



Australian executives still don't believe there is an equal opportunity for women to be selected for leadership positions. Companies can take three measures to close the gap—and create a stronger talent pipeline.

Level the playing field: A call for action on gender parity in Australia

By Jayne Hrdlicka, Dale Cottrell and Melanie Sanders

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Australian executives still don't believe there is an equal opportunity for women to be selected for leadership positions. Companies can take three measures to close the gap—and create a stronger talent pipeline.

A “woman executive” is a rare sight in corporate Australia. According to government figures, women represent 45 percent of the workforce, but account for only 11 percent of executive managers in the private sector, 10 percent of board members and just 2 percent of ASX200 board chairpersons.¹ What makes these numbers even more puzzling is that the vast majority of people—male and female, alike—say they're convinced of the benefits of equal opportunity in the workplace.

How can most people want something that just doesn't happen? This lopsided outcome isn't due to a lack of able, ambitious women. Nor is it a result of government inattention; the Equal Opportunity for Women in the Workplace Agency (EOWA) requires companies to track and develop actions to address gender parity. But whatever the root causes of this mystery—from unintended cultural bias to simple inertia—one thing is clear: Promoting more talented women into senior roles isn't high enough on management's strategic agenda. Although it's discussed in most sectors, it appears to be more talk than action and outcomes.

The evidence: When asked whether women have equal opportunities to be promoted to senior management or executive positions, only about 20 percent of women agreed, along with more than 50 percent of the men. These results are part of a recent Bain & Company study of Australian attitudes about workplace

gender parity. Nearly 65 percent of both men and women see no evidence that their company has made gender parity a visible priority, while 70 percent of both sexes believe that their company has not committed meaningful resources to gender initiatives.

To understand the female talent void at corporate Australia's upper levels, Bain surveyed more than 1,200 members of the Australian business community. The majority were women, but results included responses from more than 200 men. The survey covered senior executives to entry-level employees across a wide range of industries. It confirmed some suspicions, generated a few surprises and busted at least one major myth.

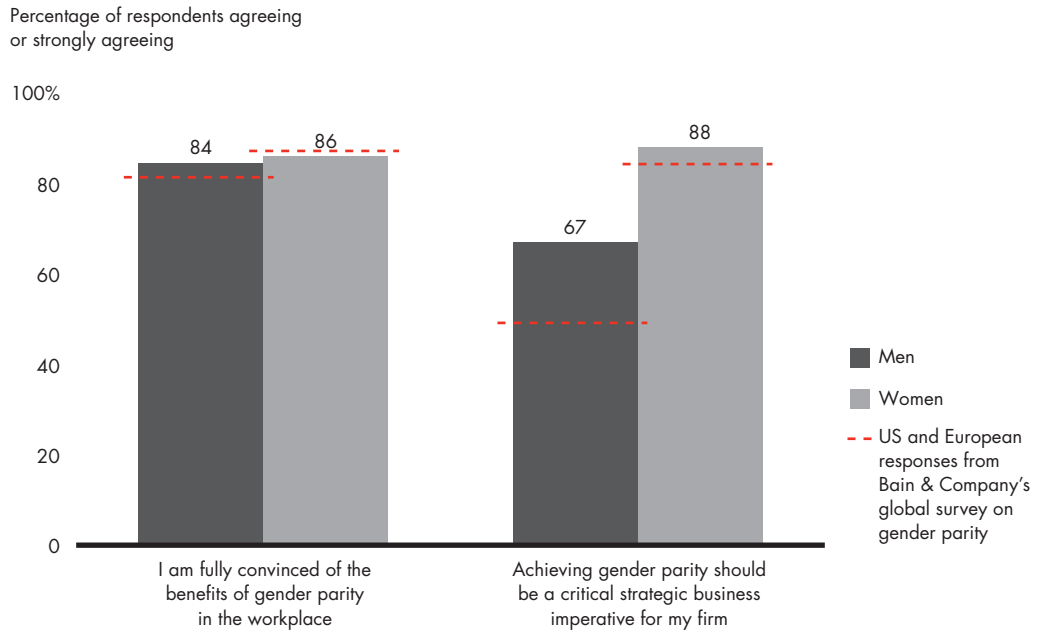
As one would expect, 88 percent of female respondents believe that gender equality should be a strategic business imperative. However, only 67 percent of Australian men sampled agree. Still, Australian men are greater proponents of gender parity than North American and European men by a factor of 1.4 times, when compared with a global Bain & Company survey released in January 2010² (see Figure 1). One shattered stereotype was the idea that women don't desire a top job as much as men. Not so: The numbers of Australian men and women in our survey who had aspirations of becoming company leaders were within a few points of each other.

In other words, despite women's aspirations for senior leadership positions, there has been no real progress. Indeed, the low statistics haven't materially changed in more than a decade.³ And few Australian women believe their lot is improving. Roughly a third said they were more optimistic about progress than a year ago compared with 60 percent of men. Summarising for many, one woman wrote, “I think there is a lot of hype about gender equality at a senior level, but I think that the reality...is very different and the ability to provide equal pay for equal roles is limited.” (A continuing male-female salary

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9 in 10 women (and 7 in 10 men) believe gender parity should be a strategic priority.

Figure 1: Australian men are more likely to believe that parity should be a business imperative compared with US and European men



Note: Scale of 1–5 (“Strongly disagree” to “Strongly agree”) Source: Bain & Company survey (n = 1,203)

gap is something separately confirmed by a recent EOWA report.⁴)

Women’s scepticism was linked to a lack of progress on several fronts. Partly, it stemmed from having too few flexible options to bring women back into the workforce after having children. And once back at work, women say there are not enough creative ways to allow them to balance family and work responsibilities. Though men and women equally say they’re willing to make career sacrifices to support their spouse or raise a family, women are still much more likely to do so. Indeed, while some 76 percent of male respondents said they have spouses who would make sacrifices for them, only 48 percent of women felt similarly.

How genuinely important is gender parity to top management? Some 59 percent of men believe their business leaders take it seriously, but only 35 percent of women say the same. Wrote one: “At our firm, we have program-

matic excellence: best-in-class programs, practices and policies. But the reality is there is barely disguised disinterest at the senior leadership team level. There are no consequences, financial or otherwise, for poor performance in gender parity.”

Actually, there *are* consequences, serious ones. It begins with the wasted cost of continually hiring, training and developing talented women who ultimately leave the company. Which begs the question, if talent has no gender label, why do companies continue to unintentionally constrain the careers of their female employees? As the global economy picks up, executive teams will need to focus more on finding and keeping top performers—men and women—as a vital means for achieving competitive advantage. Beyond accessing a wider talent pool, gender parity acknowledges that businesses with greater diversity do far better financially because they more effectively meet the needs of an increasingly diverse customer base.

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In fact, according to one study of Fortune 500 companies, those with the highest representation of women in corporate officer positions had 35 percent higher financial performance than companies with the lowest representation of women in key posts.⁵ Further, according to the organisation Women's Network Australia, women make or influence 80 percent of all purchasing decisions.⁶ Women-friendly businesses also retain today's most creative and talented young employees of both sexes, who expect their employers to be leaders in social change.

In our view three major inhibitors block the way: not enough visible, committed leadership; unintended cultural barriers; and underinvestment in sustained change management.

I. The need to show a real commitment

Australian men may be nearly as convinced of the benefits of gender parity as women. But, when asked if gender parity needed to be a specific goal for *their* organisation, 88 percent of the women responded yes, while just 67 percent of men agreed.

One male executive needing no convincing is David Thodey, CEO of telecom giant Telstra. Thodey, who is also chair of the Telstra Diversity Council, puts the case this way: "Having a diverse and talented team of people throughout Telstra is fundamental to our success. Diversity of ideas, gender, background, culture and age provides balance and generates innovation."

As the company's website proclaims, "Our women are being challenged to step up and take control of their own development and career success" through a targeted mentoring program. The self-paced module explores such advancement issues as "personal brand," visibility, career planning, negotiation and work-life flexibility. This year Telstra became the first Australian company to win the Catalyst Award, an annual international award for

initiatives that support and advance women in business.

Among the reasons Telstra won: Over the past three years the percentage of women in management roles at Telstra increased from 29 percent to 41 percent. Meanwhile, the proportion of corporate officers among women grew from 31 percent to 35 percent. At the top of the pyramid, the percentage of women in senior leadership positions increased from a mere 6 percent to 31 percent.⁷

Such visible CEO commitment is essential. As one woman respondent expressed it: "I believe the senior leaders are beginning to intellectually get that gender parity is not just the nice thing to do, but that it can also generate business outcomes...but we have not yet won their hearts and minds. It is frustrating, but the noise seems to be getting louder and there is hope that soon we will reach a critical tipping point."

Time will tell, but one hopeful Bain survey finding is that the higher men go in the organisation, the more convinced they become of the necessity of making gender parity a reality (see Figure 2). While constant at nearly 90 percent for all levels of female respondents, it climbs from 56 percent of junior-level male employees to 58 percent of managers to 73 percent of male executives. This suggests that male leaders are beginning to see the necessity of gender parity for the good of the organisation.

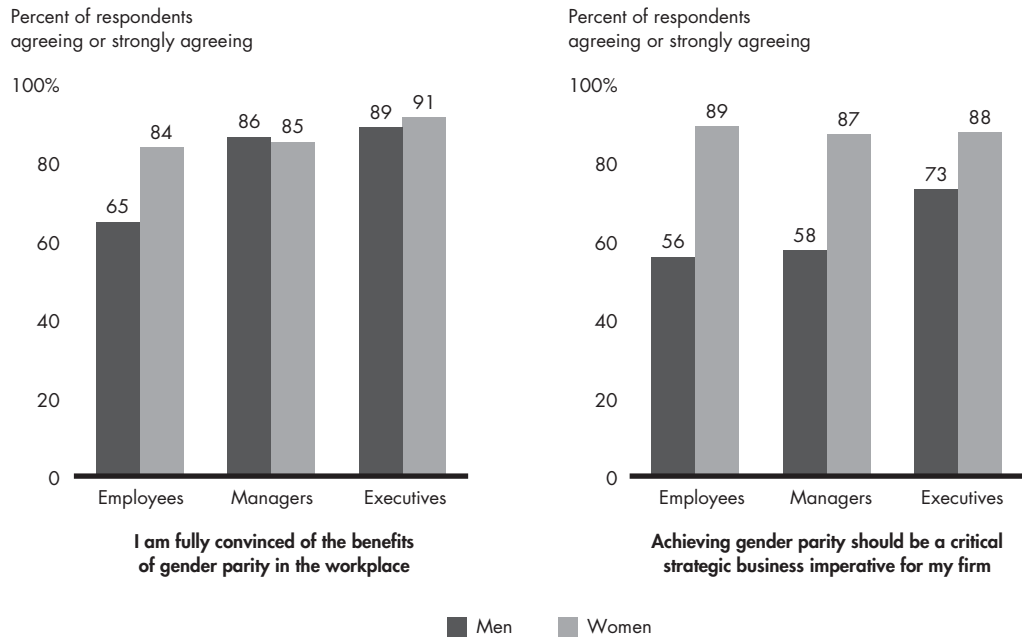
Put another way, male executives responsible for results become believers as they learn that gender parity really does deliver better corporate performance. The implication for companies: They must do a better job of educating all employees on the bottom-line importance of gender equality as part of building leaders.

II. Lowering the cultural barriers

But as we explore the heart of the mystery of why the number of women in businesses

1 in 5 women
(and 1 in 2 men) believe women have equal opportunities for promotion to senior positions.

Figure 2: Perception gap between men and women largely driven by more junior men



Note: Scale of 1–5 (“Strongly disagree” to “Strongly agree”) Source: Bain & Company survey (n = 1,203)

drops sharply at higher ranks, we see persistently polarised beliefs. Today, women see the issue in sharp focus, but men generally less so. And maybe because most executive teams are predominantly male, the relative invisibility of the issues to them has the effect of making women practically invisible in top jobs. To create a culture that truly recognises and takes advantage of the differences between men and women, male leaders need to send a clear message that gender parity matters to them. They must also halt the company behaviours that marginalise women and instil people practices that feel more like equal opportunity to employees. Based on the survey results, most companies still have a lot of work to do in these areas (see Figure 3).

In Figure 3, we asked people to respond to the following statement: “Qualified men and women at my firm have equal opportunity to be recruited, promoted on the same timeline, and appointed to key leadership or governance roles.” The answers not only diverged widely

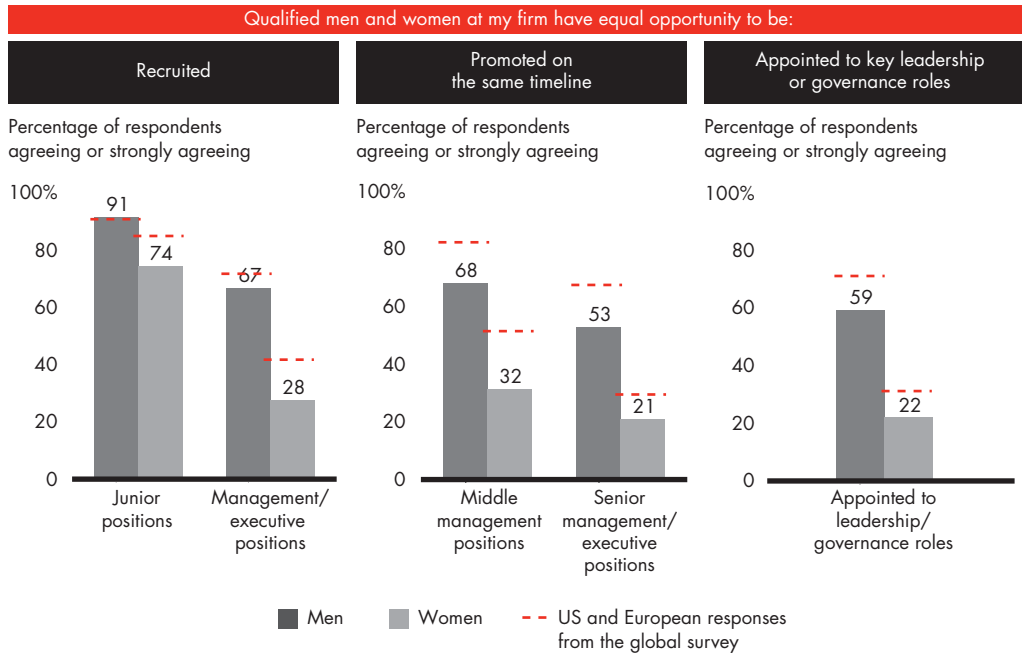
by gender, they were more pessimistic than in other parts of the world. In a nutshell, the perceptions were that the higher the title, the less likely women were to receive equal treatment in trying to achieve these positions.

Interestingly, male and female respondents were both likely to perceive a level playing field for entry-level positions. This reflects not only the reality of Australia’s employment statistics but a tacit agreement on the high quality of women’s talent and ambition. But as job titles become more senior, the perception gap widens. It was a simple question: Are senior positions mostly out of reach for women?

The survey highlights this widening gap. Just 21 percent of women surveyed believed they had equal opportunities to be promoted to senior management positions, and 53 percent of men agreed with them. Yet in career aspirations, the survey shows that Australian men and women are virtually the same in their desire for top jobs. Men and women also believe

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Figure 3: Neither women nor men feel that women have equal opportunities to be selected for senior roles



Note: Scale of 1–5 (“Strongly disagree” to “Strongly agree”)
 Source: Bain & Company survey (n = 1,203)

that either gender can be the primary income generator. However, a big variation showed up in perceptions around who can be the primary child caregiver (see Figure 4). Only 68 percent of men believe that they can be equally good as caregivers—yet 85 percent of women believed men could be equally competent caregivers.

The inference for companies is obvious. If they truly want women in senior positions, they must accept that women’s careers often take a different trajectory, primarily due to children, and then build enough flexibility into both day-to-day work and career paths to ensure women can return after childbirth, and stay. Moreover, if we are evolving to a society where men and women share primary care-giving responsibilities, then companies need to ensure that flexible work options are just as appropriate and available for men.

But lifting cultural barriers goes well beyond adopting new working models for parents. As

several ASX100 human resources executives told us in response to this survey, change must also come to individual behaviours and people processes. Obviously, no company can tolerate aggressive, hypercritical and bullying styles, or inappropriate conduct. Less understood are the ramifications of current people processes—or the “way things are done around here.” These require a thorough re-examination and a long-term commitment aimed at rooting out unintended cultural biases. The payoff is well worth it: to develop and promote high-potential women into senior positions in numbers meaningful enough to boost the bottom line. By its very nature, this sort of undertaking must be led from the top.

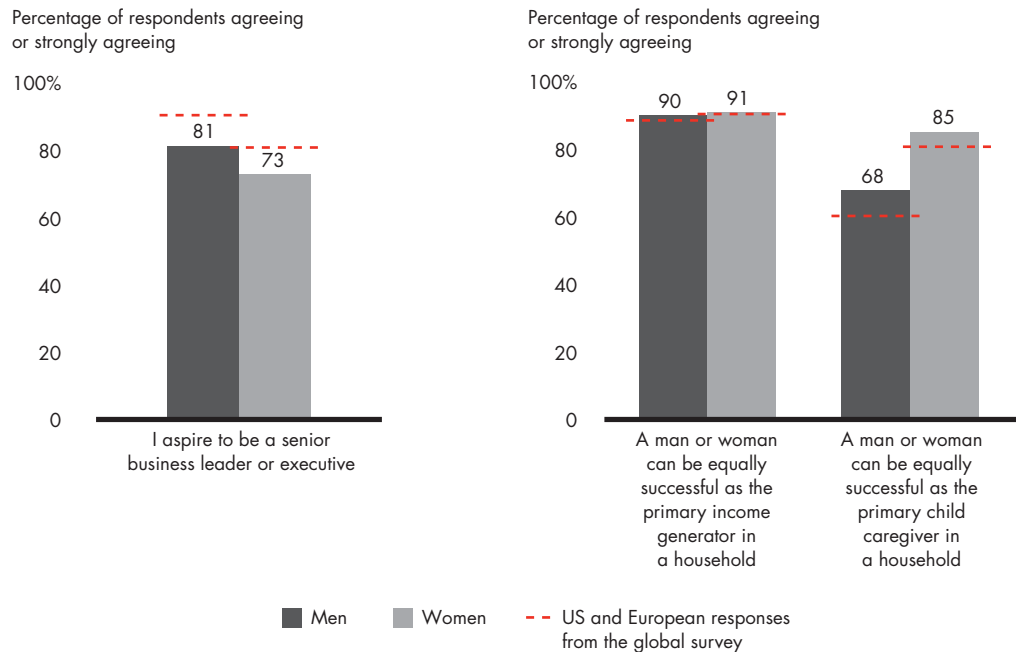
III. Persistent approach to change management

So what will it take to put Australia’s talented women in their rightful place? As with any other business opportunity requiring significant change, success requires five essentials:

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7 in 10 women (and 8 in 10 men) want to advance to senior leadership positions.

Figure 4: Women want to lead, but still struggle against the perception that they are more effective caregivers



Note: Scale of 1-5 ("Strongly disagree" to "Strongly agree")
 Source: Bain & Company survey (n = 1,203)

outstanding leadership; a fact-based diagnostic; initiatives that are realistic and achievable; adequate funding and resourcing; and the right measurements to track progress.

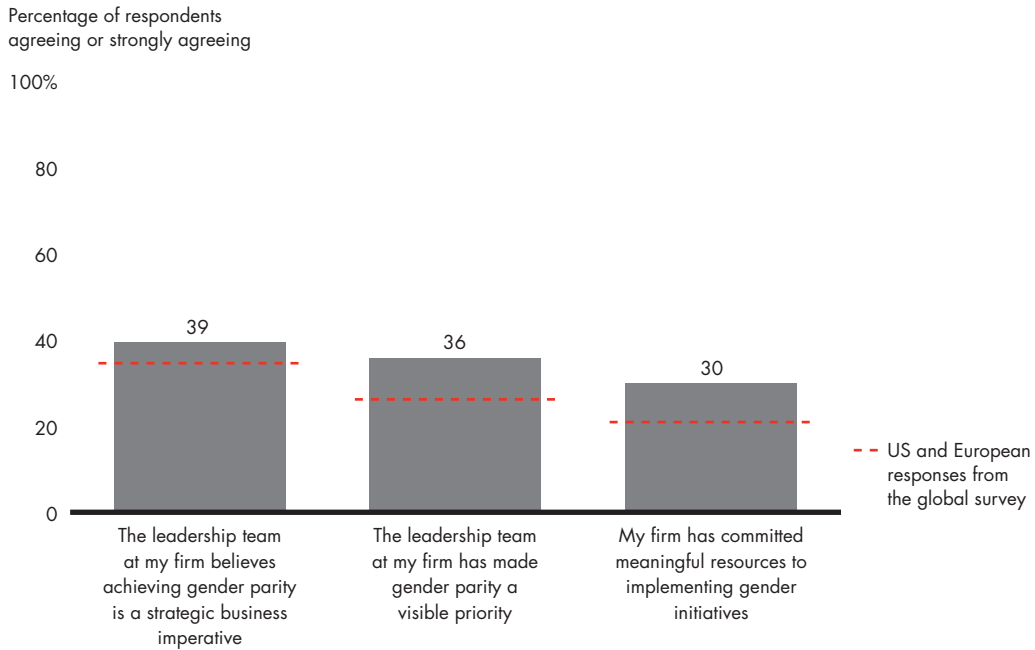
Leadership trumps everything else. As one respondent wrote, "Visible support from the CEO and the team makes diversity a key strategic priority. You must ensure that you select people from the best talent available, all of them." Less than 40 percent of respondents—male and female alike—thought that their organisation’s leadership team believes gender parity is an imperative (see Figure 5). Similarly, less than 40 percent thought their workplaces had either made it a visible priority or committed sufficient resources to achieve it. When questioned about what actions demonstrate leadership commitment, the most common response from both men and women was “appointments of women” (84 percent and 86 percent, respectively).

One action that leaders can take instantly is to make sure HR provides the names of the most talented man *and* woman for promotions and leadership roles. They can also require recruiters to include female candidates in all search responses. And, they can appoint women into highly visible special projects to improve their visibility and exposure. All send a powerful message about breaking down unintended barriers to the career development of talented women.

To fix the problem long term, leaders need to understand root causes. This means direct engagement with employees. Our respondents say that very few companies today even ask employees for feedback on gender-parity solutions (see Figure 6). Where are gender-parity intentions falling apart? Why? How? Companies need to expend effort to get the facts and understand the specific nature of the problem.

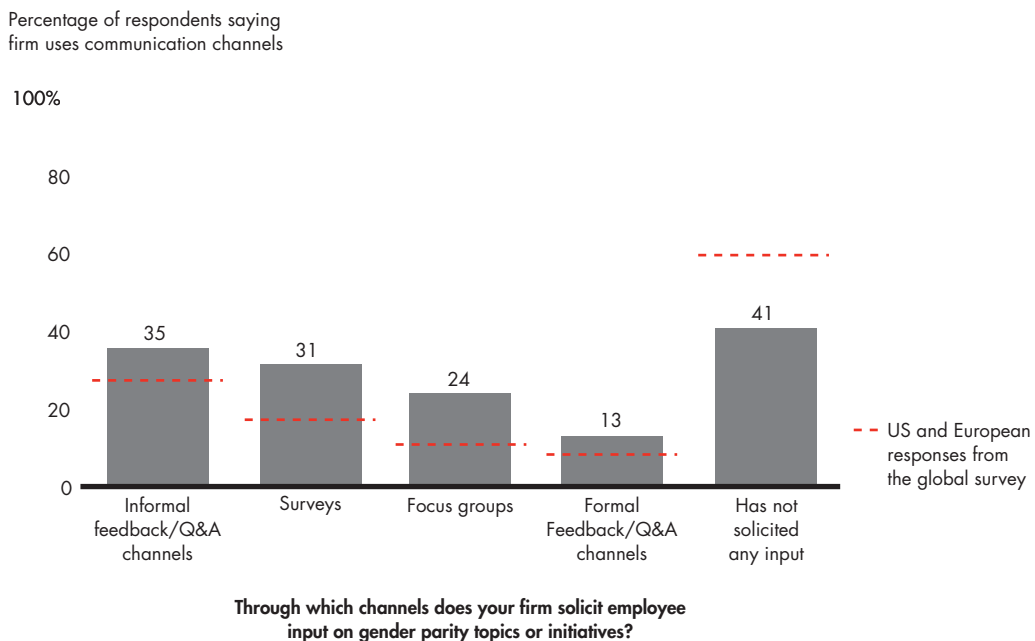
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Figure 5: Few believe the leadership in their organisation is genuinely committed to gender parity



Note: Scale of 1–5 (“Strongly disagree” to “Strongly agree”)
 Source: Bain & Company survey (n = 1,203)

Figure 6: Companies need to do a better job of asking employees about root causes of gender-parity issues



Note: Multiple choice; choose all that apply
 Source: Bain & Company survey (n = 1,203)

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1 in 3 women (and 3 in 5 men) believe their leadership takes gender parity seriously.

For instance, how can companies increase the loyalty of talented women? How can they help women navigate the changing circumstances in their lives and stay committed to their careers? The devil is in the details and it all starts with CEO commitment. Companies need to track their gender mix over time to identify problem areas and predict how the proportion of women in leadership positions might change if these were specifically addressed. For example, Chief Executive Women (CEW), an organisation of nearly 200 leaders across Australia, offers The CEO Toolkit.⁸ Many ASX companies use the diagnostic to explore appointment and recruitment decisions, organisational culture, pay equity and talent management.

The next step is to turn employee findings into meaningful metrics, targets, actions and time-specific goals. This goes well beyond tracking gender mix, or even gender mix for each management level—a head-counting exercise that 61 percent of respondents believe their company already does. Rather, companies need to delve deeply into such complex factors as the effects of pay equity on and the performance and career development of someone who is working part-time. Today, many

companies' HR systems don't even allow tracking by gender, let alone complex metrics around promotion timelines or talent identification. Meaningful change can only happen if companies measure the right things.

There is nothing new about what finally happens. Businesses already know how to run successful change-management programs. They do it all the time in make-or-break product launches. Their very success hinges on carrying out performance-driven initiatives. So the task now is to apply those same skills to gender parity—recognising that it is a vital ingredient for growth in a talent-constrained world.

Getting an organisation through these stages takes constant leadership. As Carlos Ghosn, head of the Renault-Nissan Alliance, recently told a 2010 World Economic Forum panel discussion on putting parity into practice: “We need to explain why promoting gender diversity is good for business. We need to lead by example. And we need to entrench parity in the basic processes of hiring, appraisal and succession planning.”⁹ 

¹ Australian Government, Equal Opportunity for Women in the Workplace Agency http://www.eowa.gov.au/Information_Centres/Resource_Centre/EOWA_Publications/Gender_stats_at_a_glance.pdf
Australian Institute of Company Directors <http://www.companydirectors.com.au/Media/Media+Releases/2010/Women+directors+crack+the+10+per+cent+ceiling.htm>

² Julie Coffman, Orit Gadiesh and Wendy Miller, “The great disappearing act: Gender parity up the corporate ladder,” Bain & Company, 2010

³ Sheryle Bagwell, *Women make slow progress*, April 26, 1996 http://member.afraccess.com/Viewer_mxml.html?cid=4211D1BBF9952E0BC318729727C288&iid=46877905

⁴ Australian Government, Equal Opportunity for Women in the Workplace Agency. “Pay equity is commonly defined as ‘equal remuneration for equal work of equal or comparable value’”: Across Australia, women’s average full-time weekly earnings are 17 per cent less than men’s. The cause is linked to both level variances (women, on average, hold fewer senior jobs) and rate of pay. Source: http://www.eowa.gov.au/Pay_Equity/General_Information_Stats.asp

⁵ “The Bottom Line: Connecting Corporate Performance and Gender Diversity,” Catalyst (2004) <http://www.catalyst.org/publication/82/the-bottom-line-connecting-corporate-performance-and-gender-diversity>

⁶ Women’s Network Australia, Facts About Women. <http://www.womensnetwork.com.au/page.cfm?pageCode=about>

⁷ Telstra. <http://careers.telstra.com/Why-work-here/Diversity.aspx> and <http://www.telstra.com.au/abouttelstra/media-centre/announcements/catalyst-awards-telstras-gender-diversity-initiative.xml>

⁸ Chief Executive Women, CEO Toolkit. <http://www.cew.org.au/cew-programs/ceo-kit/ceo-toolkit/>

⁹ World Economic Forum. <http://www.forumblog.org/blog/2010/01/the-gender-agenda-putting-parity-into-practice.html>

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