

# Gender transformation faring badly in South Africa

While international companies and governments continue to take definitive steps to address gender transformation in senior echelons, an expert says that locally the issue demands serious attention.



Debbie Goodman-Bhyat - CEO, Jack Hammer

Debbie Goodman-Bhyat, CEO of executive search firm Jack Hammer, says, “The company’s latest research indicates a decrease in the percentage of female CEOs in South Africa’s Top 40 companies in recent years and an ongoing conservative bias in hiring practices. This approach not only affects equality and transformation but also has a negative effect on the bottom line and competitiveness of a business.”

Days before International Women’s Day last week, Germany passed a law obligating some of Europe’s biggest companies to have women occupying 30% of their top jobs by next year. In doing so, Germany joined the ranks of several other countries introducing gender quotas in senior echelons.

This comes mere weeks after entrepreneur extraordinaire, Elon Musk, said he would be auditing employee salaries at his company to ensure gender pay parity, in line with “principles of fairness and justice.”

“In South Africa, racial representation in boardrooms and executive teams rightfully gets an enormous amount of attention and is a source of countless debates and analyses. However we are in danger of losing sight of the fact that gender transformation is faring even worse, which should prompt some hard questions,” continues Goodman-Bhyat.

According to the latest Jack Hammer Executive Report, 'Finding the Facts: South Africa's Future Leaders', of the 334 executives in the JSE's Top 40 companies, only 17% of executives are female, compared to 21% who are black South Africans. Moreover, female CEOs decreased from 5% in 2012, to only 2.5% in 2015, when the research for the third report was conducted.

"Once again, hiring practices in top jobs show a bias towards doing things as they have always been done, with tremendous conservatism. However, this approach no longer makes sense when research repeatedly shows that increased diversity – including on the gender front – leads to improved company performance."

According to a 2011 Catalyst Analysis of the financial results at Fortune 500 companies, a high representation of women board members led to companies significantly outperforming those with no female directors.

"While it is true that women in South Africa are increasingly being appointed to senior positions, too many of these appointments remain in support or 'corporate services' roles. While these roles are certainly important, they do not lead to the top jobs.

"It is therefore imperative that more women be actively sourced and appointed to the critical profit-and-loss jobs, the core business roles, which will enable greater gender transformation at CEO and executive levels in years to come."

According to the groundbreaking research on gender transformation, conducted by the non-profit organisation Lean In and McKinsey & Company, women continue to face greater barriers to advancement and a steeper path to senior leadership. Yet despite female leadership being an imperative for organisations that want to perform at the highest levels, the current slow rate of progress means that it will take 25 years for gender parity to be reached at senior executive levels, and more than 100 years to reach equality in the C-Suite.

"It is time for businesses to address the unconscious biases which not only impact on equality and transformation but also have a negative effect on bottom line and competitiveness. Companies must become consciously strategic about transformation and focus on appointing black and female professionals into core business roles, in order to start shifting the seat of influence sustainably," concludes Goodman-Bhyat.

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