

What the boardroom needs now: oestrogen

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By **Anne Summers**

The travails of director Catherine Walter aside (for the moment), you do have to conclude that the NAB does have a bad case of OTP – otherwise known as Organisational Testosterone Poisoning.

This syndrome is atrociously prevalent in Australian business, political and sporting institutions and it is starting to cost them dearly. We saw it on Saturday with the Labor Party being trounced by a woman in the City of Sydney elections that were supposed to be a shoo-in for that political Lazarus Michael Lee. We have seen it in football, especially Rugby League, where sexual thuggery is finally out in the open and where team defeats rouse supporters to physical violence in the stands. Even surfing, supposedly a laid-back sport, has been shown to be prone to OTP with Andy Irons admitting his masculinity would be on the line if beaten by Layne Beachley.

But the NAB is up in the stratosphere of OTP afflicted bodies. It has never had a woman in its senior management ranks. Never ever. Ten years ago John Dawkins, then the federal treasurer, had lunch at the bank with more than one hundred of its top executives, all of whom, he subsequently noted, were men. It was going to stay that way while Frank Cicutto was CEO. His 21-page “Performance for Growth” report in February 2002, the NAB’s blueprint for future growth, contained just one female name: that of Cicutto’s personal assistant.

Now the bank is set to ditch its only woman Board member. In an extraordinary display of OTP, the rest of the Board has called for a special shareholder meeting to oust her because she no longer enjoys their “trust and respect” and she won’t oblige them by falling on her sword. These seven men are willing to spend more than \$2 million of the bank’s money to have her turfed out by shareholders because they can’t persuade her to take the fall for the rest of them.

Most business commentators contend that Walter should go because of her stewardship of the bank’s Audit Committee during the Homeside and foreign exchange scandals but they also argue that other directors, including the new chairman, Graham Kraehe, himself a member of the audit committee at the time, should share the responsibility and resign as well.

The seven gnomes of the NAB Board aren't having any of that. They are apparently of the view that they should be immune to accountability but that Catherine Walter should not.

This is a strange argument, especially from the sex that supposedly excels in logic – it is women who are meant to be irrational and emotional – but this kind of immature blame game is becoming increasingly common amongst men whose grip on power shows any signs of loosening.

New Lord Mayor of Sydney Clover Moore was denigrated as the “Witch of Oxford Street” by a Labor Party whose Machiavellian ploy to amalgamate strategic local government areas was spurned (in spades!) by voters. And how petulant was it to paint horns on the poster of Clover displayed in Michael Lee's office! Numbers of women who have made accusations on sexual assault against football players have been characterized as predatory (and therefore deserving what they got?). Catherine Walter has been blasted off the pages of the weekend newspapers for taking on a fight that, all commentators agree, she can't and, by implication, shouldn't win.

It is an interesting situation.

Walter might be engaged in a last-ditch self-preservation effort by characterizing herself as the only one willing to force a total cleanout of what is clearly a dysfunctional and inept Board. Yet you can't help noticing that it is women directors who are more likely to assume this role of protecting the probity of their institutions. Think Carolyn Hewson at the AMP and Anne Keating at what was then the NRMA.

With so few women occupying Board and senior management positions in this country -- 8.2 per cent of Board positions and 10 per cent of senior executives of Australia's top 200 companies are women, according to the latest census from the Equal Opportunity for Women in the Workplace Agency -- it is not surprising that those who are there are highly visible. Their successes, and their failures, are going to be more conspicuous than those of their gray-suited male colleagues.

Not every woman who is promoted to these heights is going to succeed, or to be a positive role model for other women. The law of averages would mandate that.

At the same time, there is evidence from the United States that the increased presence of women on board and in senior management is linked to increased corporate profitability, and the OTP afflicted NAB could surely benefit from that.

“A 1998 American Management Association (AMA) study compared the financial results achieved by all-male senior management teams to mixed-gender senior management teams from 1996-97,” says a paper prepared by Amanda Ellis, formerly head of women's banking for Westpac and now employed by the World Bank in Washington DC. “The results indicated the inclusion of women on senior management teams made a positive difference to the financial results of their companies, including improved gross sales

revenue (23% compared to 13%), improved market share (5.6% compared to 2.6%) and overall improved net operating profits (66% compared to 59%).”

NAB’s new CEO John Stewart says he plans to replace the current “can’t do” culture at the bank with a meritocracy. This has to include bringing in some women. There has already been speculation about him trying to poach Ann Sherry from Westpac.

Stewart seems too smart to think that just one woman will do it. He does not seem about to confuse tokenism with actually subverting the destructive and ineffective OTP culture.

“It is great to contribute a bit of oestrogen in the line-up,” Layne Beachley said just before she took on Andy Irons in the surf last weekend. There are plenty of women willing – and competent – to do the same across Australian corporate, sporting and political life. It’s high time they got the chance.

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