

Understanding the gender divide: Equality in the Australian Workplace**CEDA, 1 July 2009****Juliet Bourke, Partner Aequus Partners**

Abstract: *In this speech to the Committee for Economic Development of Australia on 1 July 2009, Juliet Bourke (Partner, Aequus Partners) discusses stagnation in women's progress towards equitable representation at senior levels. She questions whether there is any change capacity left to be squeezed from traditional remedial initiatives (eg building women's capabilities and confidence), and argues that much greater attention must be given to underlying default position and job design if significant change is to be generated.*

Thank you to the Committee for Economic Development of Australia (CEDA) for hosting this event, for keeping gender on the agenda, and to the National Centre for Economic and Social Modelling (NATSEM) for its very helpful reminder about where we are on gender equity¹, where we've come from – and what's left to achieve.

Today I want to focus my remarks on one aspect of NATSEM's 2009 report "She works hard for the money", namely the data on women in leadership – and how we can make a difference to the current state of play.

WHY is less relevant today than HOW

I'm not going to start by spending time arguing about the "who cares" side of such a topic – ie to argue WHY the under-representation of women at the top is important – it is enough for me that women are 51% of the talent pool and 45% of the labour market. And frankly I am uneasy going down a path that is littered with arguments that women bring a "value add" (ie by suggesting women have special capabilities and experiences), because history shows that it is far too easy for that argument to backfire. By way of example, evidence given at a 1903 Royal Commission suggested that women were, by nature, more sensitive or delicate than men (a more recent version of this idea is that women are more intuitive or collaborative). Beguilingly this might seem a positive, but in 1903 women's special qualities were then said to render women unsuitable for the "drive of factory life or almost any public life, where women are obliged to go day after day and work a certain number of hours (it) tells against their nervous and physical constitution". So I'm nervous about the starting point for any discussion about women in leadership having to support itself with a detailed discussion of the "why".

¹ In April 2009 NATSEM published "She works hard for the money: Australian women and the gender divide" www.amp.com.au and the CEDA event on 1 July 2009 provided a forum for discussion about this report.

In any event I am fortified in my view that the “why” is less important (perhaps even passé?) than the “how” things can change by my experience at the Australian 2020 Summit². In the Economic Stream, recognition of the direct connection between unleashing human capital and economic outcomes was evident from Day One. I had expected the participants to be talking about infrastructure, policy and regulation – and indeed we did. However, when the consultants³ checked in to see if they had missed anything when framing the “economic big picture” and carving us up into smaller groups, 25% of the 100 participants spontaneously nominated “human talent” as a critical focus point that had to be discussed in the Economic Stream. In sum, leaders get the human angle of economic performance.

So it’s enough for me to say that women should be represented at senior levels because they *are* talent, and business’ failure to do so means that it is not mining the talent depths.

What do the data show?

I had thought we were tracking in the right direction, but was jolted out of my complacency when the Equal Opportunity for Women in the Workplace Agency 2008 Census on women executives and on boards was released last year (and those data are referred to in the NATSEM “She works hard for the money” report we are discussing today). Those data showed stasis or a decrease over time in the percentage of women as ASX200 Chairs, CEOs, Board Directors and Executive Managers.

	2004	2006	2008	Change
ASX200 Chairs	1%	2%	2%	No change between 2006 to 2008
ASX200 CEOs	3%	3%	2%	Reduction between 2004 and 2008
ASX200 Board Directors	8.2%	8.7%	8.3%	No significant change between 2004 and 2008
ASX200 Executive Managers (total)	11.4%	12%	10.7%	Reduction between 2004 and 2008

Table 1: Trend data on the profile of women according to the 2004, 2006 and 2008 EOWA Census⁴

² In April 2008 the newly elected Australian Government hosted a two-day “2020 Summit” of 1000 leading Australians to develop ideas for national agenda on ten “core challenges” (eg the environment, health and the economy). The 1000 participants were divided into groups (or “Streams”) of 100 according to their expertise and the ten “challenges”: www.australia2020.gov.au/.

³ Prior to the 2020 Summit, management consultants prepared an agenda for discussion in each of the ten Streams.

⁴ www.eowa.gov.au

Critically, women now comprise 5.9% of line executive positions, which is a decrease from the position in 2006 and 2004. The import of this is that women are now more under-represented in profit and loss roles than previously, and it could not be said that the 2004 baseline was sufficiently high to absorb this reduction.

How can the data be explained?

My first question was – *is this just about us? Is Australia doing something particularly problematic?* And it appears not, we are in fact part of a more general Western trend. Executive and Census data from NZ, the US and UK all show the same thing, namely the pace of change has stalled. In NZ 8.65% of top 100 Boards include women, 12% of the 100 FTSE in the UK, in Europe 9.7% of the top 300 and 15% in the US Fortune 500. How can that be when gender has been the subject of public policy, as well as public and private strategy since the 1960s and 1970s? That's 40 years of considered attention.

My second question was – *have we taken our eye off the ball and stopped addressing gender inequity? Or is there something that we've missed?* Pausing to reflect on what we have done and why, I realised that our history of gender equity activity shows that we have bought into three main ideas:

- (i) *Time – which connotes a strategy of patience.* This idea suggested that as naturally as night follows day, women will find themselves equally represented in education and careers once formal barriers have been removed. As one academic argued “*successive generations of women have higher levels of qualifications, and women with more education tend to have higher labour-force participation rates than other women, this alone could increase the level of labour-force activity of women in the future, provided that jobs are available*”. It sounded like a smart strategy, and certainly led to a lot of formal barriers being knocked down, like women studying areas of their choice and staying at work after marriage. But it has become patently clear that this hope has not proved true. In the 1980s and 90s, the search was on to look for another explanation. Perhaps women themselves were not up to the job? Or didn't know the right people to get ahead?
- (ii) *This women-centric perspective led to a spate of activity to increase women's capabilities, networks and confidence,* for example mentoring for women, professional networking organisations and career development programmes. Did employers buy in? It seems so – the Equal Employment Opportunity Network of Australasia⁵ (EEONA) found that by 2008 61% of the best practice organisations surveyed had employee networks, and 76% had mentoring initiatives. So if the analysis was right, and it was women who needed to be upgraded, logically those women who had participated in such programmes

⁵ 2008 Australasian Diversity and Equality Survey: www.eeona.org

when in middle management in the late 1990s (and there were many) should now be in senior leadership roles. But they are not. What next? My read of mood is that the pendulum swung back again – from external conditions, to women themselves, back to external conditions when we started to hear a “market forces” explanation.

(iii) Conceptualised as the *demand argument* – *it was suggested that favourable economic conditions (eg low unemployment and critical talent shortages) will create demand for all talent* – any talent – including women. This argument was clearly articulated by the then Prime Minister John Howard in his 2005 “Workforce Tomorrow” strategy and by the mining industry in its 2008 report “Unearthing New Resources”. Such communication strategies tapped into a cresting wave of interest in women as an untapped resource – eg demonstrated by the increasing labour force participation rates of mature age women (up 28 percentage points between 1985 and 2005) – and the adoption of flexible work practices as a re-entry strategy post maternity leave. Nevertheless, “demand” did not help crack the glass ceiling and indeed it was during this period of high demand that EOWA reported a slip backwards for senior women.

Were these three main ideas fallacious? No, I don't think so. Each one generated activities which were necessary but not sufficient. We could perhaps squeeze a bit more from the mentoring and networking angles – and indeed that seems to be a strategy with currency at Board level – but eventually we will have fully mined that vein and little more will have really changed.

The default position

I think that they have exposed the elephant in the room. We missed the default position. Leadership is the crucible and the numbers at the top demonstrate the true effect of some underlying conditions. In making these next remarks I know I will be treading on some toes. And I don't suggest that I have the definitive answer to the gender equity puzzle, or that there is a silver bullet, but what I want to do is be part of a new debate about next steps.

Let me say at the outset, to me the default position of inequity is not to lay the blame at men's feet. I do not subscribe to the view that all (or most) men are “bastards” or “sexist pigs” as I recently heard articulated at a forum of very senior women. I find that attitude in itself distasteful, unhelpful and inaccurate. Indeed the NATSEM Report demonstrates a greater sharing of “care” by men and women – particularly for women and men working full-time with dependents (for this group women spend on average 78 hours per week in paid and unpaid work, and men 74 hours). And that should be applauded.

The default position to appoint men to senior roles is driven by a range of cultural and structural factors. A hint about these underlying factors comes from the underlying gap in the gender rate of employment of 19% (in comparison to Finland, Sweden and Norway of 6 – to 7%). Let's be blunt, this means that fewer women than men work. I think that reflects a continuing cultural value in which it's more OK for women to not do paid work, but that is certainly not the case for men. And this leads to (some) women feeling like they have a choice about working or not. I'm not forgetting that for many women working is a financial necessity, not a choice. Rather, I am trying to identify some cultural values that play out at the senior level. Those values come to a crunch point when women look at the glass ceiling and see that is home to jobs which are "big" – and which just seem to get bigger. It's a given that such jobs involve long hours and high pressure, but they seem to have morphed into what Sylvia Ann Hewlitt now calls "extreme jobs", ie regularly working 60-80 hours a week, 24/7 client demands, P&L responsibilities and travel. Our own research of senior executives in construction, aviation, IT, financial and legal sectors found that the unpredictability of these roles, plus the constant (including out of hours) networking were also problematic aspects of their roles.

The outcome? Hewlitt's US based research showed that 21% of US executives have extreme jobs (using her definition) and if the sample was executives in global corporations, it would be 45% in extreme jobs. In terms of gender, only 20% of these jobs are held by women, and for much shorter periods (80% of women say that they will do the job for 12 months, 58% for men). Why? And this is where the culture of choice kicks back in. Extreme jobs are built around a concept of work centrism – notwithstanding evidence from the US that a dual centric approach – enabling executives to combine work and family/life is good for personal well-being and organisational outcomes (eg resilience). And for women who have combined work and family in lots of different ways up the career ladder, these big jobs just don't allow enough room for movement. When we also add in the impact of pay inequity, negative stereotyping and a baseline which measures women against a norm of an unbroken career – these all push towards the default position. So that when a pointy end decision has to be made about combining an executive role with caring/having a life – especially in a dual career household – it is more culturally acceptable for women to bow out. Women are ambitious, but perhaps not at all costs, whereas as one client told me last week "Men will stay until retirement".

Taking a more helicopter perspective, a fantastic US study of lawyers' career aspirations and experiences - which tracked graduates in the cohorts 1970-79, 1980-89 and 1990-99 from the top law schools - conceptualised the career path of men and women as "parallel beginnings", "divergent paths" and a "leaky pipeline". If we are thinking about how to increase the numbers of women in senior positions we

have to also thinking about how to plug those leaks. The EOWA data shows us that 45.5% of managerial and professional positions are held by women – ie there are women waiting in the wings. Will it be different for them? It could be.

Next steps: Job design and creating accountability

My suggestion for next steps is to address some of those underlying issues like job design, but also to help leaders not slip into talent spotting based on me-tooism (ie to recognise talent that may come in a slightly different shaped box). A critical strategy to achieve these outcomes is creating accountability for diversity related decisions, as well as acknowledgment and rewards. This is the key pressure point, but unfortunately the 2008 Australasian Diversity and Equality Survey shows us that even in best practice organisations only 30% of organisations hold managers accountable for diversity outcomes per se, only 23% link a manager's progress or promotion to diversity performance, and 19% link pay.

Can it be done? Yes, but it takes time and concerted energy. Freehills provides a great case study. With a starting point of 16% of women partners in 2005, just 4 years later women now comprise approximately 21% -and that is clearly counter to the EOWA data showing an overall decline at this level. How did they do it? Key components of Freehills' gender retention/satisfaction strategy (after getting the leadership on board) were job design and creating accountabilities for leaders. The job design aspect included creating part-time leadership roles (25% of women partners now work part-time) as well as alternative career paths (namely the creation of "executive counsel" roles for adjunct leaders - ie people who are of partnership quality, but don't wish to pursue that right now). And in Freehills' first round of executive counsel appointments today, 6 of the 8 are women. In terms of creating accountabilities, the strategy of making partners (and some senior associates) accountable for their gender focussed succession planning activities generated a critical shift from the gender strategy being owned by the leadership of the firm (and project team) to one which is spread throughout the business. Via people leadership scores, partners were made accountable for negative outcomes (eg attrition) and positive behaviours (eg mentoring), and these scores fed into remuneration levels.

Drawing this all together, I think the EOWA data on women in leadership was a wake-up call. Clearly doing more of the same is not going to help us crack the glass ceiling. When I asked a CEO this weekend for his views on the topic, and in particular what would make a difference, he just shook his head and candidly said "I don't know". So it's up to us to do the thought leadership. I have suggested two ideas - job design and creating accountabilities – the rest is up to you.

