



High Heels in The Boardroom

Kerry Dimmer

Last year, Statistics South Africa estimated that 51% of the population is female. That's a staggering 25,66 million women. Why then is the same representation not translated into boardrooms and high-level management positions?



Kunyalala Maphisa,
president, BWA



Cheryl James,
CEO, Fasset



Ansie Ramalho,
Chief Executive, IoD



It's somewhat sad that in a progressive country like South Africa there is an enormous disparity between the sexes in the workplace.

However this is not solely a South African trend. Three years ago UNICEF estimated that with six million more women in the world than men, performing 66% of the work, the return was a measly 11% of the world's income.

Women have become used to inequality in the business sector, but that does not mean to say that they are content for it to continue. Apathy is not generally part of a woman's make-up and there are signs emerging within South Africa that the slow pace in which gender imbalance is being addressed is unacceptable.

This concern has been highlighted in particular by the Businesswomen's Association (BWA), which recently published its 2011 South African Women in Leadership Census. What the census proved was that there has been 'growth' in terms of the incorporation of women into leadership roles at senior and board level, but at a distressing 0,1% it cannot be concluded that this advance is positive.

The survey measured 339 companies comprising 319 JSE-listed organisations and 20 state-owned enterprises. It took into account Alternate Exchange (AltX) businesses as well as all subsidiaries of the JSE-listed companies – main board, AltX, and SOEs, in an effort to make the census as representative as possible.

In short, women only hold 4,4% of CEO/MD positions; 5,3% have chairman status; and 15,8% are in directorship roles. There was a significant decrease in the number of women in executive management positions from 2 827 in 2010 to 1 461 in 2011. Declining figures were proven in the categories for female directorships; chairperson; and MD/CEOs roles.

Although you cannot discount the financial crisis having an effect on the trends, there is a further 'double-edged sword for South African women', says BWA president Kunyalala Maphisa. "You also have to be mindful of the race issue in South Africa which has traditionally

presented marginalisation as a by-product of discrimination in the workplace."

This, plus a variety of other barriers, prevents educated and highly-skilled women advancing through the echelons of business, and it is obvious that this is not a situation that will self-correct. The only way ahead, according to Maphisa is for gender disparity to be formalised, and she suggests the solution may lie within the JSE-listed companies.

"What we are looking for is a formal commitment from companies to ensure that there would be an inclusion or requirement that will help to balance the male-female ratio in management. But before anyone panics, we do realise that this is not something that can happen overnight. It's going to take time to negotiate, and even longer to realise the effects.

"We do, however, know what we ultimately want," emphasises Maphisa, "and that is an equal distribution of women in management, CEO and chairman/directorship positions based on the same percentage of those in the workplace."

Formalisation is undoubtedly the way to go and is similarly in line with international trends that highlight the role of governments in setting labour standards and enforcing them to create a level playing-field. BEE is a perfect example of the effectiveness of formalisation of requirements to meet specific targets, as well as the adoption of the Financial Sector Black Economic Empowerment Charter that specifically targets the empowerment of black women into senior and executive managerial levels in the industry.

According to a survey undertaken by Fasset (the Financial and Accounting Services Sector), presented in 2009 based on research undertaken in 2007, there are 21 265 women (black and white) professionals and 5 920 women managers in the sector. Just over one third, at 34%, are managers and almost half, at 48%, are in professional positions.

Fasset's Cheryl James says that 'the demographic profile of people in senior positions does not represent women equitably in the industry', and in this light the Seta has extended its Strategic Cash Grant and SMME grant to include white women, who are studying towards senior qualifications. "It is hoped," she says, "that through this financial assistance, more women will be encouraged to study for senior qualifications and to become more representative in companies at senior levels."

Ansie Ramalho, the chief executive of the Institute of Directors in Southern Africa (IoDSA) concurs with James in that hard work, study and training are aspects that women need to fully embrace in order to fulfil aspirations for executive positions. "The IoDSA provides standards, issues thought leadership and guidance enablement through training. The Woman in Directorship programme is specifically focused to equip aspiring female directors with the tools needed to take up directorship positions."

What companies will value in appointing a woman to a boardroom, is diversity, says Ramalho. "There is more to females in the boardroom than just having a fair representation of the composition of society reflected, although that is also important. The issue at stake is that boardrooms miss out on the opportunity to avail themselves of the unique contribution that female directors can make. It is especially true

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in light of the requirements in King III that advocates for companies to become responsible corporate citizens who look after the environment and the society in which they operate."

Both Fasset and the IoDSA have touched on a very important aspect: that of a shortage of management and executive skills in the financial workplace, which is one of the greatest constraints to growing the rate of high-level female executives. The BWA also advocates having the requisite skills.

"This is not a willy-nilly call for women to be promoted or advanced into senior positions," says Maphisa. "When making the call for transformation, it is not to say that you must paint the boardroom a different colour. A woman has to be properly competent to make a difference, and this onus falls largely on the individual to ensure she



has the right skills, is in charge of her own career, is prepared to take risks, be clever enough to surround herself with great people, and put herself into learnership environments so she is well prepared when the call to greatness comes."

It is also extremely beneficial that women, who currently hold positions of power within organisations, step up and act as role models or mentors to those who show the potential and the drive to advance themselves. Such role models send a powerful message to other female colleagues that their contribution to the company is valued, that their voices are heard and recognised.

The financial services sector, reports Fasset, is doing better than most. It has the highest proportion of both women executive and non-executive managers in the private corporate sector and the pool of black women professionals is growing. The Seta is not content to simply act as a watchdog, however. It is devout in its efforts to upgrade skills-development programmes and, more importantly, to address and sensitise companies to the link between diversity at top-management level and corporate performance.

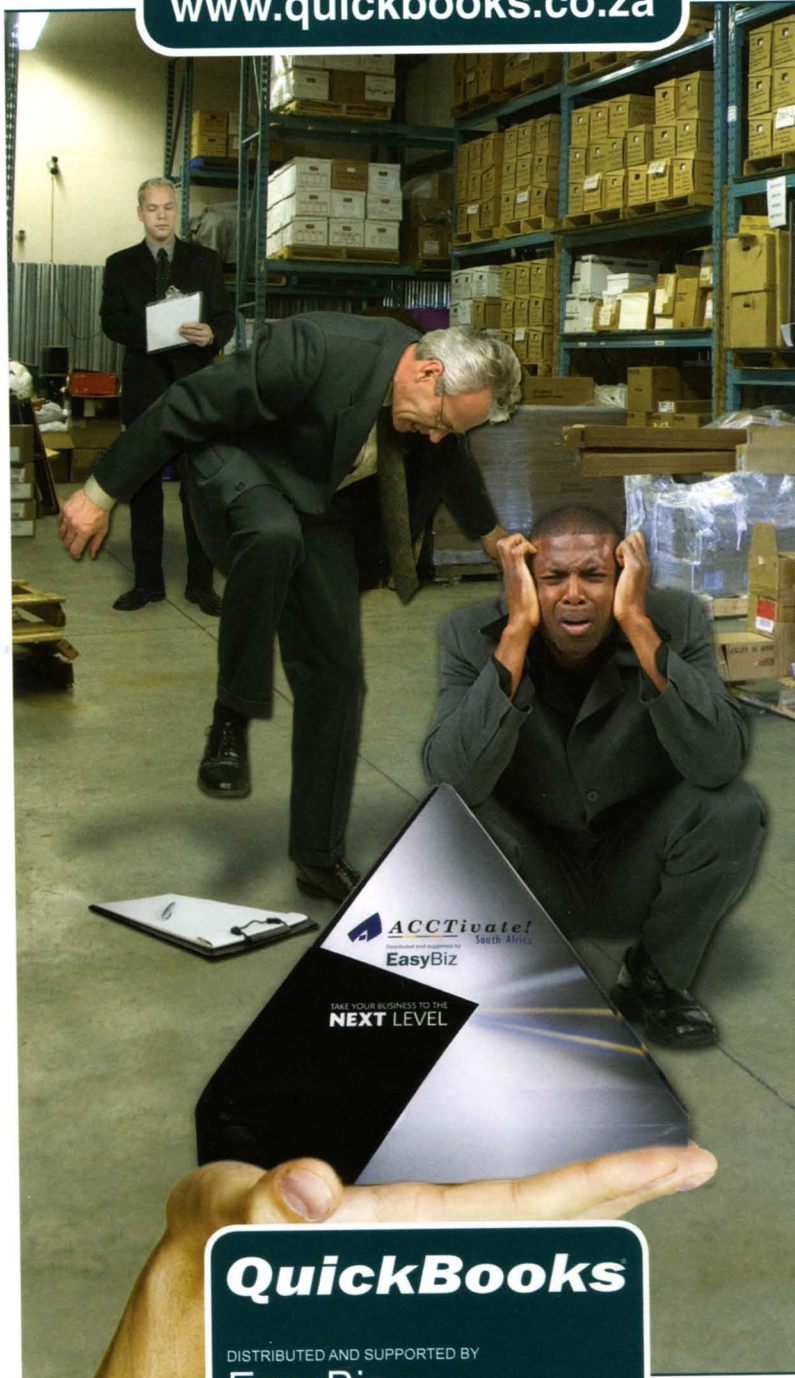
It is interesting to note that even as far back as 2004, within the (American) Fortune 500 companies, the top 25 organisations with the best record for promoting women to senior positions including the board, posted returns 18% higher, and returns on investment 69% higher than the Fortune 500 median of their industry.

What traditionally male-oriented environments need to realise is that women are now controlling larger amounts of money and driving investment more than at any other time. Across the continent there are new doors opening for trade and entrepreneurial opportunities, many of which will be motivated by women.

Consider, too, that women have a deeper and more intimate knowledge of consumer markets and customer spending, and that the multitude of roles that women play – as a mother, wife, homemaker, and career woman – has resulted in a finely tuned emotional intelligence that plays well within the social and decision-making dynamics of a business environment.

If South African businesses do not recognise the importance of these trends, and understand the influence of women in business-to-business markets, they will most likely not realise improved financial performance. The proverbial glass ceiling may be cracked, but it's not yet shattered. When it does collapse it will be because the fight was well fought, fairly and comprehensively dismissing gender disparity and inequality in the South African workplace. Let us show the rest of the world that the sweet smell of success is most definitely perfumed. □

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