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Business
Council of
Australia



**Letter to Business Council of Australia member CEOs:
Improving recruitment, retention and promotional opportunities
for women**

Dear Member

The Business Council of Australia launched its *Action Plan for Enduring Prosperity* in July this year. At its core this plan is a call to action to grow Australia's economy and provide the basis for a resilient and prosperous community.

The plan includes a number of goals. One of these is to increase the number of women in senior roles in BCA organisations to 50 per cent in the next decade.

Achieving this goal brings with it several significant benefits to the economy, business and the community.

While Australian women have been graduating from university in greater numbers than men since 1985, and women now make up around 46 per cent of the Australian workforce, they remain under-represented at board levels (16.4 per cent) and chief executive levels (3.5 per cent) of ASX 200 companies. This is despite the fact that women are well represented in the disciplines that underpin the pipeline of senior managers, making up 50 per cent of business graduates and 60 per cent of law graduates in 2011. Growing the pipeline of women in senior management roles across all businesses is an essential step to redressing the under-representation of women in executive and board roles.

In discussions with BCA members it was clear that companies have longstanding policies requiring equal opportunities, and many have proactive policies and programs designed to encourage women into senior roles in their organisations. There is a strong interest in knowing what else can be done to ensure companies successfully access the full talent pool of both women and men.

To help BCA members achieve their goal of having 50 per cent of senior positions filled by women in 10 years, the BCA commissioned work to identify the best practices in recruitment, appointment and promotion processes that would enhance the number of women in senior executive roles.

The research has resulted in a comprehensive research report titled *Increasing the Number of Women in Senior Executive Positions: Improving Recruitment, Selection and Retention Practices*.

As a result of this research, a series of 10 best practice checklists have been developed. These checklists relate to the role of the board and the chief executive in ensuring gender diversity, as well as critical elements of the recruitment, selection, retention and promotion processes.

These checklists have been designed as short reference tools BCA members can use to assess their own practices and help managers identify where they can make improvements that will support a more inclusive workplace and improve gender diversity.

The checklists examine merit-based approaches to recruitment, selection and progression in an organisation, as well as providing clear advice on how to minimise the potential for inherent biases in the critical stages of recruitment, selection, retention and promotion processes.

The first four checklists consider what the board and chief executive can do to ensure a pipeline of women in senior management positions, the importance of organisational culture, and the need for targets, measures and organisational accountability.

McKinsey research has identified that the most effective measure in enhancing gender diversity is for the board and the chief executive to commit to knowing and understanding the metrics related to women in their companies and set and monitor targets for more inclusive workplaces.

The further six checklists address specific aspects of recruitment, selection and retention processes where it has been found that the risk of unintentional gender bias and poor procedures are most likely to impede merit-based progress of women into senior management roles.

The low representation of women in senior levels of management cannot continue. We risk not getting the best talent for the job and women not reaching their true potential. Such a situation is not good for individuals, business or the economy.

The release of this series of best practice checklists and the associated research report is designed to help redress this situation.

Yours sincerely

A.F. (Tony) Shepherd AO
President