



HOW LONG WILL IT TAKE TO SEE MORE WOMEN AT SENIOR LEVELS?

Gender Balance stats at a glance

The dataset
11,000 employers
3,9m employees
4,354 reports

Workforce
48.5% female

Women working full-time
42%

Women working part-time
32%

Gender pay gap, based on
total remuneration
24.7%

Proportion of women at
each management level
CEO: 17.3%
CEO-1: 29.3%
CEO-2: 33.7%
CEO-3: 36.7%
CEO-4: 36.8
CEO-5: 41.9%

Highest proportion of
women in key management
personnel
49.6% - Health Care and
Social Assistance

Lowest proportion of
women in key management
personnel
13.6% - Construction

Source: WGEA 2014

Slim pickings, but a line in the sand

The Workplace Gender Equality Agency (WGEA) recently released statistics on the state of gender balance in management positions in Australian organisations. Although similar data has been collected for a few years now, it is the first time that there is a reasonable degree of standardisation. So, in reality, it's the first time we can reliably compare apples with apples, not only at a high level between sectors, but specific organisations also.

It would have been uplifting to be able to report that the actual stats collected were as positive as the initiative that saw them compiled. Instead, the picture painted by this benchmark survey is markedly sombre. There isn't much to celebrate – and very few organisations can! In a nutshell, although women make up pretty much half of the workforce, they are seriously under-represented in management ranks, especially so at senior levels.

WGEA's ground-breaking (mandatory) data collection looked at companies of over 100 people. It found that almost 40% of the 'other manager' level within organisations comprises women. Yet only 26.1% of the 'key management personnel' are women, and 86.7% of CEO's are men. Significantly, almost a third of organisations don't have a single woman among their key personnel and a fairly similar number have no women at the 'other executives / general manager' level.

The 'knowing-doing' gap is profound

The WGEA reported an increase in the size of the gender pay gap to 24.7% earlier this year. They also found a 19.9% difference in base salary between Australia's men and women in full-time positions. In some way then, the latest data simply confirms what we already knew. Actually, we've known this for a long, long time.

It's also clear that there is a serious 'knowing-doing' gap. Organisations know about the disparity. In fact, more than half (53.6%) have published their own gender equality policy. Similarly, almost half (47.7%) of employers have flexible work policies and 45.2% have developed policies relating to support for employees with family and caring responsibilities. These particular indicators are of interest because, as the WGEA acknowledges, they are "known enablers of gender equality".

Although it's disappointing that more organisations haven't formally developed gender balance policies, we can nevertheless assume with reasonable confidence that most have some level of awareness of the challenge. While we don't support the lack of policy, one might reasonably assume from the data that the 46.4% who don't have gender equity policies aren't doing much less than those that do!

The WGEA reports that only 13.6% of organisations have a strategy for flexible working and 13.2% have a strategy to support employees with family and carer responsibilities. Of course, one cannot conclude from this data that organisations are doing nothing about developing flexible work arrangements or supporting employees with family and carer responsibilities. But, it does raise a question about seriousness of intent. If a policy is developed because a matter is important to an organisation, surely there'd be a strategy and actions as a follow-up. To what extent is having these policies on the books simply a 'tick-the-box' exercise, or perhaps even window dressing? There seems to be a very large knowing-doing gap in relation to gender balance.

Not moving too fast – but it's finally transparent

It has been pleasing to note the spike in appointments of women to the boards of Australia's largest organisations. Undoubtedly, in large part this is because of increased public scrutiny, including a growing number of large investors making decisions at least in part on the basis of the gender composition of boards. Realistically, although we have seen a near 50% improvement of women on ASX200 boards (from 14.4% in 2011 to 21% in 2013), it was off an embarrassingly low base! But, some perspective is needed. According to Pru Bennett of Blackrock, we're talking 33 female board appointments in 2013 (actually down from 35, during the 2012 flurry).

Looking more closely at gender balance among management ranks means we're talking about tens, even hundreds of thousands of people. It's unlikely we'll see the same remarkable growth in the number of senior women managers, as we did with women directors appointed to board positions. But, what is a reasonable expectation? Looking at key management personnel, there'd need to be a sustained 15% year on year increase in the number of women appointed over the next 3 years to come within a whisker of the 40% representation that many consider a satisfactory outcome. That's, of course, assuming that opportunities for promotion are available at this required rate, which they're probably not.

With rate of change in mind, it seems as if the most revealing gender balance statistic is an organisation's year on year rate of appointment of women into key management personnel and other senior management roles. This accounts for the reality that there won't be a general or a regular spill of senior management positions in organisations, as there is in political parties from time to time. Even though the gender balance journey may take longer than desired, the *rate of appointment* statistic is a fair indicator of *rate of progress*. It will be interesting to review progress in a year. Those stats are most eagerly awaited!