



To Be Meritorious
Gender Equality At Work In 2017

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Overview

Gender equality, the perennial priority for business, government and society, is taking its time.

The following assessment of women at work and in the economy shows minimal change, stagnancy and even decline from last years review.

Presenting both new and updated evidence, there remains a strict divide between men and women. This is a failure of equality of opportunity and equality of outcome and it is limiting Australia.

Change really does start at work and it is beholden not just to organisations but individual managers and colleagues to consider their own actions to rectify what is a handbrake on Australia.

Lifting the bar cannot be left to a few.

Crossing leadership, promotions, remuneration and insights into the changing economy, the following is a macro overview of the state of gender equality in Australian workplaces.

Building on previous reviews, this evidence provides a comparison of original data and evidence from 2016 and 2015 where marked.

Key outtakes

- There has been a decline of women in CEO and chair roles, with a stagnancy of women in executive and non-executive positions
 - 19 women are at the peak of Australian business, as either CEOs or company chairs. There are 32 men named John and another 32 named Peter.
- To be a captain of Australian business you are 40 per cent more likely to be named Peter or John than to be female.
- Straight, white, able-bodied men aged 40-69 years, which represents the majority of Australian leadership, are 8.4 per cent of the population.
- Australian leadership is blindingly white with only 3.9 per cent of ASX executives with descent from non-European backgrounds.
- Women are accessing promotions more regularly, but parity even in junior management is more than a decade away.
- There is a gender pay gap at every level of the workplace - including almost 30 per cent for comparable CEOs
- Men's wages in mining rose 287.5 times greater than women in that industry.
- Western Australia has the largest gender pay gap and New South Wales had the largest drop in the gender pay gap.
- Organisations are less likely to offer job sharing and carers leave now than they were a year ago.
- Almost half of all startups employ no women.
- Women are the most educated part of the economy, and have the most opportunities in the mid-to-long-term.

Women in Management

Over the past year there have been less women in leadership, in part due to a greater concentration of corporate power.

Women hold 20 per cent of all executive appointment and 25.3 per cent of all non-executive board roles. After some considered effort it seems that the number of women on boards may be plateauing. Women constituted 42 per cent of all board appointments, while this is marginally down from 2016 this is an eightfold increase since 2009 and adheres to the desired 40/40/20 rule.

- There are nine female CEOs, being 4.5 per cent of all ASX200 CEOs
 - 13 CEOs are named Andrew and another 13 named Peter
 - 10 are named John
 - Nine are named David and eight are named Michael
- There has been little movement on the number of women in executive roles with most concentrated in support roles (HR, legal and marketing) away from business units where CEOs tend to be promoted from
- There are 10 female company chairs
 - 22 are company chairs are named John, 19 Peter and 12 David
- 25.3 per cent of ASX200 directorships are held by women

In 2016 there were 12 female CEOs and 12 female chairs in the ASX200. The most common names were Andrew and Peter (both 15).

In 2015 there were 11 female CEOs and 12 female chairs in the list. The most common name was Peter.

As a note, Australian leadership is still incredibly white with the 96.1 per cent of executives of white West European descent. Women who are not of this background make up 17 per cent of the remainder 3.9 per cent, or .66 per cent of all executives.

A decline?

The decline of women at the peak of Australian business is ironic. It seems like we discuss this topic all the time and it is amounting to even fewer women accessing these roles.

Recruiters, decision makers and especially chairs need to take note. They are relying on a very narrow pool of talent, male and female, that cannot be the best they rely on.

The average Australian CEO lasts around four years yet this turnover is not yielding female candidates. The preference for CEOs which run business units cancels out most women in corporate Australia.

There needs to be a concerted effort to bring women in more CFO roles and others which oversee an entire operation.

Such a narrow pool of executive talent does a disservice to organisations, shareholders, the business community and Australia overall.

Accessing Promotions

Bringing equitable numbers of men and women through workplace pipelines is the only way to achieve gender equality at work.

However, there is an uneven distribution of promotions leading to a divergence in opportunities.

Men received 52.2 per cent of all promotions, and 55.9 per cent of management promotions.

The number of women heads of businesses across the economy was 16.3 per cent, an increase of 0.97 per cent from 2015.

Women hold 40.8 per cent of all junior and middle management roles, an increase of 0.81 per cent since 2015 finally breaking 40 per cent.

- At this current rate, there will not be parity in these roles for 12 years.
- The gender pay gap in these roles is 23.8 per cent

Women in general manager roles increased by 0.75 per cent, they now hold 30.1 per cent of these roles.

- This current rate means that parity at this level can be expected in 27 years
- These women face a 24.6 per cent gender pay gap

A man is 2.1 times more likely to reach middle management, nine times more likely to reach senior management and 20 times more likely to become a company director than a comparably qualified woman.

Slow, very slow inclusion

Minimal change to the opportunities men and women are receiving shows that the inclusion of women is not intentional and that organisations tend to fail to seek out women for roles.

Organisations continue to limit their talent pool by not seeking out qualified women alongside men for management. They are putting a handbrake on their own capacity to succeed.

This delay in achieve parity between men and women, truly, defies logic. There is a talent pool but recruiters and managers are not accessing it.

If organisations cannot promote comparable and qualified candidates then they will struggle to run a successful business.

Comparing Pay

Pay inequality remains a key barrier to women's economic liberation. This has a variety of economic and social repercussions.

Yet, even in 2017, women at all levels of the economy face gender pay gaps. It is clear that they are undervaluing themselves, being excluded from bonus structures and must pass a higher bar.

ASX200 CEO and executive pay gives us the clearest insight into the difference between male and female earnings divergence.

- Male CEOs earned a total package of \$3.39 million in 2015/16
- Female CEOs earned a total package of \$2.44 million in 2015/16
- This results in a gender pay gap of 29.1 per cent, down from 37.42 per cent in 2014/15

The average male executive earned \$1.12 million in 2015/16 and the average female executive earned \$1.00 million, or a gender pay gap of 11.82 per cent.

The average full-time working man earned \$1631.90 per week, his female peer earned \$1370.30 - this is a gender pay gap 16.1 per cent. Respectively, their incomes increased \$28.30 and \$42.70 per week.

Gender pay gap by industry

- The industry with the largest gender pay gap is finance and insurance services at 31 per cent
 - Men and women hold a similar number of jobs in this industry,
- The largest drop in the gender pay gap was in manufacturing 8 per cent between 2015-16; while the administrative and support services (HR, some tourism, some blue collar) had the largest increase in the gender pay gap by 5 per cent

The highest paid industry for both men and women is mining.

- The average pay for men \$2634.20, for women it is \$2133.10
 - Between 2015 and 2016 male wages in mining rose \$57.50 and for women it was \$0.20

The least paid industry for both men and women was accommodation and food services.

- The average pay for men is \$1160.40 and for women it is \$1033.00

Gender pay gap by state (highest to lowest):

- Western Australia, 24 per cent
- Northern Territory, 23 per cent
- Queensland, 16 per cent
- New South Wales, 15 per cent
- Victoria, 14 per cent
- Tasmania 12 per cent
- Australian Capital Territory, 12 per cent
- South Australia, 11 per cent

Between 2015 and 2016:

- New South Wales had the largest drop in the gender pay gap by 3 per cent
- The Northern Territory increased its gender pay gap by 3 per cent, the Australian Capital Territory and South Australia also increased their overall gender pay gap

Where for art thou pay equality

The gender pay gap is changing to be more about the valuation of skills and contributions at work.

Men and women may be at the same level in different jobs - finance vs marketing, for example - but make the same contribution to a business. Yet this is ignored by managers who are narrow minded about divergent efforts to organisations.

It is a key signifier of pay inequality when the most senior and powerful women in Australia are paid less than their male peers, even those who are junior to them.

Confronting pay inequality isn't fun. It is hard work. Avoiding it, however, is devaluing the contributions of women in the workforce.

Various aspects of work, education and the changing economy

Labour market

The labour market overall is showing a preference for female talent, creating almost twice as many jobs for women in 2016 than for men.

As a note, men are working more like women with the largest ever growth of part-time jobs on record - 45,700 in 2016 with a decrease in full-time jobs of 15,600.

Women seem to have an advantage in the changing economy.

In 2016 there were 59,700 jobs created for women and 30,100 for men, showing that the labour market overall does have a preference for women.

Flexible working

With a stable increase in part-time work, it seems that the Australian workforce is becoming more feminised and that there will be more opportunities for success for women over the mid-to-long-term.

A key part of inclusive workplaces has been the adoption of flexible working policies, which 2457 workplaces now have. This increased by 108 workplaces in the past year

2748 workplaces offer flexible hours for staff, an increase of 54 organisations since 2015, and 3941 workplaces now offer part-time work an increase of 66 organisations.

77 workplaces cut job sharing provisions, and 15 workplaces cancelled carers leave offerings.

Note: there are more than 4500 organisations which publicly report on their workplaces

In 2015, while at Curtin University, I undertook a substantive research project which found that the cost (not including benefit) of adapting to greater flexible working across the entire economy could be as low as \$100 million.

Women still have a noticeably lower participation rate in the workforce, but they will have an advantage over the next decade.

A nimble economy requires the transience to the workforce that women are more familiar with.

Startups

23.5 per cent of all startups are founded by women with 31 per cent of future companies expected to be founded by women.

Female business owners are less likely to use co-working spaces.

47.5 per cent of all startups employ no women.

Education

Part of the strength of the changing economy is the proliferation and uptake of education. There is, however, a divergence in education opportunities with women succeeding over men, however it is not leading to the same lack of success that it does for women.

23.6 per cent of men have bachelors degrees or above, with 32.5 per cent of those aged 25-44 in this category.

25.8 per cent of women hold bachelors degrees or above with 40.6 per cent of these aged 25-44 in this category.

Men and women are increasing their numbers in higher education at a similar rate (0.4 per cent each year) but are starting at different rates.

Women have been the majority of university graduates since 1986.

This difference does not seem to limit male participation in the workforce as there tend to be more entry-level openings for traditionally male skills.

If you wish to cite this report please do so as: Liveris, C, "To be Meritorious: Gender Equality At Work 2017", March 2017.

This is part of an annual update of diversity in the workforce and organisational leadership in Australia, initiated by Conrad Liveris. These contributions are verifiable and are reviewed by experts prior to release.

The intention is to provide analysis on various workforce and economic topics on contemporary topics of national and industry interest. All efforts are designed to be impartial, independent, fair and not misleading.