

Zonta Club of Victoria Installation Ceremony  
The Bankers' Club, 43/F Gloucester Tower, Landmark  
May 13, 2009 at 7:30pm  
Anna Wu

An English professor once wrote the words, “A woman without her man is nothing”, asked his students to punctuate the phrase.

All the men in the class wrote, “A women, without her man, is nothing”.

All the women in the class wrote, “A woman: without her, man is nothing”.

It is all a matter of perspective!

I have have been involved with the promotion of EO for many years. Of all forms of human rights, nothing can be more basic than the rights to life and to survival. An extension of these rights is the right to development. Developing individual capacity leads to independent living and self sufficiency. This leads to lesser dependency on social welfare. Many anti-poverty measures are directly pegged on the capacity of the individual to develop.

The business case for EO is about reducing investment risks and about profitability by investing in people and creating human capital.

Social expectations of companies have changed dramatically. Trust in brand and corporate names can be destroyed over night. Business now recognize that consumers are demanding that the food they eat, the clothes they wear and the products they use daily are manufactured under fair and non-discriminatory labour conditions, sensitive to the aspirations and development of a community, not damaging to life and health and are environmentally responsible. Market share, brand names and corporate values depend on consumer acceptance of the corporate brand of ethics and social values. Similarly, fund managers and shareholders now scrutinize corporate performances on CSR (which includes standards for equality and diversity), linking these directly with sustainable corporate growth.

Business now sell values and not just services and products. The Dow Jones Sustainability World Indexes was launched in 1999 in response to growing

investors' interest in sustainable development. These track the performances of sustainability leaders worldwide and encompass the top 10% of companies that lead their industry.

A Covenant Investment Management study in 1996 on S&P's 500 found that the annualized return for the top 100 companies on rights was 18% versus 8% for the 100 that were rated lowest.

In another study - The Bottom Line: Corporate Performances and Women's Representation on Boards - by Catalyst in 2007, a comparison of the financial performance of Fortune 500 companies over a number of years showed those with more women board directors out performed those with fewer numbers . These findings generally held across industries:

- Return on equity: companies with more WBD outperform those with the least by 53%
- Return on sales: companies with more WBD outperform those with the least by 42%
- Return on invested capital: companies with more WBD outperform those with the least by 66%

There are now many socially responsible business models. A few years ago, Howard Shultz spoke at Shantou University. Starbucks provides special measures such as health cover for part time employees and unmarried spouses and employee stock option which are available to employees on mainland China. These moves boosted employee loyalty and led to extremely low worker turnover.

Globalization has driven business to break down borders. It has also forced investors to be sensitive to the social development of each market to avoid rejection of services and products to reduce investment risks. Bad business and governance standards result in investment risks to the company and disruption to its market. Increasingly business is required to operate in a fair transparent and accountable fashion. Numerous agencies have established standards and ratings for important aspects of corporate governance and responsibility.

As business attempt to deliver on their globalization ambitions, management of equality and diversity become significant corporate practices. They are measured by rating agencies and they enhance shareholders' value. An

essential part of business is about getting the best talents. A successful market strategy needs a “free market of ideas”. A motivated workforce enhances productivity, competitiveness and innovation.

This world is a far better place because of individuals such as Franklin D Roosevelt, Stephen Hawking – both wheelchair bound, Beethoven who was deaf, and Steven Spielberg who has dyslexia.

Cedric Herring ( Prof of sociology at the U of Illinois at Chicago ) in his 2005 study - Does Diversity Pay?: Racial Composition of Firms and the Business Case for Diversity - found that business with greater racial diversity reported higher sales revenues, more customers, greater market shares and greater relative profits.

David A. Thomas (Prof at Harvard Business School) in his 2004 study of IBM in the paper - Diversity as Strategy - found IBM expanded minority markets dramatically by promoting diversity in its own workforce. The result was “a virtuous circle of growth and progress”.

IBM has had a long history of progressive management when it came to civil rights and equal- opportunity employment. As compared to 1995, in 2004, female executives worldwide had increased by 370%, ethnic minority executives born in the US by 233%. 52% of it’s Worldwide Management Council , the top 52 executives who determine corporate strategy , was composed of women, ethnic minorities born in the US, and non US citizens. The number of self-identified gay, lesbians, bisexual, and transgender executives increased by 733% and the number of executives with disabilities more than tripled.

The man behind this initiative was Lou Gerstner (Chairman of the board and CEO of IBM from 1993 until 2002). He made diversity ‘a market-based issue’ and he said, “It’s about understanding our markets, which are diverse and multicultural.” In 2001, these activities accounted for more than US \$300 million in revenue compared with US 10 mil in 1998.

Equality and diversity pay and there is a clear link between equality, diversity and profitability.

Last Sunday was Mothers’ day. In honour of all the mothers in the world, let me conclude with this story.

**“I’m just a Mother? Excuse me???”**

One day at Town Hall.

The Clerk who was obviously a career women, poised, efficient, and possessed of a high-sounding title like the “Official Interrogator”.

“And what is your occupation?” she probed.

The words popped out. “I’m a Research Associate in the field of Child Development and Human Relations.”

The clerk paused, ball-point pen frozen in midair. I stared with wonder as my pompous pronouncement was written in bold, black ink on the official questionnaire.

“Might I ask,” said the clerk with new interest, “just what you do in your field?”

Coolly, without any trace of fluster in my voice, I replied “I have a continuing program of research (what mother doesn’t) in the laboratory and in the field (normally I would have said indoors and out).

I’m working for my Masters (the whole darned family) and already have four credits (all daughters). The jobs is more challenging than most and the rewards are in satisfaction rather than just money.”

There was an increasing note of respect in the clerk’s voice as she completed the form, stood up, and personally ushered me to the door.

As I drove into our driveway, buoyed up by my glamorous new career, I was greeted by my lab assistants – ages 13, 7, and 3. Upstairs I could hear our new experimental model (6 months) in the child-development programme, testing out a new vocal pattern. I had scored a beat on bureaucracy! I have become more indispensable to mankind than “just another mother.”

With that you can earn a double degree in business management and economics quite easily.