Do South African organisations have access to 100% of the country's potential talent?

By Wendy Spalding

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Have you heard of the 30% Club yet? It is in its infancy in South Africa, but it was launched in the UK in 2010. Its goal is to drive the increase of women on FTSE-100 boards to 30% by the end of 2015.

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The 30% Club works from the premise that diverse boards make businesses more efficient, effective and, ultimately, more profitable. So far so good - it has achieved a steady increase from 12.6% in 2010 to 22.2% currently.

I am a founding member of the local 30% Club in southern Africa and a representative of its steering committee. This, coupled with Tuesday Consulting's work with JSE-listed clients, has given me great insight into the value of addressing the economic and human capital benefits of gender representation at executive and board level in South African corporates.

At Tuesday Consulting, we are committed to advising board chairmen, investors and hiring executives on how to address succession planning to achieve greater gender diversity on future boards and executive teams. We share best practices and raise the issue with organisations that are not yet actively thinking about the potential returns of gender diversity.

There are sound reasons for gender equality. A number of research reports, including those from McKinsey & Co, Catalyst and the World Economic Forum (WEF), confirm that organisations with the highest percentage of women on boards outperform others in terms of returns on equity, sales and invested capital. Women bring a unique set of talents and skills to the boardroom, from empathy and collaboration to resilience and mutuality. Therefore, intentional cultural change where men and women lead beside each other must be the goal.

Yet volumes of research record the low numbers of women in senior management and board positions in South Africa. It is not necessarily that the leadership opportunities do not exist, but rather that women are opting for alternative career models outside of the corporate world in their search for career progression.

So why is the talent pool of executive women in South Africa not being utilised to its full potential? And why are organisations not creating a pipeline of future female leaders? In a country with such a widespread skills shortage, organisations are not thinking laterally enough about how to attract, develop and retain approximately 50% of the potential pool of talent. What is even more absurd is that they are willing to lose their talented leaders after investing heavily in their skills and career development.

Paradigm shift

A paradigm shift is, therefore, required. Talent management solutions should be gender neutral. Smart organisations know that diversification on their boards and executive and leadership teams will lead to greater innovation, but they need to 'walk the talk'. They need to develop solutions that offer women (and men) more incentives to remain in the corporate world.

Women are no more difficult to employ than men and they are not necessarily demanding special treatment, but some creativity needs to be applied to attracting and keeping the best employees. Organisations should be creating cultures and career models that attract a much broader pool of candidates and ensure satisfied employees who can realise their work/life goals.

An example of a smart company is Deloitte LLP, which has become a pioneer in workplace innovation with its recently launched agile working programme. The company allows all employees to request a formal flexible working arrangement and a block of four weeks of unpaid leave each year. Also, by using collaborative technologies and adaptable work spaces, Deloitte allows employees to work where and how they want.

Voluntary vs mandatory reform

The UK's 30% Club is achieving its aims without mandatory quotas, believing that voluntary business-led action is the way to achieve meaningful change. With our history of mandatory reforms in South Africa, there is much debate about whether we should mandate gender equality.

Personally, while I can see the point of the Women Empowerment and Gender Equality (WEGE) Bill - which is calling for a very ambitious 50% female representation across all senior and top management positions - I believe that if corporates are not voluntarily putting strategies in place to continually attract and retain all elements of diversity, which include women leaders, change will not occur.

The solution really requires a cooperative approach between the government and business to set and achieve realistic gender-equality goals and establish a framework that makes commercial sense. We could all certainly learn from countries such as Iceland and the Nordic states where gender equality is regarded as the best in the world.

According the WEF Gender Gap Report of 2013, the Nordic countries are considered leaders in gender equality. The key reasons for this are that their labour participation rates for women are amongst the highest in the world. Salary gaps between men and women (although still present) are amongst the smallest in the world. These economies encourage the creation of opportunities for women to hold senior leadership positions. As a result parents now combine work and family responsibilities; resulting in higher female employment, shared participation in child rearing and a balanced distribution of home-related tasks.

While we wait for the WEGE bill to be enacted into law and for initiatives like the 30% Club to gain momentum, women continue to exit formal employment, looking for more appealing - but really they mean more flexible - options, like pursuing entrepreneurial opportunities and starting or managing smaller businesses. They are leaving the corporate world to find and create new business models that suit their goals, preferences and desires and, ultimately, they are taking their institutional knowledge and valuable skills with them.

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