

# Women: vital ingredient for successful boards

*"I saw my mission as one of preaching reconciliation, of binding the wounds of the country, of engendering trust and confidence."*

Nelson Mandela



Corporate South Africa is engaged in a multitude of critical issues which forced one business leader to state: "In order to survive, business has to transform and perform at the same time." This places increased pressure on leadership and on corporate boards.

One way to address this problem is to increase and broaden the skills and competency base of boards which can be solved, among other ways, by creating greater diversity at board level so that issues can be viewed from a wider perspective.

According to Johannesburg Securities Exchange statistics, only 152 women directors serve on 199 boards out of a total of 2 787 directors currently serving on 3 654 boards of listed companies.

"It is recommended in the King II report on corporate governance that organisations at board level should create gen-

*Anne Pratt heads up Anne Pratt & Associates which is an executive search company. She recently received the Entrepreneur of the Year award from the Businesswomen's Association.*

der diversity and that board compositions should reflect the markets and the customer or consumer profiles of the organisation – because it makes good business sense!" says Anne Pratt who runs an executive search company, Anne Pratt and Associates, within the Accord Group.

Citing the results of a recent USA Catalyst Member Benchmarking survey, she says that of the 107 leading companies and firms that responded, 89% claimed that competitive advantage was the primary aspect of their business case for diversity. "Making the case for diversity is therefore the first step in making the change."

The black economic empowerment commission proposed that of all targets achieved within a ten year period 35% of all diversity management and executive appointments should be black women.

"The need to accelerate diversity in boardrooms has challenged us to reposition ourselves. Corporate South Africa needs to identify the key attributes, the success factors and the role women can play to improve board effectiveness. Corporate South Africa can learn from the Garden of Eden," Pratt believes.

She is also convinced that by 2005 at least 30% of all boards should be women otherwise they will not be effective in ensuring that their organisations remain competitive.

McKinsey and Company, the global consultancy firm, has designed a value proposition for winning companies – why would a talented person want to work here? – and divided it into four segments:

- ♦ *Go with the winner:* the emphasis should be on growth and advancement in a strong performing company. Local examples are MTN, Iscor and ABSA.
- ♦ *Big risk, big reward:* the emphasis should be on compensation and career advancement like in the case of Dimension Data and Cell C.
- ♦ *Save the world:* an organisation with an inspiring mission and exciting challenges like the Presidency and NHFC.

♦ *Lifestyle:* personal issues are at the forefront – respect for lifestyle, geographic location, fit with the boss, etc.

Moving closer to her field of expertise, Pratt says that executive search and development should adopt a people centred approach to ensure that employees feel valued and respected "so that the small things can make a difference.

"It is also important that individuals understand the value proposition of the company as well as the overall marketing plan of the business in order to assist where possible.

"In addition, world-class service delivery is no longer negotiable, it is merely the point of entry."

Referring to director development, Pratt suggests that much emphasis needs to be placed on governance issues. "However, this should not only be restricted to incoming directors. Current directors also need to be updated with the dynamics of governance.

"Coaching and mentorship can play a significant role in developing the individual as well as the board while fast tracking during the induction process can play a meaningful role in getting new directors up to speed with the rest of the board.

"Most large companies are involved in global business. International management training and assignments overseas for top women executives are important development avenues here."

Recent experience has been that affirmative appointees to boards and women are targeted by head hunters and competitors. Boards should develop a strategy to retain these executives.

"In this regard, CEOs should take an active interest in staying close to the talent in the business and put a human face to the organisation. The effective transformational leader should:

- ♦ create support structures to maintain a balance between work and life,
- ♦ promote high potential women and other minority groups who make a meaningful contribution through hard

work.

- ❖ create internal sponsors and mentors.
- ❖ create professional networks for women and minorities and publicly reward those who advance the role of women.
- ❖ create a critical mass and
- ❖ get close to and proactively manage the concerns of these groups."

At this point it may be necessary to look at the contribution that women can make to the effective running of a business.

"If one looks at the unique contribution that women can make to an organisation, one should perhaps start with her background.

"Women have always been the nurturer in society which make them more sensitive with a high level of concern for integrity. In the modern era of governance and risk, these are critical issues that women can bring to a board.

"An important new dimension of King II is sustainability and the so-called triple bottomline where the social aspects and the environment have been elevated to the status of finance and profits.

"Women tend to be relationship builders, having a high degree of respect for their fellow human beings. They have a greater sense of balance in their lives as they tend to have more issues that dominate their thought process.

"Women are more interested in the process than in the results. They challenge in a more non-threatening way than their male counterparts.

"Because of their nurturing role, they have a predisposition to see others grow. They are excellent at providing service so this is the industry they normally excel in."

What then are the trends and what are

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the lessons to be learnt? What can women do to promote their own cause?

"Fortunately, corporate South Africa is beginning to raise the level of consciousness of the value of diversity and the value of women at board level.

"However, not all boards have a business case to accommodate women within their ranks. This is reflected in the fact that the representation of women is marginal as we saw with the JSE statistics.

"The business case needs to be presented and sold to the board. Lobby if necessary, coach board members if need be, recognise the people who motivate the case and involve them.

"In addition, the focus is still on cultural diversity rather than gender diversity or a balance between the two. Companies should therefore motivate the gender diversity opportunity inside their businesses and make it work for them.

"Corporate South Africa needs to think differently about how it should go about sourcing, attracting and retaining women executive. Companies therefore need to become more innovative, they need to partner with people with strong alliances and with a passion for the business case. You have to become proactive and take the ini-

tiative," Pratt advises corporates.

She also advocates for a proactive creation of flexible support structures to accommodate the different needs of women executives thereby demonstrating the seriousness with which the organisation takes gender diversity.

"Because women are so far in the minority in senior positions, the organisation must see to it that strong professional networks and role models are created.

"Companies also need to be open to the professional development of support structures to fast track women. Be bold, take calculated risks based on women's potential. Women, on the other hand, should embrace the opportunities with enthusiasm and position themselves with world-class skills.

"They should be assertive without losing touch with their feminine side. Astute to know which battles they should fight and which to leave. They should develop best practices and do more for their own cause.

"People who take decisions about board appointment should take advantage of this tremendously underutilised resource. After all, women have a real contribution to make at this level!" Pratt concludes. ■