

## Harnessing the power of women. What Martin Parkinson can offer Malcolm Turnbull

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If Malcolm Turnbull wants to really unleash Australia's potential, he should hire Martin Parkinson.

Parkinson is the treasury secretary Abbott unfairly sacked against the wishes of his treasurer. Jetting in from a stint at Princeton University last week, Parkinson attended Turnbull's 61st birthday party in Sydney before returning to Canberra.

When he took over as treasury secretary in 2011, after a year away running the climate change department, he noticed that something was wrong.

"I realised that the nature of the policy discussions was quite masculine, whereas the nature of the policy discussions on issues – just as deeply technical and complex – in climate change were of a different style," he said later. "That's what made me start to think, what is going on here?"

What he did next is detailed in a riveting new book titled [New Women, New Men, New Economy](#) by corporate advisers Narelle Hooper and Rodin Genoff.

After seeking advice, Parkinson not only set targets for the proportion of women in the treasury senior executive (35 per cent by 2016, 40 per cent soon after) he set about [changing what treasury valued to bring them about](#). When picking candidates for promotion or special projects, more weight was to be given to co-ordination and people skills and less to conceptual and analytic skills.

Because every enterprise needs both.

In example after example, Hooper and Genoff demonstrate that organisations that make good use of women perform better than those that don't.

When Credit Suisse examined the performance of 3000 companies in 40 markets over nine years it found that companies where women occupied half the top slots did 50 per cent better than those in which they didn't.

"It was such a consistent pattern that the researchers initially questioned their analysis and checked it again," Hooper and Genoff write. They were seeing what doctors call a dose effect. "The more women, the higher the performance".

McKinsey and Co reported this year that the 25 per cent of companies most likely to employ female executives did far better financially than the other 75 per cent. Those that were also racially diverse did better still.

Diversity matters because the more mindsets you can bring to creating something or solving a problem, the less likely it is you'll miss something out.

Google is renowned for being innovative, yet when it launched its YouTube app for iPhones in 2012, 5 to 10 per cent of the videos loaded upside down. Without knowing it, Google's mostly right-handed staff had designed an app for right-handers.

In other spheres, the consequences of excluding insights can be worse.

Neelie Kroes, the European Union commissioner for competition during the financial crisis, put it this way: "If Lehman Brothers had been 'Lehman Sisters', would the crisis have happened like it did?"

She said the answer was No. "Women managers are naturally more risk-averse and they think about the long term.

Generally women have a better ear to listen and they are less likely to pretend to know everything themselves. They are team players with less ego."

This isn't to say that women are always better at making decisions than men. In some spheres women might be, in others women might not. The differences are nowhere near as important as the enormous and demonstrable benefits of taking advantage of both.

The treasury's target goes beyond ensuring that 40 per cent of its executives are women (already 52 per cent of its staff are women). Its deputy secretary Nigel Ray told a senate hearing last month that the target was better described as 40-40-20: 40 per cent women, 40 per cent men, and 20 per cent of either.

To get it, the treasury runs unconscious bias training sessions and uses its formidable analytical skills to monitor gender splits in performance ratings, promotion and pay. It's adopted an "if not, why not" approach to requests for flexible work. The onus is now on the treasury supervisor to explain why a request for reduced hours or working from home can't be accommodated rather than on the worker to explain why it should be.

Smart companies like Rio and Qantas get it. Rio finds women use less fuel when they drive trucks. And the Irish-born openly gay Qantas chief Alan Joyce says if someone like him can run an Australian airline, anyone should be able to do anything.

Australia is going to have to use every resource it has if it's to make the most of the decades ahead. Parkinson gets it, and he is a first class economist and administrator to boot. Turnbull could do far worse than put him and his insights to work.

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