys and we don't actually give an environment where people can have that work/life balance."

Ms Halasz said female directors brought to the boardroom table a different perspective and way of deliberating on an issue that could help combat groupthink, a cause of many business failures.

"When you look at big failures, big corporate failures, clearly it's groupthink that plays a big role, and a good way to avoid groupthink is bringing in diversity, bringing in people who will say different things, so let's have a healthy debate."

Kevin McCann, a member of Male Champions of Change and a former chairman of Macquarie Group, yesterday tackled the contentious issue that women had been appointed to boards beyond their skill levels just to fill a quota, as some have argued with

Catherine Brenner's previous election as chairwoman of AMP.

Ms Brenner and all AMP's other directors recently quit or announced their intention to stand down after the scandal that has engulfed the company in the wake of the admissions flowing from the royal commission into banking.

"Alleged misconduct by the management of a number of major financial corporations, revealed in the royal commission, has led some in the media to assert that advocacy for gender diversity has led to unqualified female directors being appointed to boards, and they have contributed to the deterioration of governance," Mr McCann said.

"From this, many have concluded the increase in women's participation on boards has been a failure.

"For a board to appoint unqualified directors, whether they be a man or a woman, would be a breach of their directors' duties to act in the best interest of the company.

"In my experience as chair of nomination committees on both ASX200 companies and smaller ones, this has not occurred."



AICD chair Elizabeth Proust

the next AICD boardroom meeting in August. "The trends are all in the right direction but the blip in May is a cause for concern," Ms Proust said.

Turning to the gap between top 200 companies and the rest listed on the ASX, she said there could be a number of issues particular to smaller public companies that have kept women shut out of the boardroom. "With these companies, especially as you get to the lower end of the ASX boards, they have founders, and we know from the stats, they are generally male or predominantly male," Ms Proust said.

Maria Halasz, the chief executive of life sciences and biotech company Cellmid, is one woman who has broken through the glass ceiling, and one of the few to lead a biotech. Cellmid has a market capitalisation of \$27 million.

She told *The Australian* it was crucial to focus on the process of getting a greater representation of women on boards, not just on the target itself.

"What is going on in the big companies is going on in the small-cap space, in that we can't just focus on a target. We need to