ReThink *The Gender Diversity Series 03*

Re-thinking Culture

How to drive gender diversity in the workplace

July 2016

"The onus is on the private sector workplaces themselves to take the lead in changing the mentalities that hold women back. We need to turn this cultural enigma on its head - we need to challenge the status quo … Only then will men and women be able to make the choices they want to make, not the choice they feel they have to make."

Michaelia Cash
Minister for Women

Contents

Foreword

Changing an organisation's culture is a slow process. Yet it is essential for gender diversity to succeed. Targets can, and should, be set to achieve gender balanced teams – but if the culture doesn't change to deliver inclusion, then the full potential will remain unrealised.

In the first of this series of whitepapers we addressed the concept of 'merit'. Exposing the fact that Australian businesses are operating under the pretence of a false meritocracy, impacting women's access to leadership roles.

Next we challenged business leaders to re-think 'return'. We demonstrated the fact that now, more than ever, diversity is a business opportunity that leaders can't afford to miss out on. And we looked at the risks associated with maintaining the status quo.

Now in this whitepaper, we lay out a road map to achieving gender diversity in the workplace. What actions need to be taken, what thought processes need to be examined, and how to affect a change in the organisation's culture – to ensure inclusion accompanies diversity.

It's amazing how many talented women can be found when remuneration hinges on it.

That's one of the easy steps. What's more difficult, is addressing the way we think. Ingrained and unconscious patterns of behaviour that we need to examine, reveal, and then eradicate. It's as simple, and as difficult as that.

Once we've succeeded however, once we've changed the way we think, we'll have changed the culture in the workplace, which will have a flow on effect across the whole of society, and that will change the world.

We need to re-think the way we do business, we need to re-think culture.

David Wakeley
Chief Executive Officer
Autopia

Julie McKay
Former Executive Director
UN Women National Committee Australia

Introduction

Business in Australia is highly dependent on the 'meritocracy': a system determining who gets to the top that is largely considered to be fair, egalitarian and objective. The problem is that it is not. If merit truly worked in Australia, we would not see the systematic exclusion and disadvantaging of women.

The narrative of the meritocracy is not borne out by the numbers: only 65.1 per cent compared to 78.3 per for men;[1] the gender pay gap is 17.9 per cent;[2] and women make up only one in five directors of ASX 200 boards.[3]

There are roughly equal numbers of women in the world as men, and they are certainly not less qualified. The only explanation, then, is that the meritocracy is flawed. The first White Paper in this series, Re-thinking Merit, makes the case for re-evaluating our blind adherence to so-called merit-based processes, and the second, Re-thinking Return, considers the risks businesses face should they fail to do so.

Those risks arise because rather than enabling the fair and egalitarian accession to success of those who most deserve it, the meritocracy fails to treat men and women as equals. This paper builds on that argument, suggesting that the failure of the meritocracy is largely due to the inherent gender biases which pervade the system.

Gender bias is not necessarily deliberately discriminatory - people can even be consciously committed to equality, and work deliberately to behave without prejudice, yet still possess unconscious biases. Nevertheless, these hidden biases create invisible barriers that continue to hold back top female talent. These include both barriers to access to workplaces, and barriers to inclusion and success within those workplaces.

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[1] Australian Bureau of Statistics, 'Gender Indicators, Australia' (Cat No. 4125.0, August 2015). [2] Australian Bureau of Statistics, 'Average Weekly Earnings, Australia' (Cat No 6302.0, May 2015). [3] Women on Boards, *Boardroom Diversity Index* (2015): 19.9% of directors of ASX01-200 companies are female.

The benefits of a truly diverse workplace accrue when employees do not have to choose between expressing their identity and being included in the team. Diversity is about human resourcing – onboarding and promoting a wide range of different individuals. Inclusion is about making sure that those diverse individuals are all valued participants in the team.

Both are critical to ensuring that a company is able to reap the rewards of diversity. Merely hiring a diverse range of employees is not enough – they must be included.

Taking a strategic approach to ensure gender diversity within an organisation enables the clear and cohesive implementation of measures aimed at achieving specific outcomes; the measurement, evaluation and review of the success of those measures; the cost-effective targeting of investment; and the enhancement of stakeholder engagement. Any measures taken to advance gender equality should therefore be targeted and be supported by other measures if they are to yield optimal results.

"Diversity is being invited to the party … inclusion is being asked to dance while you are there."

Verna Myers, Diversity Advocate and Founder of Verna Myers Consulting Group

This paper considers steps that companies can take to overcome some of these barriers, recommending specific actions and strategies that businesses can undertake to achieve diversity and inclusion. The steps proposed are suggested elements to be included within a broader strategic framework that understands the importance of achieving both diversity and inclusion, as part of a holistic approach to making the best use of the women in our workforce.

"We set out to make a meaningful and sustainable difference to the numbers of women in leadership roles and the numbers are too slow.

They're too small. We would not accept that level of progress in any other aspect of our business."

Ian Narev, Chief Executive of the Commonwealth Bank

Achieving diversity through human resourcing

There are a number of ways that human resources can be employed to help drive gender diversity in the workplace.

1 **Overcoming the problem of unconscious bias.**

Unconscious bias is the name given to the assumptions all individuals bring to their experience of the world, which affects how each person perceives their experiences. Everyone has biases – gender biases develop in children as young as four.[4]

At a cognitive level, unconscious bias is the result of an underlying 'schema' mechanism – which effectively means 'cognitive shortcut'. All individuals process information in this way in order to efficiently deal with the vast amount of sensory input we receive on a daily basis.

The information that we perceive is processed according to our pre-existing frameworks that govern what we think the world looks like and how it works. As a result, our schemas (our biases) privilege information which matches what we already think or know.

Usually, this is helpful – associating 'snake' with 'dangerous', for example, helps us avoid harm when out on a bushwalk by enabling us to react faster and more instinctively to the danger presented by the snake.

In addition, at a neurological level, humans find it far easier to deal with familiar information. We tend to gravitate towards those similar to ourselves because it is more difficult for our brains to process information about those who differ from us.[5] We are therefore unconsciously predisposed to prefer people who most closely resemble us.

Unconscious bias can be particularly dangerous in the workplace. It affects the ability of selection committees and human resourcing managers to evaluate resumes, applications and credentials, and so has a direct effect on the diversity of an organisation.

In the context of hiring, unconscious schemas and biases create a self-perpetuating cycle where the candidates who are hired and promoted are those who hiring managers expect to be hired and promoted, and who are most like the managers doing the hiring and promoting. The effect of this is that the most successful incoming candidates are those who conform to the status quo.

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[4] Carol Lynn Martin and Diane N Ruble, 'Patterns of Gender Development' (2010) 61 *Annual Review of Psychology* 353. [5] Jay J Van Bavel, Dominic J Packer and William A Cunningham, 'The Neural Substrates of In-Group Bias: A functional magnetic resonance imaging investigation' (2008) 19 *Psychological Science* 1131. Similar neurological indicators have been found with respect specifically to gender and sexism: Mina Cikara, Jennifer L Eberhardt, Susan T Fiske, 'From Agents to Objects: Sexist Attitudes and Neural Responses to Sexualised Targets' (2011) 23 *Journal of Cognitive Neuroscience* 540.

The research literature is rife with similar examples of gender bias. For example, equivalent men and women obtain different salary increases over time, even after they receive identical performance evaluations;[7] and women's perceived workplace competency falls by 35 per cent and their perceived worth drops by over $15,000 when they are considered 'forceful' or 'assertive'.[8]

One 2014 study yielded the surprising result that in large organisations, when asked to rate the technical skills based on the CV of either a 'Susan' or a 'Simon', 38 per cent of respondents considered that Susan matched the job description 'extremely well' compared to 33 per cent who rated Simon as an extremely good match. However, although Susan was generally agreed to be more technically proficient, 62 per cent of respondents agreed they would interview Simon compared to only 56 per cent who would interview Susan.[9]

Of even greater concern was the finding that this gender bias in interview was more pronounced where HR personnel were canvassed – 65 per cent of hiring managers would interview Simon but only 51 per cent would interview Susan.[10]

Another study found that evaluations of the same employment application randomly assigned either a female or male name were more likely to result in a positive outcome for male applicants. Furthermore, female applicants were consistently rated as less competent than the identical male applicant and offered lower remuneration and less mentoring.[11]

Gender differences also emerge in recommendations written for successful female and male candidates: letters written for men are longer and generally more positive than letters written for women.[12]

These examples are far from unusual, and gender biases which disadvantage women consistently emerge in a wide range of employment scenarios. However, although unconscious gender bias is pervasive, it is not necessarily malevolent, and it can come from anyone, including women.

In fact, one study found that selection committees comprised predominantly of women were more likely to overestimate the qualities of male candidates than selection committees of equal gender composition or where males comprised the majority.[13] Female dominated selection panels were 34 per cent more likely to select male candidates and 17 per cent less likely to select female candidates than male dominated panels. In short, the appointment of more women to selection committees uniformly decreased the likelihood that a female candidate would be selected.[14]

That is, sexism and sexist workplace practices can come from all people – and they can come from women as well as men. Merely appointing women to a selection panel is therefore not a proxy for diversity measures – more is needed to achieve gender diversity.

"Gender biases lead managers to view talent in predetermined ways, and make decisions based on these predetermined views."

Dr Hannah Piterman, Adjunct Associate Professor at Monash University and Director of HCPG[6]

2 Refocusing evaluation processes for hiring and promotion on diversity

Merit should be a part of the diversity conversation, not the other way around. As Re-Thinking Merit argued, businesses will be unable to maximise the value of high-performing teams if those teams are full of members who look and think the same way.

[6] Centre for Economic Development of Australia, 'Women in Leadership: Looking below the surface' (Views from the CEDA Women in Leadership series, Victoria, 2011). [7] Emilio J Castilla, 'Gender, race and meritocracy in organizational careers' (2005) 113 *American Journal of Sociology* 1479. [8] David Maxfield, Joseph Grenny and Chase McMillan, 'Emotional Inequality: Solutions for women in the workplace' (White Paper, VitalSmarts, 2015). [9] Hays and Insync Surveys, 'Gender Diversity: Why aren't we getting it right?' (White Paper, 2014). [10] Ibid. [11] Paul R Sackett, Cathy DuBois and Ann Wiggins Noe, 'Tokenism in Performance Evaluation: The Effects of Work Group Representation on Male-Female and White-Black Differences in Performance Ratings' (1991) 76 *Journal of Applied Psychology* 263. [12] Frances Trix, and Carolyn Psenka, 'Exploring the color of glass: Letters of recommendation for female and male medical faculty' (2003) 14 *Discourse & Society* 191. [13] Manuel F Bagues and Berta Esteve-Volart, 'Can Gender Parity Break the Glass Ceiling? Evidence from a Repeated Randomized Experiment' (2010) 77 *Review of Economic Studies* 1301. [14] Ibid.

Rather than hiring on an individualistic basis that prioritises the problematic metric of 'merit', diversity should be a key criterion during selection. There are three key ways to make this happen:

1. Use of bias interrupters

Human resourcing processes should be replaced with bias interrupters that are iterative and based on objective metrics.[15]

Bias interrupters are 'systems that identify bias and intervene to mitigate it'.[16] In terms of human resourcing, these are measures taken to alter any recruitment processes that enable bias to play a role in distorting the merit assessment. As such, they stop existing patterns of bias in their tracks.

Most obvious is the use of 'gender blind' recruitment processes. When selection panels are unaware of the gender of candidates, female candidates are overwhelmingly more successful. Famously, the introduction of blind auditions processes in orchestras increased the proportion of women advancing through preliminary auditions by 50 per cent, and ultimately increased the proportion of women hired by 25 per cent.[17]

Another key type of bias interrupter is the simple use of gender-neutral terms in job descriptions and performance appraisals, and the removal of irrelevant or ambiguous selection criteria or terms of negotiation.

Job advertisements (particularly in male-dominated industries) often contain gendered language that sends the message to potential applicants – of both genders – that the desired candidate is male.[18] This discourages female candidates, who self-eliminate from the recruitment pool.[19] Not only does this mean there are less women to choose from in recruitment, but research also indicates that if women represent less than a quarter of potential candidates, they are more likely to be evaluated unfavourably.[20]

Ensuring that job advertisements are termed in gender-neutral language is thus a key bias interrupter that reduces the effect of gender-based bias by ensuring that female candidates apply in the first place, and by doing so constitute the critical mass of candidates that means all the other women in the recruitment pool are taken seriously.

Reducing bias by encouraging greater numbers of women candidates can also be achieved by interrupting traditional avenues of recruitment – that is, broadening the scope of traditional recruitment sources (which are often driven by male networks) to generate more diverse application pools.

Research has also found that bias interrupters can stop the silent pattern of bias that exists when there is no clear salary indication in job advertisements. Men are more likely to successfully negotiate their salary than women, because women are more likely to suffer from 'tightrope' biases: they must successfully and aggressively negotiate their salary, but are penalised for this behaviour because society expects women to behave in a modest, self-effacing manner.[21]

However, when the term 'salary negotiable' is included in the application, both parties expect the candidate to engage in negotiation. The mere inclusion of clear 'rules of wage determination' closed the gender pay gap by 45 per cent – a clear example of a bias interrupter successfully mitigating the effects of gender-based bias.[22]

Collective testing is another bias interrupter that can be employed by HR personnel to reduce implicit gender discrimination in recruitment processes. Joint evaluation of candidates, simultaneously and comparatively rather than individually and separately, has been shown to reduce the use of cognitive shortcuts (biases) in assessing candidates. In joint evaluation scenarios, HR assessors are more likely to base their decisions on individual performance. By contrast, in separate or individual evaluation scenarios, assessment is more likely to be based on stereotypes and biases.[23]

Recommendation:

Bias interrupters enable HR managers to disturb their gender-based patterns of preference.

As such, their use is recommended so that recruiters and selection panels are best able to make the most of the entire candidate pool, rather than just the male half.

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[15] See the first paper in this series, *Re-Thinking Merit*. [16] Joan Williams, 'Hacking Tech's Diversity Problem' [2014] *Harvard Business Review* (online), <https://hbr.org/2014/10/hacking-techs-diversity-problem>. [17] Claudia Goldin and Cecilia Rouse, 'Orchestrating Impartiality: The impact of 'blind' auditions on female musicians' (2000) 90 *American Economic Review* 715. [18] Australian Human Rights Commission, 'Women in male-dominated industries' (Research Project Fact Sheet, 2012). [19] Danielle Gaucher, Justin Friesen and Aaron C Kay, 'Evidence that gendered wording in job advertisements exists and sustains gender inequality' (2011) 101 *Journal of Personality and Social Psychology* 109. [20] Madeline E Heilman and Tyler G Okimoto, 'Why are women penalized for success at male tasks? The implied community deficit' (2007) 92 *Journal of Applied Psychology* 81. [21] Joan Williams, 'Hacking Tech's Diversity Problem' [2014] *Harvard Business Review* (online), <https://hbr.org/2014/10/hacking-techs-diversity-problem>. [22] Andreas Leibbrandt and John A. List, 'Do Women Avoid Salary Negotiations? Evidence from a Large Scale Natural Field Experiment' (Working Paper No 18511, National Bureau of Economic Research, November 2012). [23] Iris Bohnet, Alexandra van Geen and Max Bazerman, 'When Performance Trumps Gender Bias: Joint Versus Separate Evaluation' (Working Paper, Harvard Business School, 2012).

2. Unconscious bias training

The good news is, although it is incredibly difficult to re-program our learned neurological and cognitive biases, it is possible to control them as long as we are aware of them.[24] Unconscious knowledge awareness assessment and unconscious bias training are the primary ways organisations are seeking to achieve this.[25]

Generally, unconscious bias training seeks to identify where unconscious biases stem from and help businesses understand the impacts of bias on organisational behaviour. Once unconscious biases held by individuals are identified, the training then equips those individuals with the tools to compensate for their bias and so minimise its effects on their decision making.

The risk here is that there are now a lot of providers who deliver a range of unconscious bias training at varying standards. Finding a reliable supplier will be critical.

Recommendation:

Unconscious bias training is recommended for all staff.

If this is not possible, at a minimum all executive staff, members of leadership teams and any staff responsible for making hiring and promotion decisions should undergo unconscious bias training.

As the evidence base currently supports a best-practice methodology where training is delivered through face-to-face workshops with follow-up review materials, this delivery method is recommended.

However, if this is not possible for all staff, online-delivery unconscious bias education or in-house use of unconscious bias training toolkits are recommended as a secondary option.

"For me unconscious bias training is a sensible starting point of the diversity and inclusion conversation. We are all, whether male or female, affected by our unconscious biases.

Without an understanding of this we cannot expect to see behavioural changes in our people.

Our work with the Centre for Ethical Leadership started this conversation and we are currently working on our next set of Inclusive Leadership training to continue it."

Dr Hannah Piterman, Marcus Laithwaite, Chief Diversity and Inclusion Officer, PwC Australia

Case Study: IBM

In her role as Diversity Recruitment Leader for IBM, Leith Mitchell introduced a pilot program ensuring that gender-neutral language was used in recruitment processes. This simple change resulted in the increase of female experienced professional hires at IBM from 23 to 33 per cent – the highest rate experienced by IBM in 50 years.

Source: Fiona Smith, 'No women, no work: Male Champions of Change CEOs tell suppliers to advance women or lose orders', *BRW* (online), 27 November 2013 <http://www.brw.com.au/p/leadership/suppliers_women_advance_order%20_male_SMogIhxyuDsDNJp0XDU3XO>.

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[24] David M Amodio, 'The neuroscience of prejudice and stereotyping' (2014) 15 *Nature Reviews Neuroscience* 670. [25] See Appendix for the details of unconscious bias training programs available in Australia.

3.   Instituting 'targets with teeth'

Only seven per cent of Australian organisations have a diversity strategy.[26] Although a greater proportion have diversity policies, only 13 per cent of organisations have actually operationalised their policies.[27]

"Targets and merit are not mutually exclusive. In fact, targets are necessary to allow women's merit to be revealed."
Elizabeth Broderick, Sex Discrimination Commissioner

It is critical that organisations put a number on how many women they need to have at different business levels, measure their progress and set clear goals to achieve those diversity outcomes. However, once the target is in place, it needs to be implemented. It is fallacious to assume that once the target is in place, diversity will grow naturally – there need to be decisive steps taken to achieve it.

"We will never make progress unless we embrace targets … because what gets measured gets managed. If you don't measure it, it doesn't get managed."
Gordon Cairns, Chairman of Origin Energy and Male Champion of Change

Even where organisations do have targets and strategies, accountability measures with incentives – both public and private rewards and penalties – decisive steps need to be taken to achieve it.

Reporting actual progress to achieve such targets remains 'idiosyncratic' and is largely voluntary in Australia.[28] However, it is crucial, as finding the solution to workplace gender inequality will, as for any complex problem, require 'clear feedback on progress, including details of the solutions tried and their effects'.[29]

"Targets set a 'light on the hill' for us to work toward … we may not achieve these goals; but if we don't, it will be obvious for all to see."
Martin Parkinson[30]

Steady public reporting on the issue will enable implementation of successful initiatives across the entire economy, meaning that each organisation addressing gender diversity does not have to reinvent the wheel. Public reporting on diversity is already yielding benefits in other jurisdictions, including Europe and the UK.[31]

Recommendation:

First, targets and progress should be publicly reported.

Publicly announcing targets for gender equality gets the ball rolling on taking action to achieve the target. It creates public accountability and functions as a sign, both internal and external, of serious intention to deal with the problem.[32]

Second, at-risk/variable remuneration for responsible executive and managerial staff should be tied to diversity targets. Research demonstrates that action is most likely to be taken when the success or failure to reach targets are tied to financial incentives.[33] It is common for bonuses to be contingent upon success in other business areas, and this successful strategy should be applied to achieving success in the diversity agenda.

[26] Workplace Gender Equality Agency, 'Australia's Gender Equality Strategy Scorecard: Key Results from the Workplace Gender Equality Agency's 2012-14 Reporting Data' (November 2014). [27] Ibid. [28] Kate Grosser and Jeremy Moon, 'Developments in company reporting on workplace gender equality?:A corporate social responsibility perspective' (2008) 32 *Accounting Forum* 179. [29] Jennifer Whelan and Robert Wood, 'Targets and Quotas for Women in Leadership' (Research Paper, Centre for Ethical Leadership, 2012). [30] Martin Parkinson, 'Treasury's Progressing Women Initiative: Fostering cultural change over the long term' (Speech delivered at the CEDA (Qld) Women in Leadership Lunch Series, Brisbane, 19 August 2012). [31] ASX, 'ASX Diversity Guidelines are Working, *Listed@ASX* (online), June 2013 <http://www.asx.com.au/education/listed-at-asx/diversity-guidelines.htm>. [32] Chief Executive Women, 'Westpac' (Case Study, 2015). [33] Jennifer Whelan and Robert Wood, 'Targets and Quotas for Women in Leadership' (Research Paper, Centre for Ethical Leadership, 2012); Claire McCarty Kilian, Dawn Hukai and C Elizabeth McCarty, 'Building Diversity in the Pipeline to Corporate Leadership' (2005) 24 *Journal of Management Development* 155.

Achieving inclusion through organisational management and culture

Merely hiring women is not enough to reap the gender dividend. If women are not fully included, organisations will continue to realise the losses associated with the opportunity cost of a homogeneous team.

Preventing these losses means maintaining concerted effort to achieve a diverse organisation including 'fully integrat[ing] women's experiences, perspectives and voices into the fabric of an organisation, [which] will not happen on its own'.[34]

The change we need is one of workplace culture, and this change needs to be led by organisations and their leaders. Organisations need to be active and accountable in driving a shift to inclusiveness, and leaders at all levels need to buy in and lead by example to ensure that diversity and inclusion policies are implemented and internalised by staff.

"The future belongs to those of us, female or male, who can adopt and embrace the feminine archetype "

John Hagel III, cofounder Deloitte Centre for the Edge, Deloitte US[35]

1 Launching gender aware workplace policies

Organisations should embark on gender aware policies to drive diversity and inclusion. Such policies include: conducting pay audits and using the data to eliminate their gender pay gaps; conducting gender aware performance reviews; and monitoring employee take up of flexible work options and networking opportunities to ensure that access is genuinely equitable.

It is critical that organisational policy is clear on diversity initiatives, for without strong organisational support, and structural change, there is little impetus for cultural change to occur – and it is cultural change that is more important, because gender inequalities are most strongly entrenched by attitudes and cultural narratives.

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[34] Greg Pellegrino, Sally D'Amato, and Anne Weisberg, 'The gender dividend: Making the case for investing in women' (White Paper, Deloitte, 2011). [35] Ibid.

Four examples of key organisational strategies to drive change are: eliminating the gender pay gap; making flexible working the norm; developing young female talent; and taking a zero-tolerance approach to covert sexism and bias.

1. Assessing and addressing the gender pay gap

The gender pay gap in Australia is 17.9 per cent.[36] At a senior executive (key management personnel) level, however, this widens to 28.9 per cent and persists at varying levels for all occupation levels.[37] In part, this disparity is due to aforementioned gender biases that not only lower the perceived women's work but penalise women who assertively negotiate their salary.

"Recognising performance and rewarding it in an equitable manner is fundamental to creating a high-performing organisation."

Steven Sewell, CEO, Federation Centres

Combating the gender pay gap requires organisations to analyse their payroll data, undertake a like-for-like pay gap analysis and take steps to mitigate the disparity based on the findings. Action on this issue is remarkably rare in Australia: three in four employers have never conducted a pay gap analysis.[38]

For those organisations that have undertaken pay equity audits, there is an almost universal reaction of surprise at the results. Once the gender pay inequities that exist in your organisation have been identified, strategic steps can be taken to address it. The Workplace Gender Equality Agency provides a range of useful tools, including a *Gender Pay Gap Calculator*[39] and a *Pay Equity Toolkit,*[40] to assist in both identifying gender pay gaps and eliminating them.

"Addressing pay equity underpins our diversity success, and understanding and addressing unconscious bias is a critical component."

Wayne Spanner, Managing Partner Norton Rose Fulbright

Dealing with the gender pay gap is essential to undermining the notion that women are less valuable than men in the workplace. As such, it is a key factor in driving a cultural change to a workplace that more fully embraces the contributions and voices of women.

Recommendation:

All organisations should conduct a thorough pay audit in order to determine where their 'bias hotspots' lie, and take strategic action to remedy any pay inequities uncovered.

2. Making workplace flexibility a real option – for women and men

The division of labour at home remains deeply gender-based. Women perform more unpaid work than men, spending over double the time performing childcare labour, and even more than that (almost 2.5x) the amount of time spent caring for a person with a disability.[41] This provides a significant practical barrier to women engaging to their fullest potential in the workplace and acts as a disincentive for them to do so.[42]

Flexible working is absolutely necessary to combat this issue, and it should not only make it easier for women to participate in both work and family responsibilities, but should allow men the opportunity to take on dual roles as well. It is critical that flexible working policies be framed in gender-neutral terms – for example, 'parental leave' rather than 'maternity leave'.[43]

A very clear and accepted flexible workplace policy is needed. However, merely making flexibility an option on paper does not mean that it will be taken up. Indeed, in some cases it is considered a career-derailer, and as a result there is an inherent reluctance of employees to take up flexible work.[44]

[36] Australian Bureau of Statistics, 'Average Weekly Earnings, Australia' (Cat No 6302.0, May 2015). [37] Workplace Gender Equality Agency, 'Gender pay gap biggest in management ranks' (Media Release, 17 February 2015). [38] Workplace Gender Equality Agency, 'CEOs call for focus on equal pay as gender reporting data exposes widespread inaction' (Media Release, 29 September 2015). [39] See also the resources made available at <http://inyourhands.org.au/improve-pay-equity/>. [40] Workplace Gender Equality Agency, 'Guide to Gender Pay Equity: Practical steps to improve pay equity between women and men in your organisation'. [41] Australian Bureau of Statistics, 'Gender Indicators, Australia' (Cat No 4125.0, August 2015). [42] Francine D Blau, Mary C Brinton and David Grusky, 'The declining significance of gender?' in Francine D Blau, Mary C Brinton and David Grusky (eds), *The declining significance of gender* (Russell Sage Foundation, 2008) 3. [43] Scott Holmes and Michael Flood, 'Genders at work: Exploring the role of workplace equality in preventing men's violence against women' (Research Series Paper, White Ribbon, 2013). [44] Chief Executive Women, 'The Treasury' (Case Study, 2015).

In addition, flexibly working employees often suffer from the perception that they are somehow 'less committed', 'less ambitious' and 'less assertive' than those who do not work flexibly – although there is little rational basis for this and anecdotal evidence suggests it is far from the case.[45]

The stigma and organisational resistance associated with flexible work needs to be addressed. A first step in doing so, employed to great success by the Australian Treasury and Telstra, is taking an 'if not, why not' policy approach to flexible work. Such a policy clearly provides that all roles may be worked flexibly unless there are business reasons why the proposed arrangements are inappropriate.[46]

"[Make flexible work] the norm – for anyone, for any reason."

Mike Smith, Chief Executive, ANZ

This approach has increased uptake of flexible working options, and goes part of the way in addressing stigma, but structural changes to ways of working are also needed to combat perceptions of flexible workers as less committed than full-time peers.

For example, moving away from individual task-oriented work structures and 'siloed' teams to coordination of teams across 'clusters' of work topics and opportunities,[47] assists in moving informal performance metrics away from 'face time' to productivity and innovation outputs. As such, it enables organisations to focus less on how long an individual is in the office and more on what that individual is contributing to the business.

Making these changes means that flexible working may become a real, destigmatised option not only for women, but also for men. Not only will this limit disparity between the genders at work, but also will help achieve pervasive cultural change that will aid achieving gender equality in domestic and caring work.

Recommendation:

Organisations should implement an 'if not, why not' policy to flexible working, regarding it as 'business as usual' rather than a concessional arrangement.

Employees and managers should be actively encouraged to arrive at individually tailored flexibility arrangements. The default policy position on flexible work should be permissive and non-discriminatory, and resources should be deployed in support of flexible work, such as making laptops available for remote working use.

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[45] Symmetra, 'The Conundrum of Workplace Flexibility' (White Paper, 2014). [46] Chief Executive Women, 'The Treasury' (Case Study, 2015). [47] Ibid.

Case Study: Telstra

In 2013, Telstra instituted a policy permitting all employees to work flexibly unless there were compelling business reasons as to why not. Managers were made responsible for figuring out the logistical arrangements of making a role on their team flexible.

Chief Executive Andy Penn called this policy one of the most significant and profound initiatives that has made a difference in achieving Telstra's diversity goals. Not only has the policy attracted more female talent, with the number of female employees increasing by 6 per cent, but it has encouraged male employees to take a more active role in their home lives, with the number of men taking paid parental leave tripling since the policy was introduced.

Source: Misa Han, 'The surprise winners of flexible work at Telstra', *The Sydney Morning Herald* (online), 26 August 2015 <http://www.smh.com.au/business/workplace-relations/the-surprise-winners-of-flexible-work-at-telstra-20150825-gj7a0v.html>.

3. Ensure professional development opportunities for young women

One serious issue affecting the advancement of women occurs when there is an ad hoc arrangement for professional development and networking opportunities. If such opportunities are handed out on a 'tap on the shoulder' basis, women are often left out of critically important career-building experiences.[48]

This can affect professional development at a wide range of levels, and can be as simple as a situation in which of two junior team members, the female is perceived as more detail-oriented and so left at the office to finalise the paperwork, while the male is perceived as more outgoing or assertive and so taken along to meet the client and in so doing benefit from an informal networking opportunity.

From an organisational perspective, this requires monitoring whether women are participating in networking and development programs (both formal and informal) and ensuring that opportunities and succession planning processes are truly gender-neutral.[49]

In order to combat the barriers faced by women in accessing development opportunities, many organisations have instituted programs targeted specifically at women. In addition, however, attention needs to be given to general opportunities that are susceptible to gender bias.

By way of example, international experience is considered a necessary prerequisite for senior leadership and executive roles in many organisations – but only one in four expatriates is female. Although women are just as interested in overseas experience as men, they are perceived as less available, less suitable and less willing to undertake overseas assignments.[50]

Female candidates are overlooked for development before selection has even begun, a problem exacerbated by the fact that there are few formal or structured selection processes. Rather, closed and informal processes are the norm, and so 'it comes down to who you know'.[51]

These informal systems tend to favour men, and addressing this issue requires organisations to develop formal and rigorous approaches to identify and select young talent who would benefit from professional development opportunities.

Recommendation:

Organisations should implement formal development programs specifically targeted at young female talent.

In addition, both formal and informal development opportunities should undergo gender audits to ensure access is not based on gender bias. Succession planning processes should similarly be examined to ensure they do not disadvantage women.

[36] Australian Bureau of Statistics, 'Average Weekly Earnings, Australia' (Cat No 6302.0, May 2015). [37] Workplace Gender Equality Agency, 'Gender pay gap biggest in management ranks' (Media Release, 17 February 2015). [38] Workplace Gender Equality Agency, 'CEOs call for focus on equal pay as gender reporting data exposes widespread inaction' (Media Release, 29 September 2015). [39] See also the resources made available at <http://inyourhands.org.au/improve-pay-equity/>. [40] Workplace Gender Equality Agency, 'Guide to Gender Pay Equity: Practical steps to improve pay equity between women and men in your organisation'. [41] Australian Bureau of Statistics, 'Gender Indicators, Australia' (Cat No 4125.0, August 2015). [42] Francine D Blau, Mary C Brinton and David Grusky, 'The declining significance of gender?' in Francine D Blau, Mary C Brinton and David Grusky (eds),*The declining significance of gender* (Russell Sage Foundation, 2008) 3. [43] Scott Holmes and Michael Flood, 'Genders at work: Exploring the role of workplace equality in preventing men's violence against women' (Research Series Paper, White Ribbon, 2013). [44] Chief Executive Women, 'The Treasury' (Case Study, 2015).

Case Study: Westpac

Westpac offers several professional development programs for women, which not only provide opportunities for women to move forward in their career, but also specifically track whether women are participating in leadership development programs to the same extent as men. For example, Making My Mark is a three month program where junior women are able to discuss their career goals and access coaching. A complementary program, Women Leading @Westpac provides career development for more senior women. Women on the Move and Women at Westpac are general programs providing women with opportunities to build networks and mentoring and sponsorship relationships.

In addition, part of its Equilibrium Initiative aiming to bring more women into leadership roles, Westpac has launched an internal professional development program for talented women. For these women, who wish to succeed in a more senior and complex role outside their current specialisation, targeted training and career support is offered to develop skills for them to do so, as well as access to both formal and informal female networks. This is part of their strategy to achieving 50 per cent female leadership across the entire company by 2017.

Sources: Chief Executive Women, '*The Treasury*' (Case Study, 2015); Westpac Group, 'Westpac celebrates International Women's Day with launch of the Equilibrium Program' (Media Release, 6 March 2015).

4. Eliminate covert as well as overt sexism in order to achieve workplace inclusiveness

Australian organisations almost universally have stringent anti-bullying and harassment policies, and strict penalties for sex- and gender-based discrimination. However, cultural attitudes that create non-inclusive workplaces continue to permeate workplace behaviours in more subtle ways.

Jokes and comments that imply an inferior social role for women are pervasive, particularly in male-dominated workplaces. These behaviours – although small on their own – form 'systems and patterns in collective behaviours' that together subtly exclude women and other minority groups.[52]

Rudeness and other low-intensity negative behaviours marginalise women, infect the entire office and ensure that female employees cannot work at an optimal level. In addition, these behaviours are 'contagious'.[53] They spread through the workplace, creating hostility, loss of collaboration and productivity, and fostering negative 'office politics'.

The long-term, insidious impacts of these sorts of behaviours are far more serious than most participants to the behaviour expect.[54] Casually sexist remarks and jokes are unacceptable, not merely because they are problematic from a moral or values perspective, but because they spread throughout a workplace and limit its productivity.

For change to occur there must be organisational support for a zero-tolerance policy on low-level sexism. This should be accompanied by clear avenues for women and men to call out behaviour that is sexist, discriminatory or otherwise not inclusive, without fear of being penalised, either formally or informally, for doing so.[55]

A 'no-just-joking' policy expects that anyone experiencing or witnessing such behaviour points it out, and there is opportunity to make complaints and escalate such issues up the management tree if such behaviours continue.[56] This extends not only to behaviour that denigrates women, but any behaviours that denigrate any individual, or group, particularly homophobic behaviours.[57]

There are services available to determine how your organisation compares as an inclusive workplace. These include the free Gender Diversity Kit provided by Chief Executive Women for self-assessment of organisational diversity,[58] the Centre for Ethical Leadership's Diversity Scan program,[59] and a wide variety of similar diversity consulting services provided by organisations such as those included in the table dealing with unconscious bias services.

Recommendation:

Organisations should 'diagnose' their workplace inclusiveness.

This should be used as the starting point in developing a strategic approach to ensuring that workplace policies do not subtly disadvantage or alienate women, but rather includes them and values their contributions. All organisations should implement a zero-tolerance, 'no-just-joking' policy to harassment, discrimination and sexist behaviours and comments.

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[52] Chief Executive Women, 'The Treasury' (Case Study, 2015). [53] Trevor Foulk, Andrew Woolum and Amir Erez, 'Catching Rudeness Is Like Catching a Cold: The Contagion Effects of Low-Intensity Negative Behaviors' (2015) *Journal of Applied Psychology* [epub ahead of print] <http://www.ncbi.nlm.nih.gov/pubmed/26121091>. [54] Robert Wood and Victor Sojo, 'Resilience: Women's Fit, Functioning and Growth at Work: Indicators and Predictors' (Research Paper, Centre for Ethical Leadership, 2012). [55] Ibid. [56] Ibid. [57] Scott Holmes and Michael Flood, 'Genders at work: Exploring the role of workplace equality in preventing men's violence against women' (Research Series Paper, White Ribbon, 2013). [58] The kit may be found at <http://cew.vserver.com.au/CEWtoolkit/>. [59] More information is available at <https://cel.edu.au/our-programs/diversity-inclusion/diversity-scan/>.

2 Leading from the top on diversity and inclusion

Putting in place inclusive organisational policies to support women to get to the top is not the whole story, however. Success in achieving diversity and inclusion is contingent upon the buy-in of leadership teams.[60]

Boards and senior executives need to get serious about gender equality. 44 per cent of hiring managers say that their CEO is not serious about achieving gender diversity in their organisation, and 39 per cent say their senior executives needed to be better role models of diversity and inclusion.[61]

"It's up to every leader to call out gender equality as a key priority for their organisation"

– Gail Kelly, former CEO, Westpac

It is critical that managers and executives lead the charge. If senior staff members do not feel free to uncover and be themselves, employees don't feel comfortable being their authentic selves either.[62]

By contrast, where senior staff members are authentic, they create a respectful and inclusive workplace environment through positive modelling and are better able to engage their staff. As a result, they enjoy heightened levels of trust, engagement, workplace well being and sustainable high performance.[63]

Organisations therefore need to invest in their leaders, training them to foster inclusion in their roles, and supporting them to be authentic at work.

Training gives leaders the key skills to understand and foster diversity and inclusion. Learning modules focussed on skills such as unconscious bias recognition, emotional intelligence, diversity management and intersectionality are key to helping leaders understand the ways in which they understand and are influenced by preconceived ideas and narratives about gender.

Diversity training thus empowers leaders to recognise the multiplicities of individual identities, accepting and valuing the whole self of the employee rather than boxing them in based on a defining trait, such as gender.

Training on specific policies is also important. For example, 83 per cent of managers currently report having had no training on implementing flexible working programs for their staff.[64] Without managerial training on this issue, it is incredibly difficult for any employee who would benefit from flexible work to develop a flexible working plan with their manager.

In conjunction with training and support, organisations must also communicate to their managerial staff that they expect diversity and inclusion outcomes in the same way as they expect outcomes for clients and customers, and that performance on diversity metrics is incentivised through performance review.

This is where targets with accountability measures come in. Successful incentives are dependent on well-designed metrics, which must be specific, set over a clearly defined time period and easily measurable. Once these metrics are in place, there must be clear expectations set around what is acceptable and unacceptable performance, and rewards and sanctions applied as a result.

Recommendation:

Leaders must be brought in as the key drivers and supporters of the organisational diversity and inclusion agenda.

The case for gender equality must be made from both a business and a values perspective, to encourage genuine support and top-down cultural change, be backed by up the provision of comprehensive training and support, and incentivised through rewards and sanctions that are tied to the achievement of gender diversity outcomes.

[60] Joanna Barsh and Lareina Yee, 'Unlocking the full potential of women at work' (Research Paper, McKinsey & Company, 2012). [61] Hays and Insync Surveys, 'Gender Diversity: Why aren't we getting it right?' (White Paper, 2014). [62] Kenji Yoshino and Christie Smith, 'Uncovering talent: A new model of inclusion' (Research Paper, Deloitte, 2013). [63] William L Gardner, Bruce J Avolio, Douglas R May and Fred Walumbwa, "Can you see the real me?" A self-based model of authentic leader and follower development' (2005) 16 *Leadership Quarterly* 343. [64] Symmetra, 'The Conundrum of Workplace Flexibility' (White Paper, 2014).

3 Getting rid of 'the top' altogether

A more radical approach to promoting diversity and inclusion is a complete rethink of organisational structure such that the traditional workplace hierarchy is replaced with less traditional, flatter models of organisational management.

"The truth is that this broken system of false meritocracy is bolted on to hierarchy, abetted by phony HR practices and controlled by men for men, even when it's not the optimum way of organising for the challenges a business faces."

Nigel Nicholson, Professor of Organisational Behaviour, London Business School

W H Gore, Opticon, Chapparal Steel and others have successfully experimented with flatter, lattice-like organisational structures.[65] Other companies who famously operate in more flexible, less hierarchy-focused manner include tech giants such as Google, which has been lauded for its team-based management practices.

Google's management structure is 'unorthodox', in that it is highly people-centric and far flatter than most other companies.[66] Although there is a leadership team and a management staff, the key role of managers at Google is to guide and connect, rather than monitor and control. Titles and seniority are comparatively unimportant at Google.

This fosters an 'entrepreneurial innovation' environment where every single employee is encouraged to innovate and contribute to the future of the company.[67] Diversity is an advantage, and as such is valued and included. As a result, the company is one of the world's fastest-growing, most valuable brands, and has extremely high staff satisfaction rates.

Organisational structures such as these offer far better prospects for women leaders, because they not only minimise the 'meritocracy' effect of unconscious bias and gender inequality, but value difference of thought and collaborative ways of working.[68]

As such, these structures can position the companies that utilise them as competitive powerhouses in their industries, making the best use of their talent and human capital and becoming employers of choice as they do so.

Case Study: W L Gore & Associates

Gore is a 'team-based, flat lattice organisation that fosters personal initiative', eschewing hierarchical chains of command. Associates (not employees) are guided by sponsors (not bosses) self-commit to working on projects that match their skill set. Leaders emerge naturally from these self-selecting teams by demonstrating special skill or experience that is of particular value to the project at hand.

This organisational environment prioritises freedom, autonomy, cooperation and creativity. The flexibility and high trust of W L Gore's workplace structures enables the most qualified people to lead the projects to which they are best suited, and fosters a culture of inclusivity and teamwork. It is for this reason that the company not only enjoys high productivity, engagement and financial performance, but exceptionally high associate satisfaction and retention. For this reason, W L Gore was ranked 17 on the 2015 Fortune 100 Best Companies to Work For list, and has appeared on that list every year since the list began in 1988.

Source: W L Gore & Associates, 'W L Gore & Associates Named on the 2015 Fortune 100 Best Companies to Work For List' (Media Release, 5 March 2015); Gore, *A Team-Based, Flat Lattice Organisation* (2015) Gore: Our Culture <http://www.gore.com/en_xx/aboutus/culture/index.html>.

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[65] Nigel Nicholson, 'The False Theory of Meritocracy' [2010] *Harvard Business Review* (online) <https://hbr.org/2010/06/the-false-theory-of-meritocrac>. [66] Annika Steiber, 'Google's model for innovation' in Annika Steiber, *The Google Model: Managing innovation in a changing world* (Springer, 2014) 37. [67] Alberto Savoia and Patrick Copeland, 'Entrepreneurial Innovation at Google' (2011) 44 *Computer* 56. [68] Nigel Nicholson, 'The false theory of meritocracy: Why women lose out', *The Guardian* (online) 24 June 2013, <http://www.theguardian.com/women-in-leadership/2013/jun/24/false-theory-meritocracy-women-lose>.

Conclusion

⑤

Gender diversity requires a 'hands-on' approach.[69] Australian businesses must take ownership of the issue and take real, concrete steps to achieve change. For best effect, such steps need to be part of a clear strategy that works towards a defined goal and is integrated with each organisation's holistic strategic plan.

The private sector plays a critical role in achieving equity in opportunity for men and women, and UN Women calls on companies to take action. Workplace gender equality won't happen by itself - it's time to step it up.[70]

There are already a number of best practice organisations that are benefiting from improved evaluation processes for hiring and promotion via:

1. Use of bias interrupters,
2. Unconscious bias training, and
3. Instituting targets with teeth.

There are also many modern successful organisations on a path to establishing gender aware workplace policies, including one or more of the following:

1. Assessing and addressing the gender pay gap
2. Making workplace flexibility a real option – for both women and men
3. Ensuring professional development opportunities for young women
4. Eliminating both covert and overt sexism

The business case for diversity has been set out many times, and Australian businesses have the opportunity to take full advantage of the benefits of diversity. Increased innovation, improved strategic agility and greater profitability await the organisations that are prepared to create change and embrace diversity.

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[69] Joanna Barsh and Lareina Yee, 'Unlocking the full potential of women at work' (Research Paper, McKinsey & Company, 2012). [70] UN Women, 'Women leaders call to 'step it up' for gender equality' (Media Release, 28 February 2015).

UN WOMEN
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Increased innovation, improved strategic agility and greater profitability await the organisations prepared to create change and embrace diversity.

Australian businesses have the opportunity to take full advantage of the benefits of diversity.

50 | 50 = **110**

UN Women National Committee Australia

Working to protect women's rights around the world, UN Women focuses its efforts on ensuring women's access to leadership and decision making roles, economic security and ability to live free from violence. The Australian National Committee supports this mandate through fundraising and advocacy, ensuring that women can reach their potential at work, at home and in their communities.

Autopia

Autopia is a financial services firm that specialises in novated leasing for Australian employers, and vehicle-related finance & tax solutions for everybody else. Through specialisation, consultation and technological innovation, Autopia delivers "Intelligent Car Ownership" to thousands of drivers all over the country. One of our founding values is 'Giving back', and one of the ways we do that is by supporting UN Women in its important work around Gender Diversity – a subject we're passionate about.